

VILLAGE OF POPLAR GROVE,
ILLINOIS

ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2014

VILLAGE OF POPLAR GROVE, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 13
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 - 40
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress and Employer Contributions	
Illinois Municipal Retirement Fund.....	41
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	42
Motor Fuel Tax – Special Revenue Fund	43
Social Security – Special Revenue Fund	44

VILLAGE OF POPLAR GROVE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues – Budget and Actual – General Fund	45
Schedule of Expenditures – Budget and Actual – General Fund	46 - 48
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund	49
Capital Replacement – Capital Projects Fund	50
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Waterworks and Sewerage – Enterprise Fund	51

SUPPLEMENTAL SCHEDULES

Simerl 4 Acres Note Payable of 2004	52
Simerl 11 Acres Note Payable of 2004	53
Note Payable #4930126 of 2009	54
Note Payable #4930134 of 2009	55
General Obligation Refunding Alternate Revenue Source Bonds of 2005A	56
General Obligation Refunding Alternate Revenue Source Bonds of 2005B	57
General Obligation Alternate Revenue Source Bonds of 2008	58
General Obligation Alternate Revenue Source Bonds of 2008A	59
General Obligation Refunding Alternate Revenue Source Bonds of 2012	60
Waterworks and Sewerage Revenue Refunding Bonds of 2012B	61
Assessed Valuations, Tax Levies, Rate and Extensions – Last Five Tax Levy Years	62

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 7, 2014

The Honorable Mayor
Members of the Village Council
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, 2014, 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, 2014, 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

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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information 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 other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2014

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, 2014. 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 \$274,991, or 3.1 percent, net position of the governmental activities increased by \$596,484, or 17.9 percent.
- During the year, government-wide revenues totaled \$3,115,554, while expenses totaled \$2,794,061, resulting in an increase to net position of \$321,493.
- The Village's net position totaled \$12,626,984 on April 30, 2014, which includes \$10,718,122 net investment in capital assets, \$251,3374 subject to external restrictions, and \$1,657,488 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 \$243,416, resulting in ending fund balance of \$1,363,563, an increase of 21.7 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, 2014

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 matter 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, 2014

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, 2014

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 - 40 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 41 - 44 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 45 - 51 of this report.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

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 \$12,626,984.

	Governmental		Net Position		Total	
	Activities		Business-type			
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 2,143,896	1,810,576	276,114	244,837	2,420,010	2,055,413
Capital Assets	4,412,985	4,304,762	15,030,778	15,604,473	19,443,763	19,909,235
Total Assets	<u>6,556,881</u>	<u>6,115,338</u>	<u>15,306,892</u>	<u>15,849,310</u>	<u>21,863,773</u>	<u>21,964,648</u>
Long-Term Debt	2,118,931	2,242,196	6,093,223	6,477,508	8,212,154	8,719,704
Other Liabilities/Def. Inflows	508,007	524,400	516,628	462,407	1,024,635	986,807
Total Liabilities/ Def. Inflows	<u>2,626,938</u>	<u>2,766,596</u>	<u>6,609,851</u>	<u>6,939,915</u>	<u>9,236,789</u>	<u>9,706,511</u>
Net Position						
Net Investment in						
Capital Assets	2,152,729	1,915,631	8,565,393	8,784,169	10,718,122	10,699,800
Restricted	251,374	345,378	-	-	251,374	345,378
Unrestricted	<u>1,525,840</u>	<u>1,087,733</u>	<u>131,648</u>	<u>125,226</u>	<u>1,657,488</u>	<u>1,212,959</u>
Total Net Position	<u>3,929,943</u>	<u>3,348,742</u>	<u>8,697,041</u>	<u>8,909,395</u>	<u>12,626,984</u>	<u>12,258,137</u>

A large portion of the Village's net position, \$10,718,122 or 84.9 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, \$251,374 or 2.0 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 13.1 percent, or \$1,657,488, 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, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ 82,082	64,282	1,317,250	1,322,909	1,399,332	1,387,191
Operating Grants/Contrib.	149,949	176,938	-	-	149,949	176,938
Capital Grants/Contrib.	-	-	-	-	-	-
General Revenues						
Property Taxes	242,103	324,265	-	-	242,103	324,265
Telecommunication Taxes	113,642	124,246	-	-	113,642	124,246
Electric Utility Taxes	209,529	175,601	-	-	209,529	175,601
Other Taxes	86,577	-	-	-	86,577	-
Replacement Taxes	4,527	4,319	-	-	4,527	4,319
Income Taxes	489,472	496,144	-	-	489,472	496,144
Sales Taxes	378,738	387,564	-	-	378,738	387,564
Interest Income	767	875	159	82	926	957
Miscellaneous	40,572	13,777	187	1,272,000	40,759	1,285,777
Total Revenues	1,797,958	1,768,011	1,317,596	2,594,991	3,115,554	4,363,002
Expenses						
General Government	696,370	528,174	-	-	696,370	528,174
Public Safety	840	29,540	-	-	840	29,540
Culture and Recreation	43,781	27,633	-	-	43,781	27,633
Transportation and Public Works	321,092	309,778	-	-	321,092	309,778
Interest on Long-Term Debt	100,823	160,247	-	-	100,823	160,247
Waterworks and Sewerage	-	-	1,631,155	1,566,938	1,631,155	1,566,938
Total Expenses	1,162,906	1,055,372	1,631,155	1,566,938	2,794,061	2,622,310
Change in Net Position Before Transfers	635,052	712,639	(313,559)	1,028,053	321,493	1,740,692
Transfers	(38,568)	-	38,568	-	-	-
Change in Net Position	596,484	712,639	(274,991)	1,028,053	321,493	1,740,692
Net Position-Beginning as Restated	3,333,459	2,636,103	8,972,032	7,881,342	12,305,491	10,517,445
Net Position-Ending	3,929,943	3,348,742	8,697,041	8,909,395	12,626,984	12,258,137

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by 17.9 percent [\$3,929,943 in 2014 compared to \$3,333,459 (restated) in 2013]. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,525,840 at April 30, 2014.

