

**VILLAGE OF POPLAR GROVE,
ILLINOIS**

ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR ENDED
APRIL 30, 2015**

VILLAGE OF POPLAR GROVE, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

List of Principal Officials i

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT 1 - 2

MANAGEMENT'S DISCUSSION AND ANALYSIS MD&A 1 - 12

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

- Statement of Net Position 3 - 4
- Statement of Activities 5 - 6

Fund Financial Statements

- Balance Sheet – Governmental Funds 7 - 8
- Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position – Governmental Activities 9
- Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds 10 - 11
- Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities – Governmental Activities 12
- Statement of Net Position – Proprietary Fund 13
- Statement of Revenues, Expenses and Changes in Fund
Net Position – Proprietary Fund 14
- Statement of Cash Flows – Proprietary Fund 15
- Notes to the Financial Statements 16 - 38

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and Employer Contributions

- Illinois Municipal Retirement Fund 39

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

- General Fund 40
- Motor Fuel Tax – Special Revenue Fund 41

VILLAGE OF POPLAR GROVE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues – Budget and Actual – General Fund	42
Schedule of Expenditures – Budget and Actual – General Fund	43 - 45
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund	46
Capital Replacement – Capital Projects Fund	47
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Waterworks and Sewerage – Enterprise Fund	48

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
Simerl 4 Acres Note Payable of 2004	49
Simerl 11 Acres Note Payable of 2004	50
General Obligation Refunding Alternate Revenue Source Bonds of 2005B	51
General Obligation Refunding Alternate Revenue Source Bonds of 2012.....	52
Waterworks and Sewerage Revenue Refunding Bonds of 2012B.....	53
General Obligation Refunding Alternate Revenue Source Bonds of 2015.....	54
Assessed Valuations, Tax Levies, Rate and Extensions – Last Five Tax Levy Years	55

INTRODUCTORY SECTION

VILLAGE OF POPLAR GROVE, ILLINOIS

**List of Principal Officials
April 30, 2015**

John Neitzel, President

BOARD OF TRUSTEES

Don Bawden, Trustee

Jeff Goings, Trustee

Owen Costanza, Trustee

Ron Quimby, Trustee

Neeley Erickson, Trustee

Judi Zangs, Trustee

ADMINISTRATION

Diana Dykstra, Village Administrator

Martha Suhr, Village Clerk

Maria Forrest, Village Treasurer

Maureen Brzinski, Village Secretary

Yvonne Catalani, Utility Billing Clerk

FINANCIAL SECTION

This section includes:

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Other Supplementary Information**

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

August 6, 2015

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Poplar Grove, Illinois, as of and for the year ended April 30, 2015, 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 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 of 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village'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 Village'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, each major fund, and the aggregate remaining fund information of the Village of Poplar Grove, Illinois, as of April 30, 2015, 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's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on 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 opinions on the financial statements that collectively comprise the Village of Poplar Grove, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

Our discussion and analysis of the Village of Poplar Grove's financial performance provides an overview of the Village of Poplar Grove's financial activities for the fiscal year ended April 30, 2015. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. While net position of business-type activities decreased by \$429,537, or 4.9 percent, net position of the governmental activities increased by \$631,843, or 16.1 percent.
- During the year, government-wide revenues totaled \$3,327,178, while expenses totaled \$3,124,872, resulting in an increase to net position of \$202,306.
- The Village's net position totaled \$12,829,290 on April 30, 2015, which includes \$10,771,318 net investment in capital assets, \$127,784 subject to external restrictions, and \$1,930,188 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$233,784, resulting in ending fund balance of \$1,597,347, an increase of 17.1 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village of Poplar Grove as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, 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. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, culture and recreation, and transportation and public works. The business-type activities of the Village include waterworks and sewerage operations.

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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. Such information may be useful in evaluating the Village's near-term financing requirements.

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 government'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 five 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 Motor Fuel Tax Fund, the Social Security Fund, the Debt Service Fund, and the Capital Replacement Fund, all of which are considered to be major funds.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 12 of this report.

Proprietary Funds

The Village maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its waterworks and sewerage operations.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2015

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 13 - 15 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 39 - 41 of this report. The other supplementary information referred to earlier is presented immediately following the required supplementary information. Individual fund schedules can be found on pages 42 - 48 of this report.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$12,829,290.

	Governmental		Net Position Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 2,517,897	2,143,896	180,907	276,114	2,698,804	2,420,010
Capital Assets	4,544,261	4,412,985	14,526,714	15,030,778	19,070,975	19,443,763
Total Assets	7,062,158	6,556,881	14,707,621	15,306,892	21,769,779	21,863,773
Long-Term Debt	1,938,164	2,118,931	6,019,725	6,093,223	7,957,889	8,212,154
Other Liabilities/Def. Inflows	562,208	508,007	420,392	516,628	982,600	1,024,635
Total Liabilities/ Def. Inflows	2,500,372	2,626,938	6,440,117	6,609,851	8,940,489	9,236,789
Net Position						
Net Investment in						
Capital Assets	2,445,613	2,152,729	8,325,705	8,565,393	10,771,318	10,718,122
Restricted	127,784	251,374	-	-	127,784	251,374
Unrestricted	1,988,389	1,525,840	(58,201)	131,648	1,930,188	1,657,488
Total Net Position	4,561,786	3,929,943	8,267,504	8,697,041	12,829,290	12,626,984

A large portion of the Village's net position, \$10,771,318 or 84.0 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$127,784 or 1.0 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 15.0 percent, or \$1,930,188, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis
April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 204,846	82,082	1,333,405	1,317,250	1,538,251	1,399,332
Operating Grants/Contrib.	165,613	149,949	-	-	165,613	149,949
Capital Grants/Contrib.	-	-	31,881	-	31,881	-
General Revenues						
Property Taxes	246,765	242,103	-	-	246,765	242,103
Telecommunication Taxes	103,911	113,642	-	-	103,911	113,642
Electric Utility Taxes	202,219	209,529	-	-	202,219	209,529
Other Taxes	109,610	86,577	-	-	109,610	86,577
Replacement Taxes	4,737	4,527	-	-	4,737	4,527
Income Taxes	491,926	489,472	-	-	491,926	489,472
Sales Taxes	393,358	378,738	-	-	393,358	378,738
Interest Income	397	767	853	159	1,250	926
Miscellaneous	32,870	40,572	4,787	187	37,657	40,759
Total Revenues	1,956,252	1,797,958	1,370,926	1,317,596	3,327,178	3,115,554
Expenses						
General Government	694,296	696,370	-	-	694,296	696,370
Public Safety	160	840	-	-	160	840
Culture and Recreation	66,765	43,781	-	-	66,765	43,781
Transportation and Public Works	387,840	321,092	-	-	387,840	321,092
Interest on Long-Term Debt	92,021	100,823	-	-	92,021	100,823
Waterworks and Sewerage	-	-	1,883,790	1,631,155	1,883,790	1,631,155
Total Expenses	1,241,082	1,162,906	1,883,790	1,631,155	3,124,872	2,794,061
Change in Net Position Before Transfers	715,170	635,052	(512,864)	(313,559)	202,306	321,493
Transfers	(83,327)	(38,568)	83,327	38,568	-	-
Change in Net Position	631,843	596,484	(429,537)	(274,991)	202,306	321,493
Net Position-Beginning	3,929,943	3,333,459	8,697,041	8,972,032	12,626,984	12,305,491
Net Position-Ending	4,561,786	3,929,943	8,267,504	8,697,041	12,829,290	12,626,984

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by 16.1 percent (\$4,561,786 in 2015 compared to \$3,929,943 in 2014). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,988,389 at April 30, 2015.

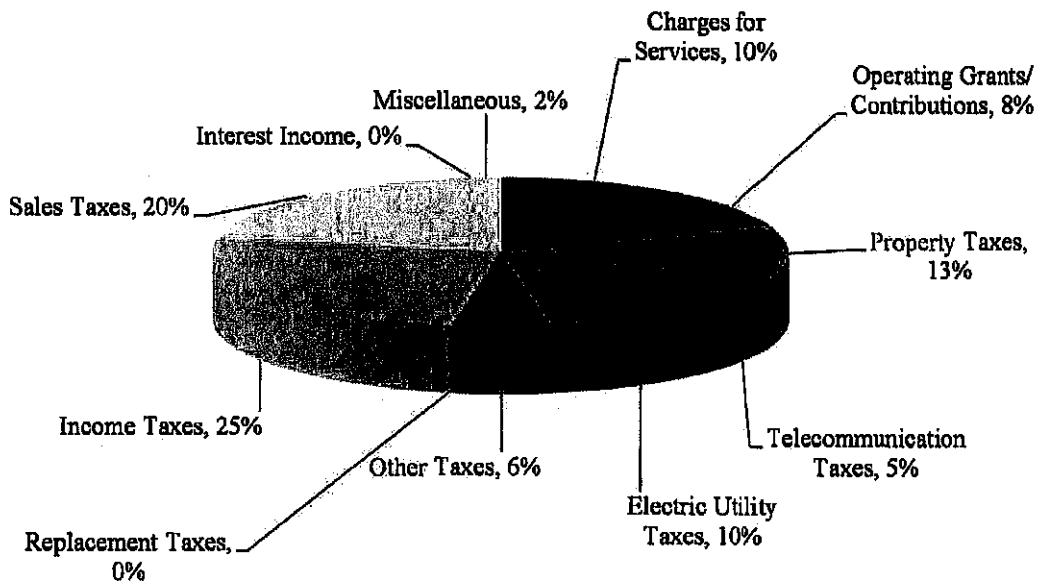
Net position of business-type activities decreased by 4.9 percent (\$8,267,504 in 2015 compared to \$8,697,041 in 2014).

Governmental Activities

Revenues for governmental activities totaled \$1,956,252, while the cost of all governmental functions totaled \$1,241,082. This results in a surplus of \$715,170 prior to transfers out of \$83,327. In 2014, revenues of \$1,797,958 exceeded expenses of \$1,162,906, resulting in a surplus of \$635,052 prior to transfers out of \$38,568. The 2015 increase is due to revenues increasing at a faster pace than the expenses and expenses coming in under budget.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of income taxes, sales taxes, and property taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from income taxes.

Revenues by Source - Governmental Activities



VILLAGE OF POPLAR GROVE, ILLINOIS

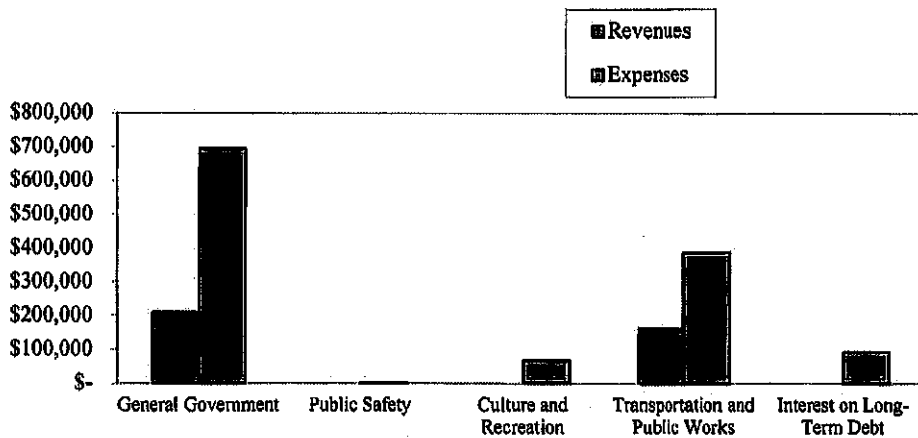
**Management's Discussion and Analysis
April 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

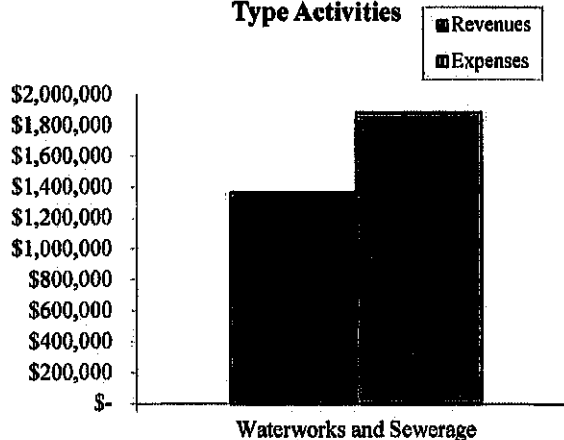
Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities posted total revenues of \$1,370,926, while the cost of all business-type activities totaled \$1,883,790. This results in a deficit of \$512,864 prior to transfers in of \$83,327. In 2014, expenses of \$1,631,155 exceed revenues of \$1,317,596, resulting in a deficit of \$313,559 prior to transfers in of \$38,568. The deficit in the current year is a result of an increase in contractual services and interest expenses.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for waterworks and sewerage operations.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$2,153,895, which is \$321,725 or 17.6 percent, higher than last year's total of \$1,832,170. Of the \$1,832,170 total, \$1,579,667, or approximately 73.3 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$233,784, an increase of 17.1 percent in fund balance from the previous year. The original budget showed a planned increase of \$50,118. However the revenues for licenses and permits came in significantly higher than budgeted. Specifically, the budgeted amount for this revenue source totaled \$47,000 and the actual amount totaled \$185,524. Expenditures for all functions in the General Fund remained within budget, except the general government function. Budgeted expenditures totaled \$1,142,435 while actual expenditures totaled \$1,041,642 without transfers. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the Village. At April 30, 2015, unassigned fund balance in the General Fund was \$1,579,667, which represents 98.9 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 156.7 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a deficit in the current year, resulting in an ending fund balance of \$123,590. This decrease was due to planned capital expenditures in the current year.

The Social Security Fund reported a surplus of \$9,990. This fund was closed during the fiscal year into the General Fund.

The Debt Service Fund stayed consistent with a fund balance of \$27,264. The Village funds debt service payments with transfers from the General Fund each year.

The Capital Replacement Fund had an increase in fund balance of \$201,500. This was a new fund in 2014 that will be used to report capital replacements for the Village and the increase is a result of transfers from the General Fund.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2015

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Waterworks and Sewerage Fund as a major proprietary fund. The Waterworks and Sewerage Fund accounts for all of the operations of the municipal water and sewer system. The Village owns and operates its own water and sewer facilities. Currently the General Fund is transferring money into the Waterworks and Sewerage Fund to balance the budget. There is a water and sewer rate ordinance in place that increases the rates by 3.0 percent a year for the life of the 2012 bond series. The rates are financing the operations of the utility system, including labor costs, supplies, maintenance, and debt payments. However, the rates are not recouping the depreciation on the water and sewer system. Prior to accounting for depreciation expense, the Waterworks and Sewerage Fund shows a surplus of \$528,988.