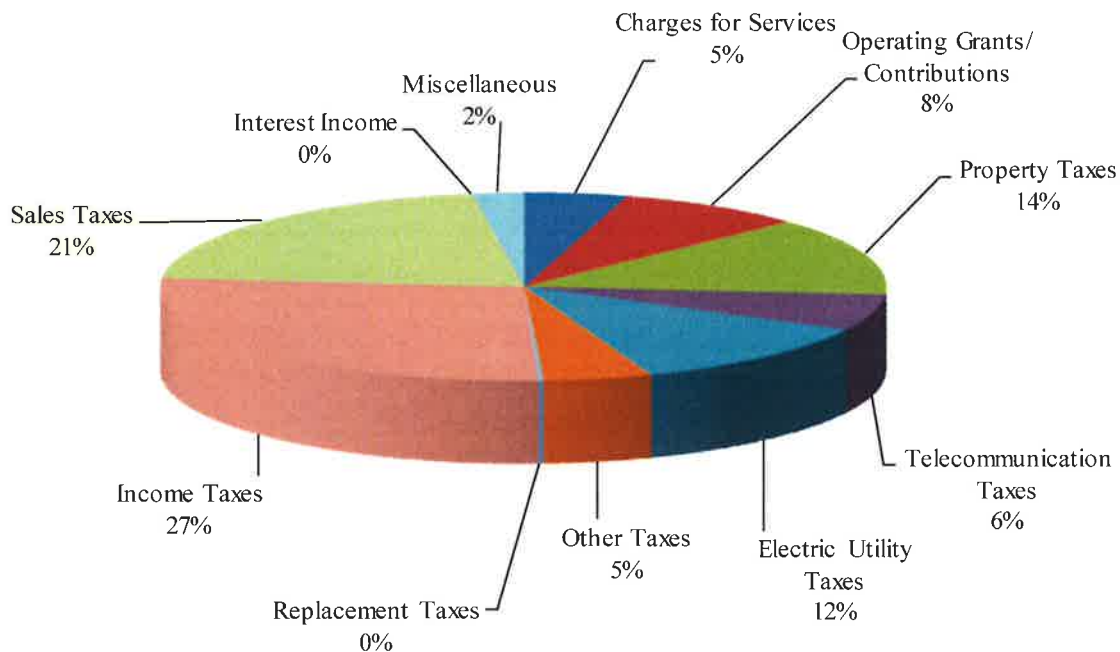
Net position of business-type activities decreased by 3.1 percent [\$8,697,041 in 2014 compared to \$8,972,032 (restated) in 2013].

Governmental Activities

Revenues for governmental activities totaled \$1,797,958, while the cost of all governmental functions totaled \$1,162,906. This results in a surplus of \$635,052 prior to transfers out of \$38,568. In 2013, revenues of \$1,768,011 exceeded expenses of \$1,055,372, resulting in a surplus of \$712,639. The smaller surplus during 2014 was due in large part to an increase in general government expenses.

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

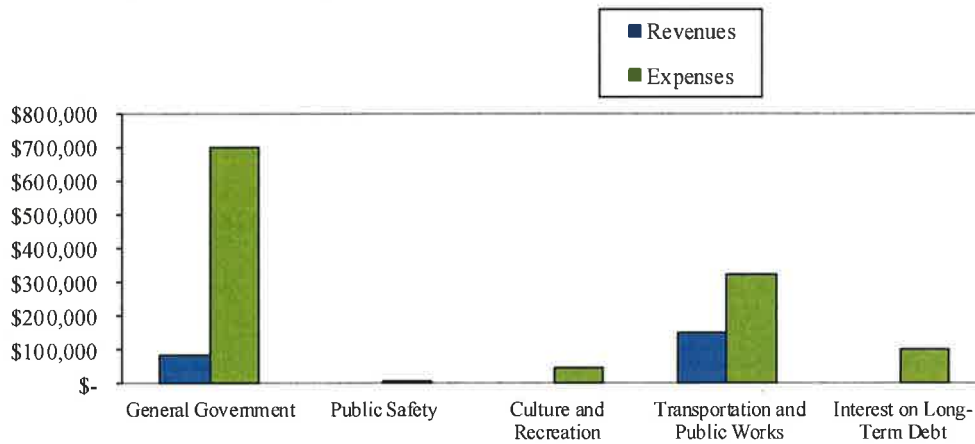
Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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