The Village budgets the fund at a breakeven on a cash basis. Periodically, there will be an annual surplus due to an influx of tap on fees. The deficit in the Waterworks and Sewerage Fund during the current fiscal year was \$429,537, while the previous fiscal year reported a deficit of \$274,991. The deficit in the current year is a result of an increase in contractual services and interest expenses. Unrestricted net position in the Waterworks and Sewerage Fund was a deficit of \$58,201 at April 30, 2015.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board did not pass any budget amendments in the General Fund budget for FY2015. General Fund actual revenues for the year totaled \$1,786,769, compared to budgeted revenues of \$1,600,406. As stated earlier, revenues for licenses and permits were significantly higher than budgeted.

The General Fund actual expenditures for the year were \$1,041,642, under the final budget of \$1,142,435. The General Fund also transferred a total of \$511,343 to the Social Security, Debt Service Fund, the Capital Projects Fund, and to the Waterworks and Sewerage Fund. The public safety, culture and recreation, and transportation and public works functions' actual expenditures were all within the budgeted expenditures.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2015 was \$19,443,763 (net of accumulated depreciation). This investment in capital assets includes land, buildings, park building/equipment, equipment, vehicles, streets, water/sewer utility system, and village water system.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 315,479	315,479	-	-	315,479	315,479
Construction in Progress	-	-	18,830	-	18,830	-
Buildings	932,005	964,252	-	-	932,005	964,252
Park Building/Equipment	115,677	123,624	-	-	115,677	123,624
Equipment	53,865	63,906	-	-	53,865	63,906
Vehicles	46,343	65,348	-	-	46,343	65,348
Water/Sewer Utility System	-	-	4,044,494	4,462,950	4,044,494	4,462,950
Streets	3,080,892	2,880,376	50,745	52,409	3,131,637	2,932,785
Village Water System	-	-	10,412,645	10,515,419	10,412,645	10,515,419
Total	4,544,261	4,412,985	14,526,714	15,030,778	19,070,975	19,443,763

This year's major additions included:

Construction in Progress	\$ 18,830
Equipment	7,835
Streets	289,977
Water/Sewer Utility System	35,194
Village Water System	120,925
	<u>472,761</u>

Additional information on the Village's capital assets can be found in note 3 on pages 27 - 89 of this report.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$8,208,648 as compared to \$8,737,766 the previous year, a decrease of 6.1 percent. During 2015 the Village issued \$4,285,000 in Waterworks and Sewerage Revenue Refunding Bonds to refund the General Obligation Refunding Alternate Revenue Source Bonds of 2005A, 2008 and 2008A. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Notes Payable	\$ 143,648	165,256	-	307,510	143,648	472,766
General Obligation Refunding/ Alternate Revenue Source Bonds	1,955,000	2,095,000	6,110,000	6,170,000	8,065,000	8,265,000
Total	2,098,648	2,260,256	6,110,000	6,477,510	8,208,648	8,737,766

The Village maintains an AA- rating from Standard and Poor's for general obligation debt. This rating was updated in August of 2015. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$7,040,469.

Additional information on the Village's long-term debt can be found in Note 3 on pages 29 - 34 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2016 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Poplar Grove's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Treasurer, Village of Poplar Grove, 200 Hill Street, Poplar Grove, IL 61065

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Statement of Net Position
April 30, 2015**

See Following Page

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Net Position
April 30, 2015

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 1,782,982	-	1,782,982
Receivables - Net of Allowances			
Property Taxes	251,971	-	251,971
Other Taxes	169,488	-	169,488
Accounts	3,438	348,027	351,465
Internal Balances	292,338	(292,338)	-
Prepays	17,680	3,378	21,058
Total Current Assets	2,517,897	59,067	2,576,964
Noncurrent Assets			
Capital Assets			
Nondepreciable	315,479	18,830	334,309
Depreciable	5,686,631	21,056,664	26,743,295
Accumulated Depreciation	(1,457,849)	(6,548,780)	(8,006,629)
Total Capital Assets	4,544,261	14,526,714	19,070,975
Other Assets			
Unamortized Refunding Loss	-	121,840	121,840
Total Noncurrent Assets	4,544,261	14,648,554	19,192,815
Total Assets	7,062,158	14,707,621	21,769,779

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 74,190	63,772	137,962
Accrued Payroll	10,383	3,492	13,875
Deposits Payable	-	17,098	17,098
Accrued Interest	32,594	30,561	63,155
Other Payables	27,458	-	27,458
Current Portion Long-Term Debt	165,612	305,469	471,081
Total Current Liabilities	310,237	420,392	730,629
Noncurrent Liabilities			
Compensated Absences	4,102	1,876	5,978
Notes Payable	124,062	-	124,062
General Obligation Refunding/ARS			
Bonds Payable - Net	1,810,000	6,017,849	7,827,849
Total Noncurrent Liabilities	1,938,164	6,019,725	7,957,889
Total Liabilities	2,248,401	6,440,117	8,688,518
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	251,971	-	251,971
Total Liabilities and Deferred Inflows of Resources	2,500,372	6,440,117	8,940,489
NET POSITION			
Net Investment in Capital Assets	2,445,613	8,325,705	10,771,318
Restricted - Streets	127,784	-	127,784
Unrestricted (Deficit)	1,988,389	(58,201)	1,930,188
Total Net Position	4,561,786	8,267,504	12,829,290

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 694,296	204,846	4,532	-
Public Safety	160	-	-	-
Culture and Recreation	66,765	-	-	-
Transportation and Public Works	387,840	-	161,081	-
Interest on Long-Term Debt	92,021	-	-	-
Total Governmental Activities	1,241,082	204,846	165,613	-
Business-Type Activities				
Waterworks and Sewerage	1,883,790	1,333,405	-	31,881
Total Primary Government	3,124,872	1,538,251	165,613	31,881

- General Revenues
- Taxes
- Property Taxes
- Telecommunication Taxes
- Electric Utility Taxes
- Other Taxes
- Intergovernmental - Unrestricted
- Replacement Taxes
- State Income Taxes
- Sales Taxes
- Interest Income
- Miscellaneous
- Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense)/Revenue		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(484,918)	-	(484,918)
(160)	-	(160)
(66,765)	-	(66,765)
(226,759)	-	(226,759)
(92,021)	-	(92,021)
(870,623)	-	(870,623)
-	(518,504)	(518,504)
(870,623)	(518,504)	(1,389,127)
246,765	-	246,765
103,911	-	103,911
202,219	-	202,219
109,610	-	109,610
4,737	-	4,737
491,926	-	491,926
393,358	-	393,358
397	853	1,250
32,870	4,787	37,657
(83,327)	83,327	-
1,502,466	88,967	1,591,433
631,843	(429,537)	202,306
3,929,943	8,697,041	12,626,984
4,561,786	8,267,504	12,829,290

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2015**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 1,238,116
Receivables - Net of Allowances	
Property Taxes	251,971
Other Taxes	157,806
Accounts	3,438
Due from Other Funds	292,338
Prepays	<u>17,680</u>
 Total Assets	 <u><u>1,961,349</u></u>
LIABILITIES	
Accounts Payable	74,190
Accrued Payroll	10,383
Other Payables	<u>27,458</u>
Total Liabilities	112,031
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>251,971</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>364,002</u></u>
FUND BALANCES	
Nonspendable	17,680
Restricted	-
Assigned	-
Unassigned	<u>1,579,667</u>
Total Fund Balances	<u><u>1,597,347</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>1,961,349</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue			Capital Projects	
Motor Fuel Tax	Social Security	Debt Service	Capital Replacement	Totals
116,102	-	27,264	401,500	1,782,982
-	-	-	-	251,971
11,682	-	-	-	169,488
-	-	-	-	3,438
-	-	-	-	292,338
-	-	-	-	17,680
<u>127,784</u>	<u>-</u>	<u>27,264</u>	<u>401,500</u>	<u>2,517,897</u>
-	-	-	-	74,190
-	-	-	-	10,383
-	-	-	-	27,458
-	-	-	-	112,031
-	-	-	-	251,971
-	-	-	-	364,002
-	-	-	-	17,680
127,784	-	27,264	-	155,048
-	-	-	401,500	401,500
-	-	-	-	1,579,667
<u>127,784</u>	<u>-</u>	<u>27,264</u>	<u>401,500</u>	<u>2,153,895</u>
<u>127,784</u>	<u>-</u>	<u>27,264</u>	<u>401,500</u>	<u>2,517,897</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

April 30, 2015

Total Governmental Fund Balances **\$ 2,153,895**

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 in the funds. 4,544,261

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences	(5,128)
Notes Payable	(143,648)
General Obligation Refunding/ARS Bonds Payable	(1,955,000)
Accrued Interest Payable	<u>(32,594)</u>

Net Position of Governmental Activities **4,561,786**

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2015**

See Following Page

VILLAGE OF POPLAR GROVE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2015**

	<u>General</u>
Revenues	
Taxes	\$ 662,505
Intergovernmental	894,553
Charges for Services	19,322
Licenses and Permits	185,524
Interest	(5)
Miscellaneous	24,870
Total Revenues	<u>1,786,769</u>
Expenditures	
Current	
General Government	626,586
Public Safety	160
Culture and Recreation	21,200
Transportation and Public Works	289,758
Capital Outlay	65,324
Debt Service	
Principal Retirement	21,608
Interest and Fiscal Charges	17,006
Total Expenditures	<u>1,041,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>745,127</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	(511,343)
	<u>(511,343)</u>
Net Change in Fund Balances	233,784
Fund Balances - Beginning	<u>1,363,563</u>
Fund Balances - Ending	<u>1,597,347</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue			Capital Projects	
Motor Fuel Tax	Social Security	Debt Service	Capital Replacement	Totals
-	-	-	-	662,505
161,081	-	-	-	1,055,634
-	-	-	-	19,322
-	-	-	-	185,524
361	-	41	-	397
-	-	-	8,000	32,870
161,442	-	41	8,000	1,956,252
-	-	-	-	626,586
-	-	-	-	160
-	-	-	-	21,200
285,032	-	-	-	574,790
-	-	-	-	65,324
-	-	140,000	-	161,608
-	-	84,526	-	101,532
285,032	-	224,526	-	1,551,200
(123,590)	-	(224,485)	8,000	405,052
-	9,990	224,526	193,500	428,016
-	-	-	-	(511,343)
-	9,990	224,526	193,500	(83,327)
(123,590)	9,990	41	201,500	321,725
251,374	(9,990)	27,223	200,000	1,832,170
127,784	-	27,264	401,500	2,153,895

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

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

For the Fiscal Year Ended April 30, 2015

Net Change in Fund Balances - Total Governmental Funds **\$ 321,725**

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	297,812
Depreciation Expense	(166,536)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Decrease to Compensated Absences Payable	7,723
Retirement of Debt	161,608

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

<u>9,511</u>

Changes in Net Position of Governmental Activities

<u><u>631,843</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities)
 April 30, 2015

	<u>Waterworks and Sewerage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ -
Receivables - Net of Allowance	348,027
Prepays	<u>3,378</u>
Total Current Assets	<u>351,405</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	18,830
Depreciable	21,056,664
Accumulated Depreciation	<u>(6,548,780)</u>
Total Capital Assets	<u>14,526,714</u>
Other Assets	
Unamortized Refunding Loss	<u>121,840</u>
Total Noncurrent Assets	<u>14,648,554</u>
Total Assets	<u>14,999,959</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	63,772
Accrued Payroll	3,492
Accrued Interest	30,561
Deposits Payable	17,098
Due to Other Funds	292,338
Current Portion of Long-Term Debt	<u>305,469</u>
Total Current Liabilities	<u>712,730</u>
Noncurrent Liabilities	
Compensated Absences	1,876
General Obligation Refunding/ARS Bonds Payable - Net	<u>6,017,849</u>
Total Noncurrent Liabilities	<u>6,019,725</u>
Total Liabilities	<u>6,732,455</u>
NET POSITION	
Net Investment in Capital Assets	8,325,705
Unrestricted (Deficit)	<u>(58,201)</u>
Total Net Position	<u>8,267,504</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund (Business-Type Activities)**

For the Fiscal Year Ended April 30, 2015

	<u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	<u>\$ 1,333,405</u>
Operating Expenses	
Operations	804,417
Depreciation and Amortization	<u>679,013</u>
Total Operating Expenses	<u>1,483,430</u>
Operating Income (Loss)	<u>(150,025)</u>
Nonoperating Revenues (Expenses)	
Interest Income	853
Miscellaneous Revenue	4,787
Interest Expense	<u>(400,360)</u>
	<u>(394,720)</u>
Income (Loss) Before Transfers and Contributions	(544,745)
Transfers In	83,327
Capital Contributions	<u>31,881</u>
Change in Net Position	(429,537)
Net Position - Beginning	<u>8,697,041</u>
Net Position - Ending	<u>8,267,504</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Cash Flows - Proprietary Fund (Business-Type Activities)
For the Fiscal Year Ended April 30, 2015

	<u>Waterworks and Sewerage</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,528,041
Payments to Employees	(60,110)
Payments to Suppliers	(744,307)
	<u>723,624</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(143,068)
Retirement of Debt	(4,640,385)
Issuance of Debt	4,376,009
Interest and Fiscal Charges	(400,360)
	<u>(807,804)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>83,327</u>
Cash Flows from Investing Activities	
Interest Received	<u>853</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u>-</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(150,025)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	679,013
Other Income	4,787
(Increase) Decrease in Current Assets	60,421
Increase (Decrease) in Current Liabilities	129,428
	<u>723,624</u>
Net Cash Provided by Operating Activities	<u>723,624</u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u>31,881</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Poplar Grove, Illinois (the Village) 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, water and sewer, and street maintenance services. The population of the Village is approximately 5,041. The Village covers an area of 7 square miles.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, transportation and public works, building code enforcement, public improvements, economic development, planning and zoning, culture and recreation, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage service is classified as business-type activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (general government, public safety, culture and recreation, etc.) and business-type activities. The functions are supported by general government revenues (property, sales tax, certain intergovernmental revenues, investment income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

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/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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. 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. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two major special revenue funds. The Motor Fuel Tax Fund is used to account for 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. The Social Security Fund is used to account for the property taxes of the social security levy. These funds are then expended for the Village's share of social security taxes.