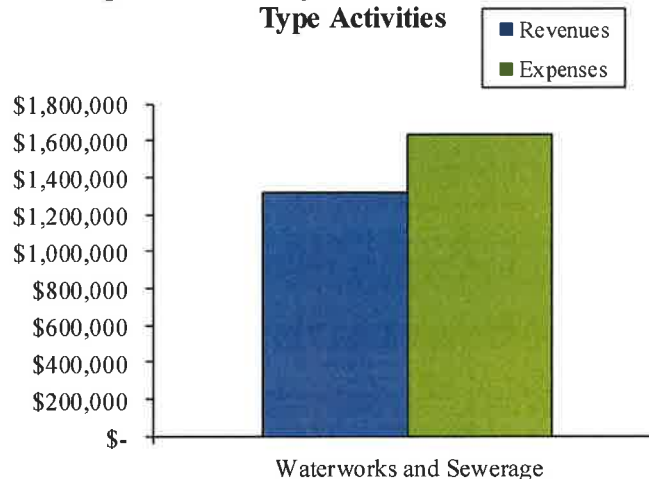
Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities posted total revenues of \$1,317,596, while the cost of all business-type activities totaled \$1,631,155. This results in a deficit of \$313,559 prior to transfers in of \$38,568. In 2013, revenues of \$2,594,991 exceed expenses of \$1,322,909, resulting in a surplus of \$1,028,053. The surplus in the previous year was due to revenue of \$1.0 million for pre-payment of tap on fees.

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, 2014

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 \$1,832,170, which is \$345,496 or 23.2 percent, higher than last year's total of \$1,486,674. Of the \$1,832,170 total, \$1,330,088, or approximately 72.6 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$243,416, an increase of 21.7 percent in fund balance from the previous year. The original budget showed a planned increase of \$59,298. However the revenues for licenses, permits, and intergovernmental revenues came in significantly higher than budgeted. Specifically, the budgeted amount for these two revenue sources totaled \$824,440 and the actual amount totaled \$945,068. Expenditures for all functions in the General Fund remained within budget. Budgeted expenditures totaled \$947,645 while actual expenditures totaled \$923,720 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, 2014, unassigned fund balance in the General Fund was \$1,340,078, which represents 98.3 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 145.1 percent of total General Fund expenditures including the transfers to the Debt Service Fund and the Capital Projects Fund.

The Motor Fuel Tax Fund reported a deficit in the current year, resulting in an ending fund balance of \$251,374. This decrease was due to planned capital expenditures in the current year.

The Social Security Fund reported a deficit of \$2,999, resulting in a deficit fund balance of \$9,990. The Village is working on budgeting measures to create a surplus in the fund in the upcoming fiscal year.

The Debt Service Fund stayed consistent with a fund balance of \$27,223. 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 \$200,000. This is a new fund that will be used to report capital replacements for the Village.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

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 \$404,317.

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 \$274,991, while the previous fiscal year reported a surplus of \$1,028,053. The previous year's surplus was due to prepayment of tap on fees in the amount of \$1,272,000. Unrestricted net position in the Waterworks and Sewerage Fund totaled \$131,648 at April 30, 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board passed a re-appropriation ordinance to amend the General Fund budget. The ordinance re-appropriated the budget between several line items but did not increase or decrease the overall fund budget. General Fund actual revenues for the year totaled \$1,627,105, compared to budgeted revenues of \$1,471,112. As stated earlier, revenues for licenses and permits, and intergovernmental items were significantly higher than budgeted.

The General Fund actual expenditures for the year were \$923,720, slightly under the final budget of \$947,645. The General Fund also transferred a total of \$464,169 to the Debt Service Fund, the Capital Projects Fund, and to the Waterworks and Sewerage Fund. The general government, public safety, public works, and culture and recreation functions' actual expenditures were all within the budgeted expenditures. The General Fund increased the transfer to the Capital Projects Fund by \$100,000 during the year. The increase in the transfer was a result of postponed capital projects that were originally budgeted in the General Fund, but were not completed in the current year.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2014**

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, 2014 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 315,479	315,479	-	-	315,479	315,479
Buildings	964,252	997,837	-	-	964,252	997,837
Park Building/Equipment	123,624	109,442	-	-	123,624	109,442
Equipment	63,906	76,696	-	-	63,906	76,696
Vehicles	65,348	91,115	-	-	65,348	91,115
Streets	2,880,376	2,714,193	52,409	54,073	2,932,785	2,768,266
Water/Sewer Utility System	-	-	4,462,950	4,758,459	4,462,950	4,758,459
Village Water System	-	-	10,515,419	10,791,941	10,515,419	10,791,941
Total	4,412,985	4,304,762	15,030,778	15,604,473	19,443,763	19,909,235

This year's major additions included:

Park Building/Equipment	\$ 20,435
Equipment	5,875
Streets	248,732
Village Water System	90,487
	<u>365,529</u>

Additional information on the Village's capital assets can be found in note 3 on pages 28 - 29 of this report.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$8,737,766 as compared to \$9,226,356 the previous year, a decrease of 5.3 percent. During Fiscal Year 2015 the Village will refinance the notes payable shown below in the amount of \$165,256. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Notes Payable	\$ 165,256	176,052	307,510	355,304	472,766	531,356
General Obligation Refunding/ Alternate Revenue Source Bonds	2,095,000	2,230,000	6,170,000	6,465,000	8,265,000	8,695,000
Total	2,260,256	2,406,052	6,477,510	6,820,304	8,737,766	9,226,356

The Village maintains an A+ rating from Standard and Poor's for general obligation debt. This rating was updated in August of 2014. 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 \$7,200,827.

Additional information on the Village's long-term debt can be found in Note 3 on pages 30 - 35 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village of Poplar Grove's elected and appointed officials considered many factors when setting the fiscal-year 2015 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. The unemployment rate for April 30, 2014 for Boone County was 9.8 percent and the state and national unemployment rates were 7.9 and 6.3 percent, respectively. The elevated unemployment and concentration in the manufacturing industry does not bode for a quick economic recovery in the near term for the Village residents and businesses. The low number of new construction permits, and the high number of foreclosures within the Village limits were also factors.