Debt service funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Debt Service Fund is treated as a major fund.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

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). The Capital Replacement Fund, a major fund, is used to account for the financial resources to be used for the acquisition or construction of major facilities including replacement of existing assets (other than those financed by business-type/proprietary funds).

Proprietary Funds

The focus of 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. The following is a description of the proprietary fund of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or 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 a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks and Sewerage Fund, which is used to account for the costs related to the operation of the Village's waterworks and sewerage system. Funding is provided by user fees.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, if any, which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 Village's enterprise funds, are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, and utility taxes. Business-type activities report utility charges as their major receivables.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on the asset type, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements
April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 Years
Park Building/Equipment	7 - 40 Years
Equipment and Vehicles	5 - 7 Years
Infrastructure	40 Years
Water/Sewer Utility System	25 - 30 Years
Streets	40 Years
Village Water System	25 - 40 Years

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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, 2015. 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/expenses 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:

- 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 expenditures appropriations for the fiscal year commencing the following May 1.
- Normally on the last Wednesday in April, but no later than April 30, the budget is legally enacted through passage of the appropriation ordinance.
- Budgeted amounts are as originally reported or as amended by the Village Trustees. Individual amendments were not material in relation to the original appropriations.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures/expenses budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$1,781,252 and the bank balances totaled \$1,783,059. Additionally, at year-end the Village has \$1,730 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not address interest rate risk. The Village's investment in the Illinois Funds has a maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk. At year-end, the Village's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not address custodial credit risk for deposits. At year-end, the entire bank balance of deposits was covered by federal depository or equivalent insurance.

For an investment, this 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 investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not specifically address custodial credit risk for investments. At year-end, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration of credit risk. At year-end, the Village had no investments that represent more than 5% of the total cash and investment portfolio.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by January of the same fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Waterworks and Sewerage	<u>\$ 292,338</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Social Security	General	\$ 9,990
Debt Service	General	224,526
Capital Replacement	General	193,500
Waterworks and Sewerage	General	<u>83,327</u>
		<u>511,343</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

As of April 30, 2015 the Village transferred the remaining negative fund balance in the Social Security Fund to the General Fund.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 315,479	-	-	315,479
Depreciable Capital Assets				
Buildings	1,218,074	-	-	1,218,074
Park Building/Equipment	219,728	-	-	219,728
Equipment	338,899	7,835	-	346,734
Vehicles	204,867	-	-	204,867
Streets	3,407,251	289,977	-	3,697,228
	<u>5,388,819</u>	<u>297,812</u>	<u>-</u>	<u>5,686,631</u>
Less Accumulated Depreciation				
Buildings	253,822	32,247	-	286,069
Park Building/Equipment	96,104	7,947	-	104,051
Equipment	274,993	17,876	-	292,869
Vehicles	139,519	19,005	-	158,524
Streets	526,875	89,461	-	616,336
	<u>1,291,313</u>	<u>166,536</u>	<u>-</u>	<u>1,457,849</u>
Total Net Depreciable Capital Assets	<u>4,097,506</u>	<u>131,276</u>	<u>-</u>	<u>4,228,782</u>
Total Net Capital Assets	<u>4,412,985</u>	<u>131,276</u>	<u>-</u>	<u>4,544,261</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 83,268
Culture and Recreation	16,654
Transportation and Public Works	<u>66,614</u>
	<u>166,536</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ -	18,830	-	18,830
Depreciable Capital Assets				
Water/Sewer Utility System	8,019,674	35,194	-	8,054,868
Street	66,551	-	-	66,551
Village Water System	12,814,320	120,925	-	12,935,245
	<u>20,900,545</u>	<u>156,119</u>	-	<u>21,056,664</u>
Less Accumulated Depreciation				
Water/Sewer Utility System	3,703,133	307,241	-	4,010,374
Street	14,142	1,664	-	15,806
Village Water System	2,152,492	370,108	-	2,522,600
	<u>5,869,767</u>	<u>679,013</u>	-	<u>6,548,780</u>
Total Net Depreciable Capital Assets	<u>15,030,778</u>	<u>(522,894)</u>	-	<u>14,507,884</u>
Total Net Capital Assets	<u>15,030,778</u>	<u>(504,064)</u>	-	<u>14,526,714</u>

Depreciation expense was charged to business-type activities as follows:

Waterworks and Sewerage	<u>\$ 679,013</u>
-------------------------	-------------------

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Notes Payable

The Village enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for governmental and business-type activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$80,000 Simerl 4 Acres Note Payable of 2004 - Due in annual installments of \$3,579 to \$8,612 plus interest at 4.50% through October 1, 2021.	General	\$ 55,085	-	7,565	47,520
\$160,000 Simerl 11 Acres Note Payable of 2004 - Due in annual installments of \$8,610 to \$17,222 plus interest at 4.50% through October 1, 2021.	General	110,171	-	14,043	96,128
\$350,000 Note Payable #4930126 of 2009 - Due in monthly installments of \$2,000 to \$3,700 plus interest at 4.75% through October 6, 2019.	Waterworks and Sewerage	212,778	-	212,778	-
\$150,000 Note Payable #4930134 of 2009 - Due in monthly installments of \$1,000 to \$1,650 plus interest at 4.75% through October 6, 2019.	Waterworks and Sewerage	94,732	-	94,732	-
		<u>472,766</u>	<u>-</u>	<u>329,118</u>	<u>143,648</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Refunding/Alternate Revenue Source Bonds

The Village issues bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds provide for the collection, segregation and distribution of certain income taxes received by the Village for the payment of principal and interest on the alternate revenue source bonds. Alternate revenue source bonds outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
<p>\$3,525,000 General Obligation Refunding Alternate Revenue Source Bonds of 2005A - Due in annual installments of \$10,000 to \$435,000 plus interest at 3.30% to 4.75% through May 1, 2023.</p>	<p>Waterworks and Sewerage</p>	<p>\$ 2,910,000</p>	<p>-</p>	<p>2,705,000 * 205,000</p>	<p>-</p>
<p>\$3,000,000 General Obligation Refunding Alternate Revenue Source Bonds of 2005B - Due in annual installments of \$95,000 to \$215,000 plus interest at 3.75% to 4.50% through December 1, 2025.</p>	<p>Debt Service</p>	<p>2,095,000</p>	<p>-</p>	<p>140,000</p>	<p>1,955,000</p>
<p>\$780,000 General Obligation Alternate Revenue Source Bonds of 2008 - Due in annual installments of \$0 to \$390,000 plus interest at 4.85% to 4.90% through May 1, 2028.</p>	<p>Waterworks and Sewerage</p>	<p>780,000</p>	<p>-</p>	<p>780,000 *</p>	<p>-</p>

*Refunded Amount

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Refunding/Alternate Revenue Source Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$535,000 General Obligation Alternate Revenue Source Bonds of 2008A - Due in annual installments of \$0 to \$400,000 plus interest at 6.00% through May 1, 2029.	Waterworks and Sewerage	\$ 535,000	-	535,000 *	-
\$210,000 General Obligation Refunding Alternate Revenue Source Bonds of 2012A - Due in annual installments of \$10,000 to \$30,000 plus interest at 2.25% to 3.70% through May 1, 2023.	Waterworks and Sewerage	190,000	-	10,000	180,000
\$1,955,000 Waterworks and Sewerage Revenue Refunding Source Bonds of 2012B - Due in annual installments of \$95,000 to \$160,000 plus interest at 2.50% to 3.25% through May 1, 2027.	Waterworks and Sewerage	1,755,000	-	110,000	1,645,000
\$4,285,000 Waterworks and Sewerage Revenue Refunding Source Bonds of 2015 - Due in annual installments of \$290,000 to \$435,000 plus interest at 1.00% to 3.50% through May 1, 2027.	Waterworks and Sewerage	-	4,285,000	-	4,285,000
		<u>8,265,000</u>	<u>4,285,000</u>	<u>4,485,000</u>	<u>8,065,000</u>