These indicators were taken into account when adopting the General Fund budget for 2015. Amounts available for appropriation in the General Fund budget are \$1.55 million, an increase of 9.8 percent from the final 2014 budget of \$1.41 million. The budgeted amounts include the operating transfers out. The Village of Poplar Grove anticipates no increase in tax revenues and intergovernmental revenues, budgeting \$1.52 million for 2015 as compared to the actual 2014 amounts of \$1.51 million, a mere increase of 1 percent. The Village of Poplar Grove has added no major new programs or initiatives in the 2015 budget.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2014

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, 2014**

See Following Page

VILLAGE OF POPLAR GROVE, ILLINOIS

**Statement of Net Position
April 30, 2014**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 1,569,763	-	1,569,763
Receivables - Net of Allowances			
Property Taxes	248,228	-	248,228
Other Taxes	166,708	-	166,708
Accounts	-	408,448	408,448
Internal Balances	135,712	(135,712)	-
Prepays	23,485	3,378	26,863
Total Current Assets	2,143,896	276,114	2,420,010
Noncurrent Assets			
Capital Assets			
Nondepreciable	315,479	-	315,479
Depreciable	5,388,819	20,900,545	26,289,364
	5,704,298	20,900,545	26,604,843
Accumulated Depreciation	(1,291,313)	(5,869,767)	(7,161,080)
Total Noncurrent Assets	4,412,985	15,030,778	19,443,763
Total Assets	6,556,881	15,306,892	21,863,773

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	55,962	125,438	181,400
Accrued Payroll	7,536	2,979	10,515
Deposits Payable	-	12,355	12,355
Accrued Interest	42,105	-	42,105
Current Portion Long-Term Debt	154,176	375,856	530,032
Total Current Liabilities	<u>259,779</u>	<u>516,628</u>	<u>776,407</u>
Noncurrent Liabilities			
Compensated Absences	10,281	2,955	13,236
Notes Payable	153,650	257,393	411,043
General Obligation Refunding/ARS			
Bonds Payable - Net	1,955,000	5,832,875	7,787,875
Total Noncurrent Liabilities	<u>2,118,931</u>	<u>6,093,223</u>	<u>8,212,154</u>
Total Liabilities	<u>2,378,710</u>	<u>6,609,851</u>	<u>8,988,561</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	248,228	-	248,228
Total Liabilities and Deferred Inflows of Resources	<u>2,626,938</u>	<u>6,609,851</u>	<u>9,236,789</u>
NET POSITION			
Net Investment in Capital Assets	2,152,729	8,565,393	10,718,122
Restricted - Streets	251,374	-	251,374
Unrestricted	1,525,840	131,648	1,657,488
Total Net Position	<u>3,929,943</u>	<u>8,697,041</u>	<u>12,626,984</u>

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, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 696,370	82,082	750	-
Public Safety	840	-	-	-
Culture and Recreation	43,781	-	-	-
Transportation and Public Works	321,092	-	149,199	-
Interest on Long-Term Debt	100,823	-	-	-
Total Governmental Activities	1,162,906	82,082	149,949	-
Business-Type Activities				
Waterworks and Sewerage	1,631,155	1,317,250	-	-
Total Primary Government	2,794,061	1,399,332	149,949	-

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 as Restated

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
(613,538)	-	(613,538)
(840)	-	(840)
(43,781)	-	(43,781)
(171,893)	-	(171,893)
(100,823)	-	(100,823)
(930,875)	-	(930,875)
-	(313,905)	(313,905)
(930,875)	(313,905)	(1,244,780)
242,103	-	242,103
113,642	-	113,642
209,529	-	209,529
86,577	-	86,577
4,527	-	4,527
489,472	-	489,472
378,738	-	378,738
767	159	926
40,572	187	40,759
(38,568)	38,568	-
1,527,359	38,914	1,566,273
596,484	(274,991)	321,493
3,333,459	8,972,032	12,305,491
3,929,943	8,697,041	12,626,984

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2014

	<u>General</u>
ASSETS	
Cash and Investments	\$ 1,100,426
Receivables - Net of Allowances	
Property Taxes	248,228
Other Taxes	157,448
Due from Other Funds	144,784
Prepays	<u>23,485</u>
Total Assets	<u><u>1,674,371</u></u>
LIABILITIES	
Accounts Payable	55,044
Accrued Payroll	7,536
Due to Other Funds	-
Total Liabilities	<u>62,580</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>248,228</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>310,808</u></u>
FUND BALANCES	
Nonspendable	23,485
Restricted	-
Assigned	-
Unassigned	<u>1,340,078</u>
Total Fund Balances	<u><u>1,363,563</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>1,674,371</u></u>

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

Special Revenue		Debt Service	Capital Projects	Totals
Motor Fuel Tax	Social Security		Capital Replacement	
242,114	-	27,223	200,000	1,569,763
-	-	-	-	248,228
9,260	-	-	-	166,708
-	-	-	-	144,784
-	-	-	-	23,485
251,374	-	27,223	200,000	2,152,968
-	918	-	-	55,962
-	-	-	-	7,536
-	9,072	-	-	9,072
-	9,990	-	-	72,570
-	-	-	-	248,228
-	9,990	-	-	320,798
-	-	-	-	23,485
251,374	-	27,223	-	278,597
-	-	-	200,000	200,000
-	(9,990)	-	-	1,330,088
251,374	(9,990)	27,223	200,000	1,832,170
251,374	-	27,223	200,000	2,152,968