*Refunded Amount

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 12,851	7,723	15,446	5,128	1,026
Notes Payable	165,256	-	21,608	143,648	19,586
General Obligation Refunding/ Alternate Revenue Source Bonds	2,095,000	-	140,000	1,955,000	145,000
	<u>2,273,107</u>	<u>7,723</u>	<u>177,054</u>	<u>2,103,776</u>	<u>165,612</u>
Business-Type Activities					
Compensated Absences	3,694	1,349	2,698	2,345	469
Notes Payable	307,510	-	307,510	-	-
General Obligation Refunding/ Alternate Revenue Source Bonds	6,170,000	4,285,000	4,345,000	6,110,000	420,000
Plus: Unamortized Premium	-	212,849	-	212,849	-
Less: Unamortized Discount	(12,125)	-	(12,125)	-	-
	<u>6,469,079</u>	<u>4,499,198</u>	<u>4,643,083</u>	<u>6,325,194</u>	<u>420,469</u>

For governmental activities, the compensated absences and the notes payable are being liquidated by the General Fund. The Debt Service Fund makes payments on the general obligation refunding/alternate revenue source bonds.

For business-type activities, the Waterworks and Sewerage Fund makes payments on the compensated absences, the notes payable, and the general obligation refunding/alternate revenue source bonds.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities	
	Notes Payable		General Obligation Refunding/ARS Bonds		General Obligation Refunding/ARS Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 19,586	6,246	145,000	78,226	420,000	205,666
2017	20,477	5,355	150,000	71,339	460,000	169,789
2018	21,409	4,423	155,000	65,714	465,000	161,071
2019	22,384	3,449	165,000	59,824	475,000	150,757
2020	23,403	2,431	170,000	53,430	490,000	136,985
2021	24,468	1,366	175,000	46,800	505,000	122,526
2022	11,921	268	185,000	39,800	520,000	107,378
2023	-	-	190,000	32,400	535,000	91,663
2024	-	-	200,000	24,800	555,000	74,088
2025	-	-	205,000	16,800	570,000	55,300
2026	-	-	215,000	8,600	590,000	35,719
2027	-	-	-	-	525,000	38,774
Total	143,648	23,538	1,955,000	497,733	6,110,000	1,349,716

Defeased Debt

On February 2, 2015, the Village issued \$4,285,000 par value General Obligation Refunding Alternate Revenue Source Bonds of 2015 to refund \$2,705,000 of the General Obligation Refunding Alternate Revenue Source Bonds of 2005A, \$780,000 of the General Obligation Refunding Alternate Revenue Source Bonds of 2008, and \$535,000 of the General Obligation Refunding Alternate Revenue Source Bonds of 2008A. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by \$480,486 and obtained an economic gain of \$431,939.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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."

Assessed Valuation - 2014	<u>\$ 81,628,623</u>
Legal Debt Limit - 8.625% of Assessed Value	7,040,469
Amount of Debt Applicable to Limit	<u>143,648</u>
Legal Debt Margin	<u>6,896,821</u>

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2015:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,544,261
Less Capital Related Debt:	
Simerl 4 Acres Note Payable of 2004	(47,520)
Simerl 11 Acres Note Payable of 2004	(96,128)
General Obligation Refunding ARS Bonds of 2005B	<u>(1,955,000)</u>
Net Investment in Capital Assets	<u>2,445,613</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	14,526,714
Plus: Unamortized Refunding Loss	121,840
Less Capital Related Debt:	
General Obligation Refunding ARS Bonds of 2012A	(180,000)
General Obligation Revenue Refunding Bonds of 20012B	(1,645,000)
General Obligation Revenue Refunding Bonds of 20015	(4,285,000)
Unamortized Premium	<u>(212,849)</u>
Net Investment in Capital Assets	<u>8,325,705</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Motor Fuel Tax	Debt Service	Capital Projects Capital Replacement	Totals
Fund Balances					
Nonspendable					
Prepays	\$ 17,680	-	-	-	17,680
Restricted					
Streets	-	127,784	-	-	127,784
Debt Service	-	-	27,264	-	27,264
	-	127,784	27,264	-	155,048
Assigned					
Capital Projects	-	-	-	401,500	401,500
Unassigned	1,579,667	-	-	-	1,579,667
Total Fund Balances	1,597,347	127,784	27,264	401,500	2,153,895

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Replacement Fund, major fund. The Village’s Board/Administrator have assigned these funds for future Village improvement projects and equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION

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; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in a claim relating to matters arising in the ordinary course of 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.

Grants

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

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. 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 Post-Employment Benefits Other Than Pensions*. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any post-employment benefit liability as of April 30, 2015.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Plan Descriptions, Provisions and Funding Policies

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2014 was 10.42 percent of covered payroll.

For the current year, the Village's annual pension cost of \$27,009 for the plan was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0% annually. The actuarial value of the 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 20.0% corridor between the actuarial and market value of assets. 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 December 31, 2014 was 29 years.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Funding Policy and Annual Pension Cost

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 28,238	100.00%	None
2014	33,670	100.00%	None
2015	27,009	100.00%	None

Funded Status and Funding Progress

The Village's funded status for the current year is as follows:

Actuarial Valuation Date	12/31/14
Percent Funded	73.31%
Actuarial Accrued Liability for Benefits	\$284,333
Actuarial Value of Assets	\$208,458
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$75,875)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$259,203
Ratio of UAAL to Covered Payroll	29.27%

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

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- **Schedule of Funding Progress and Employer Contributions**
Illinois Municipal Retirement Fund
- **Budgetary Comparison Schedules**
General Fund
Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF POPLAR GROVE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions**

April 30, 2015

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
12/31/09	\$ (6,055)	\$ 87,049	(6.96%)	\$ 93,104	\$ 285,623	32.60%
12/31/10	37,536	119,559	31.40%	82,023	263,250	31.16%
12/31/11	79,402	142,816	55.60%	63,414	261,223	24.28%
12/31/12	119,016	211,314	56.32%	92,298	274,952	33.57%
12/31/13	163,295	292,315	55.86%	129,020	319,446	40.39%
12/31/14	208,458	284,333	73.31%	75,875	259,203	29.27%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
4/30/10	\$ 28,819	\$ 28,819	100.00%
4/30/11	27,246	27,246	100.00%
4/30/12	26,227	26,227	100.00%
4/30/13	28,238	28,238	100.00%
4/30/14	33,670	33,670	100.00%
4/30/15	27,009	27,009	100.00%