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, 2014

Total Governmental Fund Balances	\$ 1,832,170
 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.	 4,412,985
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(12,851)
Notes Payable	(165,256)
General Obligation Refunding/ARS Bonds Payable	(2,095,000)
Accrued Interest Payable	<u>(42,105)</u>
 Net Position of Governmental Activities	 <u><u>3,929,943</u></u>

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, 2014**

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, 2014

	<u>General</u>
Revenues	
Taxes	\$ 634,985
Intergovernmental	873,487
Charges for Services	10,501
Licenses and Permits	71,581
Interest	179
Miscellaneous	36,372
Total Revenues	<u>1,627,105</u>
Expenditures	
Current	
General Government	599,866
Public Safety	840
Culture and Recreation	27,099
Transportation and Public Works	254,365
Capital Outlay	17,550
Debt Service	
Principal Retirement	10,796
Interest and Fiscal Charges	13,204
Total Expenditures	<u>923,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>703,385</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	4,200
Transfers In	-
Transfers Out	<u>(464,169)</u>
	<u>(459,969)</u>
Net Change in Fund Balances	243,416
Fund Balances - Beginning	<u>1,120,147</u>
Fund Balances - Ending	<u><u>1,363,563</u></u>

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

Special Revenue		Debt Service	Capital Projects	Totals
Motor Fuel Tax	Social Security		Capital Replacement	
-	16,866	-	-	651,851
149,199	-	-	-	1,022,686
-	-	-	-	10,501
-	-	-	-	71,581
525	-	63	-	767
-	-	-	-	36,372
149,724	16,866	63	-	1,793,758
-	19,865	-	-	619,731
-	-	-	-	840
-	-	-	-	27,099
244,708	-	-	-	499,073
-	-	-	-	17,550
-	-	135,000	-	145,796
-	-	90,601	-	103,805
244,708	19,865	225,601	-	1,413,894
(94,984)	(2,999)	(225,538)	-	379,864
-	-	-	-	4,200
-	-	225,601	200,000	425,601
-	-	-	-	(464,169)
-	-	225,601	200,000	(34,368)
(94,984)	(2,999)	63	200,000	345,496
346,358	(6,991)	27,160	-	1,486,674
251,374	(9,990)	27,223	200,000	1,832,170

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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 345,496

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	275,042
Depreciation Expense	(166,819)

The net effect of various transactions involving capital assets
is to decrease net position

Disposals - Cost	(20,280)
Disposals - Accumulated Depreciation	20,280

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.

Additions in Compensated Absences Payable	(6,013)
Retirement of Debt	145,796

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.

2,982

Changes in Net Position of Governmental Activities

596,484

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities)
April 30, 2014

	<u>Waterworks and Sewerage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ -
Receivables - Net of Allowance	408,448
Prepays	3,378
Total Current Assets	<u>411,826</u>
Noncurrent Assets	
Capital Assets	
Depreciable	20,900,545
Accumulated Depreciation	<u>(5,869,767)</u>
Total Noncurrent Assets	<u>15,030,778</u>
Total Assets	<u>15,442,604</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	125,438
Accrued Payroll	2,979
Deposits Payable	12,355
Due to Other Funds	135,712
Current Portion of Long-Term Debt	375,856
Total Current Liabilities	<u>652,340</u>
Noncurrent Liabilities	
Compensated Absences	2,955
Notes Payable	257,393
General Obligation Refunding/ARS Bonds Payable - Net	<u>5,832,875</u>
Total Noncurrent Liabilities	<u>6,093,223</u>
Total Liabilities	<u>6,745,563</u>
NET POSITION	
Net Investment in Capital Assets	8,565,393
Unrestricted	<u>131,648</u>
Total Net Position	<u>8,697,041</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, 2014

	<u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	\$ 1,317,250
Operating Expenses	
Operations	683,633
Depreciation and Amortization	679,308
Total Operating Expenses	<u>1,362,941</u>
Operating Income (Loss)	<u>(45,691)</u>
Nonoperating Revenues (Expenses)	
Interest Income	159
Miscellaneous Revenue	187
Interest Expense	<u>(268,214)</u>
	<u>(267,868)</u>
Income (Loss) Before Transfers	(313,559)
Transfers In	<u>38,568</u>
Change in Net Position	(274,991)
Net Position - Beginning as Restated	<u>8,972,032</u>
Net Position - Ending	<u><u>8,697,041</u></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, 2014

	<u>Waterworks and Sewerage</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,331,276
Payments to Employees	(136,451)
Payments to Suppliers	<u>(547,182)</u>
	<u>647,643</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(90,487)
Retirement of Debt	(327,669)
Interest and Fiscal Charges	<u>(268,214)</u>
	<u>(686,370)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>38,568</u>
Cash Flows from Investing Activities	
Interest Received	<u>159</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u><u>-</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(45,691)
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	679,308
Other Income	187
(Increase) Decrease in Current Assets	5,436
Increase (Decrease) in Current Liabilities	<u>8,403</u>
Net Cash Provided by Operating Activities	<u><u>647,643</u></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, 2014

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, 2014

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, 2014

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, 2014

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-like 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, 2014

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-like 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, 2014

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, 2014

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, 2014

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 and Improvements	40 Years
Infrastructure	40 Years
Equipment and Vehicles	5 – 7 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, 2014

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, 2014. 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, 2014**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