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 639,331	639,331	662,505
Intergovernmental	879,100	879,100	894,553
Charges for Services	8,675	8,675	19,322
Licenses and Permits	47,000	47,000	185,524
Interest	150	150	(5)
Miscellaneous	26,150	26,150	24,870
Total Revenues	1,600,406	1,600,406	1,786,769
Expenditures			
General Government	620,260	620,260	626,586
Public Safety	7,500	7,500	160
Culture and Recreation	25,600	25,600	21,200
Transportation and Public Works	339,722	339,722	289,758
Capital Outlay	129,500	129,500	65,324
Debt Service			
Principal Retirement	19,853	19,853	21,608
Interest and Fiscal Charges	-	-	17,006
Total Expenditures	1,142,435	1,142,435	1,041,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	457,971	457,971	745,127
Other Financing (Uses)			
Transfers Out	(407,853)	(407,853)	(511,343)
Net Change in Fund Balances	50,118	50,118	233,784
Fund Balance - Beginning			1,363,563
Fund Balance - Ending			1,597,347

VILLAGE OF POPLAR GROVE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 148,000	148,000	161,081
Interest Income	500	500	361
Total Revenues	<u>148,500</u>	<u>148,500</u>	<u>161,442</u>
Expenditures			
Transportation and Public Works	<u>251,485</u>	<u>251,485</u>	<u>285,032</u>
Net Change in Fund Balance	<u>(102,985)</u>	<u>(102,985)</u>	(123,590)
Fund Balance - Beginning			<u>251,374</u>
Fund Balance - Ending			<u><u>127,784</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Debt Service Fund
 - Capital Replacement – Capital Projects Fund
- Budgetary Comparison Schedule – Enterprise Fund
 - Waterworks and Sewerage Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for 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

The Social Security Fund is used to account for 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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Replacement Fund

The Capital Replacement Fund is used to account for the financial resources to be used for the acquisition or construction of major facilities including replacement of existing assets (other than those financed by business-type/proprietary funds.)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund is used 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

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 245,031	245,031	246,765
Road and Bridge Tax	92,300	92,300	80,788
Telecommunication Tax	110,000	110,000	103,911
Electric Utility Tax	180,000	180,000	202,219
Video Gaming Tax	12,000	12,000	28,822
	<u>639,331</u>	<u>639,331</u>	<u>662,505</u>
Intergovernmental			
State Income Tax	485,000	485,000	491,926
Sales Tax	380,000	380,000	393,358
Personal Property Replacement Tax	4,100	4,100	4,737
Grants	10,000	10,000	4,532
	<u>879,100</u>	<u>879,100</u>	<u>894,553</u>
Charges for Services			
Franchise Nicor	8,675	8,675	8,622
Filing Fees	-	-	10,700
	<u>8,675</u>	<u>8,675</u>	<u>19,322</u>
Licenses and Permits			
Liquor Licenses	12,000	12,000	14,500
Other Licenses	-	-	1,230
Building Permits	35,000	35,000	169,794
	<u>47,000</u>	<u>47,000</u>	<u>185,524</u>
Interest	150	150	(5)
Miscellaneous			
Rental Income	24,000	24,000	20,075
Other	2,150	2,150	4,795
	<u>26,150</u>	<u>26,150</u>	<u>24,870</u>
Total Revenues	<u>1,600,406</u>	<u>1,600,406</u>	<u>1,786,769</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
General Government			
Personnel Services			
Salaries	\$ 273,840	273,840	176,301
IMRF	24,116	24,116	10,685
Social Security/Medicare	20,949	20,949	13,595
Workers Compensation	1,178	1,178	-
Unemployment Compensation	1,270	1,270	1,043
	<u>321,353</u>	<u>321,353</u>	<u>201,624</u>
Contractual Services			
Contracted Labor	15,000	15,000	70,995
General Insurance	46,000	46,000	61,168
Telephone	14,540	14,540	15,902
Health Insurance	43,384	43,384	34,135
Web Site Maintenance	550	550	775
Utilities	3,000	3,000	2,391
Bond Agent Fees	400	400	800
Travel	5,350	5,350	775
Security System	470	470	483
Training	5,775	5,775	500
Postage	1,000	1,000	1,382
Publication Costs	3,000	3,000	2,602
Accounting Services	15,300	15,300	15,300
Engineering Services	53,000	53,000	56,153
Legal	25,000	25,000	90,110
Codification	30,000	30,000	22,495
Office System Support	14,288	14,288	13,564
Dues	4,685	4,685	6,403
Village Clerk Administration	3,955	3,955	3,333
Maintenance Cleaning	2,860	2,860	3,210
	<u>287,557</u>	<u>287,557</u>	<u>402,476</u>
Commodities			
Office System Support Forms	7,000	7,000	-
Office Supplies and Postage	-	-	4,319
Maintenance Supplies	1,600	1,600	396
Operating Supplies	750	750	39
Village Hall	1,000	1,000	14,851

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
General Government - Continued			
Commodities - Continued			
Miscellaneous	\$ 1,000	1,000	2,881
	11,350	11,350	22,486
Total General Government	620,260	620,260	626,586
Public Safety			
Other Contractual Services	7,500	7,500	160
Culture and Recreation			
Park Maintenance Equipment			
Park Maintenance Equipment	800	800	8
Pop Machine	-	-	262
Gasoline and Oil	1,000	1,000	1,266
Park Maintenance Supplies	12,000	12,000	8,639
Park Landscaping, Mowing, Tree	11,800	11,800	11,025
Total Culture and Recreation	25,600	25,600	21,200
Transportation and Public Works			
Personnel Services			
Salaries	75,452	75,452	78,800
IMRF	8,123	8,123	8,141
Social Security/Medicare	5,963	5,963	6,041
Workers Compensation	7,771	7,771	-
Unemployment Compensation	587	587	630
	97,896	97,896	93,612
Contractual Services			
Maintenance Services - Vehicle	15,000	15,000	7,158
Maintenance Services - Equipment	5,000	5,000	7,143
Maintenance Services - Streets	50,000	50,000	16,205
Maintenance Services - Plowing	40,000	40,000	34,110
Street Lighting	40,000	40,000	39,824
Health Insurance	19,326	19,326	24,269
Shop Building Heat	2,500	2,500	2,473
	171,826	171,826	131,182

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Transportation and Public Works - Continued			
Commodities			
Gasoline - Oil	\$ 14,000	14,000	15,638
Miscellaneous	1,500	1,500	1,367
Maintenance Supplies	19,500	19,500	22,478
Operating Supplies	35,000	35,000	25,481
	<u>70,000</u>	<u>70,000</u>	<u>64,964</u>
Total Transportation and Public Works	<u>339,722</u>	<u>339,722</u>	<u>289,758</u>
Capital Outlay			
Culture and Recreation			
Playground Construction	2,000	2,000	2,013
Arboretum Improvements	7,500	7,500	3,605
Park Improvements	85,000	85,000	23,293
Transportation and Public Works			
Storm Sewer Construction	35,000	35,000	36,413
	<u>129,500</u>	<u>129,500</u>	<u>65,324</u>
Total Capital Outlay	<u>129,500</u>	<u>129,500</u>	<u>65,324</u>
Debt Service			
Principal Retirement	19,853	19,853	21,608
Interest and Fiscal Charges	-	-	17,006
	<u>19,853</u>	<u>19,853</u>	<u>38,614</u>
Total Debt Service	<u>19,853</u>	<u>19,853</u>	<u>38,614</u>
Total Expenditures	<u>1,142,435</u>	<u>1,142,435</u>	<u>1,041,642</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	41
Expenditures			
Debt Service			
Principal Retirement	140,000	140,000	140,000
Interest and Fiscal Charges	84,526	84,526	84,526
Total Expenditures	224,526	224,526	224,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,526)	(224,526)	(224,485)
Other Financing Sources			
Transfers In	224,526	224,526	224,526
Net Change in Fund Balance	-	-	41
Fund Balance - Beginning			27,223
Fund Balance - Ending			27,264

VILLAGE OF POPLAR GROVE, ILLINOIS

Capital Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ -	-	8,000
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8,000
Other Financing Sources			
Transfers In	100,000	100,000	193,500
Net Change in Fund Balance	<u>100,000</u>	<u>100,000</u>	201,500
Fund Balance - Beginning			<u>200,000</u>
Fund Balance - Ending			<u>401,500</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water and Sewer Sales	\$ 1,343,120	1,343,120	1,296,390
Tap on Fees	2,700	2,700	355
Turn On/Off Water Fees	8,000	8,000	10,627
Penalties	30,000	30,000	26,033
Total Operating Revenues	1,383,820	1,383,820	1,333,405
Operating Expenses			
Operations			
Personal Services	173,307	173,307	71,892
Contractual Services	263,211	263,211	421,951
Commodities	232,000	232,000	138,109
Capital Outlay	161,050	161,050	172,465
Depreciation and Amortization	-	-	679,013
Total Operating Expenses	829,568	829,568	1,483,430
Operating Income (Loss)	554,252	554,252	(150,025)
Nonoperating Revenues (Expenses)			
Interest Income	100	100	853
Miscellaneous Revenue	-	-	4,787
Principal Retirement	(364,737)	(364,737)	-
Interest Expense	(272,941)	(272,941)	(400,360)
	(637,578)	(637,578)	(394,720)
Income (Loss) Before Transfers and Contributions	(83,326)	(83,326)	(544,745)
Transfers In	83,327	83,327	83,327
Capital Contributions	-	-	31,881
Change in Net Position	1	1	(429,537)
Net Position - Beginning			8,697,041
Net Position - Ending			8,267,504

SUPPLEMENTAL SCHEDULES

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Simerl 4 Acres Note Payable of 2004
April 30, 2015**

Date of Issue	December 7, 2006
Date of Maturity	October 1, 2021
Authorized Issue	\$80,000
Interest Rate	4.50%
Interest Dates	October 1 and April 1
Principal Maturity Dates	October 1 and April 1
Payable at	Eugene Simerl

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 6,545	2,065	8,610
2017	6,843	1,768	8,611
2018	7,154	1,456	8,610
2019	7,480	1,131	8,611
2020	7,821	791	8,612
2021	8,177	435	8,612
2022	3,500	79	3,579
	<u>47,520</u>	<u>7,725</u>	<u>55,245</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Simerl 11 Acres Note Payable of 2004
April 30, 2015**

Date of Issue	December 7, 2006
Date of Maturity	October 1, 2021
Authorized Issue	\$160,000
Interest Rate	4.50%
Interest Dates	October 1 and April 1
Principal Maturity Dates	October 1 and April 1
Payable at	Eugene Simerl

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 13,041	4,181	17,222
2017	13,634	3,587	17,221
2018	14,255	2,967	17,222
2019	14,904	2,318	17,222
2020	15,582	1,640	17,222
2021	16,291	931	17,222
2022	8,421	189	8,610
	<u>96,128</u>	<u>15,813</u>	<u>111,941</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Alternate Revenue Source Bonds of 2005B
April 30, 2015**

Date of Issue	May 8, 2005
Date of Maturity	December 1, 2025
Authorized Issue	\$2,700,000
Interest Rates	3.75% to 4.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Cole Taylor Bank, Chicago IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 145,000	78,226	223,226
2017	150,000	71,339	221,339
2018	155,000	65,714	220,714
2019	165,000	59,824	224,824
2020	170,000	53,430	223,430
2021	175,000	46,800	221,800
2022	185,000	39,800	224,800
2023	190,000	32,400	222,400
2024	200,000	24,800	224,800
2025	205,000	16,800	221,800
2026	215,000	8,600	223,600
	1,955,000	497,733	2,452,733

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Alternate Revenue Source Bonds of 2012A
April 30, 2015**

Date of Issue	March 1, 2012
Date of Maturity	May 1, 2023
Authorized Issue	\$210,000
Interest Rates	2.25% to 3.70%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Heartland Bank & Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 15,000	5,477	20,477
2017	15,000	5,139	20,139
2018	20,000	4,745	24,745
2019	20,000	4,295	24,295
2020	25,000	3,608	28,608
2021	25,000	2,683	27,683
2022	30,000	1,665	31,665
2023	30,000	552	30,552
	<u>180,000</u>	<u>28,164</u>	<u>208,164</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Waterworks and Sewerage Revenue Refunding Bonds of 2012B
April 30, 2015**

Date of Issue	January 9, 2012
Date of Maturity	May 1, 2027
Authorized Issue	\$1,955,000
Interest Rates	2.50% to 3.25%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Heartland Bank & Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 115,000	46,231	161,231
2017	120,000	43,000	163,000
2018	120,000	39,550	159,550
2019	125,000	36,188	161,188
2020	130,000	33,001	163,001
2021	135,000	29,519	164,519
2022	140,000	25,737	165,737
2023	145,000	21,637	166,637
2024	150,000	17,212	167,212
2025	150,000	12,600	162,600
2026	155,000	7,719	162,719
2027	160,000	26,000	186,000
	<u>1,645,000</u>	<u>338,394</u>	<u>1,983,394</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Alternate Revenue Source Bonds of 2012A
April 30, 2015**

Date of Issue	February 2, 2015
Date of Maturity	May 1, 2027
Authorized Issue	\$4,285,000
Interest Rates	1.00% to 3.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Heartland Bank & Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 290,000	153,958	443,958
2017	325,000	121,650	446,650
2018	325,000	116,776	441,776
2019	330,000	110,274	440,274
2020	335,000	100,376	435,376
2021	345,000	90,324	435,324
2022	350,000	79,976	429,976
2023	360,000	69,474	429,474
2024	405,000	56,876	461,876
2025	420,000	42,700	462,700
2026	435,000	28,000	463,000
2027	365,000	12,774	377,774
	4,285,000	983,158	5,268,158

VILLAGE OF POPLAR GROVE, ILLINOIS

**Assessed Valuations, Tax Levies, Rates and Extensions - Last Five Tax Levy Years
April 30, 2015**

Tax Levy Year	2010	2011	2012	2013	2014
Assessed Valuation	\$ 108,419,477	98,487,944	91,998,020	89,536,281	81,628,623
Tax Rates					
Corporate	0.1762	0.1965	0.2120	0.2324	0.2434
Social Security	0.0139	0.0162	0.0185	0.0240	0.0221
Audit	0.0092	0.0102	0.0174	0.0204	0.0187
Insurance	0.0148	0.0162	0.0174	0.0204	0.0245
Bonds and Interest	0.0288	-	-	-	-
Total Tax Rates	0.2429	0.2391	0.2653	0.2972	0.3087
Tax Extensions					
Corporate	\$ 191,012	194,504	195,036	194,205	198,652
Social Security	15,004	15,010	17,001	20,007	18,007
Audit	10,007	10,006	16,008	17,008	15,305
Insurance	16,002	16,004	16,008	17,008	20,007
Bonds and Interest	31,570	-	-	-	-
Total Tax Extensions	263,595	235,524	244,053	248,228	251,971