DEFICIT FUND BALANCE

The following fund had a deficit fund balance as of the date of this report:

<u>Fund</u>	<u>Deficit</u>
Social Security	\$ 9,990

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.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 \$1,568,033 and the bank balances totaled \$1,602,553. 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, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2014, 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	Social Security	\$ 9,072
General	Waterworks and Sewerage	<u>135,712</u>
		<u>144,784</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>
Debt Service	General	\$ 225,601
Capital Replacement	General	200,000
Waterworks and Sewerage	General	<u>38,568</u>
		<u>464,169</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.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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	199,293	20,435	-	219,728
Equipment	353,304	5,875	20,280	338,899
Vehicles	204,867	-	-	204,867
Streets	3,158,519	248,732	-	3,407,251
	<u>5,134,057</u>	<u>275,042</u>	<u>20,280</u>	<u>5,388,819</u>
Less Accumulated Depreciation				
Buildings	220,237	33,585	-	253,822
Park Building/Equipment	89,851	6,253	-	96,104
Equipment	276,608	18,665	20,280	274,993
Vehicles	113,752	25,767	-	139,519
Streets	444,326	82,549	-	526,875
	<u>1,144,774</u>	<u>166,819</u>	<u>20,280</u>	<u>1,291,313</u>
Total Net Depreciable Capital Assets	<u>3,989,283</u>	<u>108,223</u>	<u>-</u>	<u>4,097,506</u>
Total Net Capital Assets	<u>4,304,762</u>	<u>108,223</u>	<u>-</u>	<u>4,412,985</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 83,410
Culture and Recreation	16,682
Transportation and Public Works	<u>66,727</u>
	<u>166,819</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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
Depreciable Capital Assets				
Water/Sewer Utility System	\$ 8,215,591	-	-	8,215,591
Street	66,551	-	-	66,551
Village Water System	12,527,916	90,487	-	12,618,403
	<u>20,810,058</u>	<u>90,487</u>	<u>-</u>	<u>20,900,545</u>
Less Accumulated Depreciation				
Water/Sewer Utility System	3,457,132	295,509	-	3,752,641
Street	12,478	1,664	-	14,142
Village Water System	1,735,975	367,009	-	2,102,984
	<u>5,205,585</u>	<u>664,182</u>	<u>-</u>	<u>5,869,767</u>
 Total Net Capital Assets	 <u>15,604,473</u>	 <u>(573,695)</u>	 <u>-</u>	 <u>15,030,778</u>

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

Waterworks and Sewerage	<u>\$ 664,182</u>
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VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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 as Restated	Issuances	Retirements	Ending Balances
\$80,000 Simerl 4 Acres Note Payable of 2004 - Due in annual installments of \$8,000 plus interest at 7.50% through December, 2015.	General	\$ 58,684	-	3,599	55,085
\$160,000 Simerl 11 Acres Note Payable of 2004 - Due in annual installments of \$16,000 plus interest at 7.50% through September, 2015.	General	117,368	-	7,197	110,171
\$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	245,849	-	33,071	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	109,455	-	14,723	94,732
		<u>531,356</u>	<u>-</u>	<u>58,590</u>	<u>472,766</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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
\$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.	Waterworks and Sewerage	\$ 3,090,000	-	180,000	2,910,000
\$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.	Debt Service	2,230,000	-	135,000	2,095,000
\$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.	Waterworks and Sewerage	780,000	-	-	780,000

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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	200,000	-	10,000	190,000
\$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	1,860,000	-	105,000	1,755,000
		<u>8,695,000</u>	<u>-</u>	<u>430,000</u>	<u>8,265,000</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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 as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 6,838	12,026	6,013	12,851	2,570
Notes Payable	176,052	-	10,796	165,256	11,606
General Obligation Refunding/ Alternate Revenue Source Bonds	2,230,000	-	135,000	2,095,000	140,000
	<u>2,412,890</u>	<u>12,026</u>	<u>151,809</u>	<u>2,273,107</u>	<u>154,176</u>
Business-Type Activities					
Compensated Absences	-	7,388	3,694	3,694	739
Notes Payable	355,304	-	47,794	307,510	50,117
General Obligation Refunding/ Alternate Revenue Source Bonds	6,465,000	-	295,000	6,170,000	325,000
Less: Unamortized Discount	(27,250)	-	(15,125)	(12,125)	-
	<u>6,793,054</u>	<u>7,388</u>	<u>331,363</u>	<u>6,469,079</u>	<u>375,856</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, 2014**

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		Notes Payable		General Obligation Refunding/ARS Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 11,606	12,394	140,000	84,526	50,117	13,524	325,000	240,829
2016	153,650	-	145,000	78,226	52,549	11,092	365,000	229,392
2017	-	-	150,000	71,339	55,100	8,541	400,000	217,010
2018	-	-	155,000	65,714	57,775	5,866	430,000	203,096
2019	-	-	165,000	59,824	60,580	3,061	465,000	188,047
2020	-	-	170,000	53,430	31,389	436	505,000	171,693
2021	-	-	175,000	46,800	-	-	550,000	153,286
2022	-	-	185,000	39,800	-	-	590,000	132,691
2023	-	-	190,000	32,400	-	-	610,000	110,258
2024	-	-	200,000	24,800	-	-	150,000	87,337
2025	-	-	205,000	16,800	-	-	150,000	82,725
2026	-	-	215,000	8,600	-	-	545,000	77,844
2027	-	-	-	-	-	-	950,000	77,210
2028	-	-	-	-	-	-	135,000	8,100
Total	165,256	12,394	2,095,000	582,259	307,510	42,520	6,170,000	1,979,518

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."

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

Assessed Valuation - 2013	<u>\$ 83,536,281</u>
Legal Debt Limit - 8.625% of Assessed Value	7,200,827
Amount of Debt Applicable to Limit	<u>472,766</u>
Legal Debt Margin	<u>6,728,061</u>

NET POSITION/FUND BALANCES

Net Position Restatements

Net position for governmental activities and business-type activities, including the Waterworks and Sewerage Fund, has been restated to correct an error in recognition of long-term debt. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 3,348,742	3,333,459	(15,283)
Waterworks and Sewerage	8,909,395	8,972,032	62,637

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,412,985
Less Capital Related Debt:	
Simerl 4 Acres Note Payable of 2004	(55,085)
Simerl 11 Acres Note Payable of 2004	(110,171)
General Obligation Refunding ARS Bonds of 2005B	<u>(2,095,000)</u>
Net Investment in Capital Assets	<u><u>2,152,729</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	15,030,778
Less Capital Related Debt:	
Note Payable #4930126 of 2009	(212,778)
Note Payable #4930134 of 2009	(94,732)
General Obligation Refunding ARS Bonds of 2005A	(2,910,000)
General Obligation ARS Bonds of 2008	(780,000)
General Obligation ARS Bonds of 2008A	(535,000)
General Obligation Refunding ARS Bonds of 2012A	(190,000)
General Obligation Revenue Refunding Bonds of 20012B	(1,755,000)
Less: Unamortized Discount	<u>12,125</u>
Net Investment in Capital Assets	<u><u>8,565,393</u></u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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	Social Security	Debt Service	Capital Projects Capital Replacement	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 23,485	-	-	-	-	23,485
Restricted						
Streets	-	251,374	-	-	-	251,374
Social Security Taxes	-	-	-	-	-	-
Debt Service	-	-	-	27,223	-	27,223
	-	251,374	-	27,223	-	278,597
Assigned						
Capital Projects	-	-	-	-	200,000	200,000
Unassigned	1,340,078	-	(9,990)	-	-	1,330,088
Total Fund Balances	1,363,563	251,374	(9,990)	27,223	200,000	1,832,170

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, 2014

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, 2014.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements April 30, 2014

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. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of 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 who retire at or after age 67 with 10 years of 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, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. 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 2013 was 10.54 percent.

For the current year, the Village's annual pension cost of \$33,670 for the plan was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The 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, 2013 was 30 years.

VILLAGE OF POPLAR GROVE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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>
2012	\$ 26,227	100.00%	None
2013	28,238	100.00%	None
2014	33,670	100.00%	None

Funded Status and Funding Progress

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

Actuarial Valuation Date	12/31/13
Percent Funded	55.86%
Actuarial Accrued Liability for Benefits	\$292,315
Actuarial Value of Assets	\$163,295
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$129,020)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$319,446
Ratio of UAAL to Covered Payroll	40.39%

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
Social Security – 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, 2014

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)
12/31/08	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
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%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
4/30/09	\$ N/A	\$ N/A	N/A
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%

N/A - Not Available

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, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 612,197	612,197	634,985
Intergovernmental	779,100	779,100	873,487
Charges for Services	9,175	9,175	10,501
Licenses and Permits	45,340	45,340	71,581
Interest	150	150	179
Miscellaneous	25,150	25,150	36,372
Total Revenues	1,471,112	1,471,112	1,627,105
Expenditures			
General Government	593,588	605,488	599,866
Public Safety	7,500	1,000	840
Culture and Recreation	40,450	28,150	27,099
Transportation and Public Works	257,907	265,907	254,365
Capital Outlay	124,200	23,100	17,550
Debt Service			
Principal Retirement	10,796	10,796	10,796
Interest and Fiscal Charges	13,204	13,204	13,204
Total Expenditures	1,047,645	947,645	923,720
Excess (Deficiency) of Revenues Over (Under) Expenditures	423,467	523,467	703,385
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	4,200
Transfers Out	(364,169)	(464,169)	(464,169)
	(364,169)	(464,169)	(459,969)
Net Change in Fund Balances	59,298	59,298	243,416
Fund Balance - Beginning			1,120,147
Fund Balance - Ending			1,363,563

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, 2014

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 147,000	147,000	149,199
Interest Income	500	500	525
Total Revenues	147,500	147,500	149,724
Expenditures			
Transportation and Public Works	269,380	269,380	244,708
Net Change in Fund Balance	<u>(121,880)</u>	<u>(121,880)</u>	(94,984)
Fund Balance - Beginning			<u>346,358</u>
Fund Balance - Ending			<u>251,374</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 16,830	16,830	16,866
Expenditures			
General Government	20,277	20,277	19,865
Net Change in Fund Balance	<u>(3,447)</u>	<u>(3,447)</u>	(2,999)
Fund Balance - Beginning			<u>(6,991)</u>
Fund Balance - Ending			<u><u>(9,990)</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

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, 2014

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 224,797	224,797	225,237
Road and Bridge Tax	91,400	91,400	82,062
Telecommunication Tax	126,000	126,000	113,642
Electric Utility Tax	170,000	170,000	209,529
Video Gaming Tax	-	-	4,515
	<u>612,197</u>	<u>612,197</u>	<u>634,985</u>
Intergovernmental			
State Income Tax	400,000	400,000	489,472
Sales Tax	375,000	375,000	378,738
Personal Property Replacement Tax	4,100	4,100	4,527
Grants	-	-	750
	<u>779,100</u>	<u>779,100</u>	<u>873,487</u>
Charges for Services			
Franchise Nicor	8,675	8,675	8,276
Water Meters	500	500	2,225
	<u>9,175</u>	<u>9,175</u>	<u>10,501</u>
Licenses and Permits			
Liquor Licenses	11,340	11,340	12,900
Building Permits	26,000	26,000	50,056
Truck Permits	8,000	8,000	8,625
	<u>45,340</u>	<u>45,340</u>	<u>71,581</u>
Interest	150	150	179
Miscellaneous			
Rental Income	24,000	24,000	23,875
Other	1,150	1,150	12,497
	<u>25,150</u>	<u>25,150</u>	<u>36,372</u>
Total Revenues	<u>1,471,112</u>	<u>1,471,112</u>	<u>1,627,105</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
General Government			
Personnel Services			
Salaries	\$ 186,623	186,623	185,631
IMRF	12,375	12,375	12,074
Unemployment Compensation	4,337	4,337	2,814
	<u>203,335</u>	<u>203,335</u>	<u>200,519</u>
Contractual Services			
Contracted Labor	36,900	41,600	41,567
General Insurance	37,200	51,100	51,055
Telephone	14,000	15,800	15,775
Health Insurance	91,760	93,260	93,250
Web Site Maintenance	550	650	570
Utilities	5,000	3,000	2,687
Bond Agent Fees	2,000	2,600	2,600
Travel	1,000	1,100	1,012
Security System	462	562	470
Training	1,000	1,000	550
Postage	1,000	1,500	1,465
Publication Costs	4,000	1,500	1,426
Accounting Services	17,500	17,500	17,500
Engineering Services	65,000	48,200	48,145
Legal	65,000	83,600	83,568
Codification	8,000	2,000	1,932
Office System Support	13,457	13,457	12,687
Dues	4,075	4,675	4,634
Village Clerk Administration	3,400	3,400	3,299
Maintenance Cleaning	2,640	3,140	3,091
	<u>373,944</u>	<u>389,644</u>	<u>387,283</u>
Commodities			
Office System Support Forms	3,994	94	-
Office Supplies and Postage	6,065	6,065	5,643
Maintenance Supplies	1,600	300	280
Operating Supplies	500	600	553
Village Hall	3,150	4,450	4,400

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
General Government - Continued			
Commodities - Continued			
Miscellaneous	\$ 1,000	1,000	1,188
	16,309	12,509	12,064
Total General Government	593,588	605,488	599,866
Public Safety			
Other Contractual Services	7,500	1,000	840
Culture and Recreation			
Park Maintenance Equipment			
Park Maintenance Equipment	15,800	12,800	11,996
Garbage	1,000	-	-
Pop Machine	-	700	621
Gasoline and Oil	2,500	1,500	1,356
Park Maintenance Supplies	6,150	4,650	4,628
Park Landscaping, Mowing, Tree	15,000	8,500	8,498
Total Culture and Recreation	40,450	28,150	27,099
Transportation and Public Works			
Personnel Services			
Salaries	78,435	78,435	75,009
IMRF	8,267	8,267	7,886
Unemployment Compensation	2,205	2,205	1,149
	88,907	88,907	84,044
Contractual Services			
Maintenance Services - Vehicle	15,000	16,600	16,516
Maintenance Services - Equipment	5,000	5,500	5,218
Maintenance Services - Streets	35,000	26,600	22,582
Maintenance Services - Plowing	4,000	9,000	8,727
Street Lighting	40,000	39,000	38,879
Travel	1,000	1,000	11
	100,000	97,700	91,933

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Transportation and Public Works - Continued			
Commodities			
Gasoline - Oil	\$ 20,000	30,000	29,607
Miscellaneous	2,500	1,400	1,158
Maintenance Supplies	11,500	14,000	13,980
Operating Supplies	35,000	33,900	33,643
	<u>69,000</u>	<u>79,300</u>	<u>78,388</u>
Total Transportation and Public Works	<u>257,907</u>	<u>265,907</u>	<u>254,365</u>
Capital Outlay			
Culture and Recreation			
Playground Construction	22,000	3,000	2,704
Park Improvements	10,500	7,900	7,781
Transportation and Public Works			
Storm Sewer Construction	35,000	5,000	-
Road Construction	6,700	7,200	7,065
Vehicles and Equipment	50,000	-	-
	<u>124,200</u>	<u>23,100</u>	<u>17,550</u>
Total Capital Outlay	<u>124,200</u>	<u>23,100</u>	<u>17,550</u>
Debt Service			
Principal Retirement	10,796	10,796	10,796
Interest and Fiscal Charges	13,204	13,204	13,204
	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
Total Debt Service	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
Total Expenditures	<u>1,047,645</u>	<u>947,645</u>	<u>923,720</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, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 100	100	63
Expenditures			
Debt Service			
Principal Retirement	135,000	135,000	135,000
Interest and Fiscal Charges	90,601	90,601	90,601
Total Expenditures	225,601	225,601	225,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225,501)	(225,501)	(225,538)
Other Financing Sources			
Transfers In	225,601	225,601	225,601
Net Change in Fund Balance	100	100	63
Fund Balance - Beginning			27,160
Fund Balance - Ending			27,223

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, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	-
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources			
Transfers In	100,000	100,000	200,000
Net Change in Fund Balance	<u>100,000</u>	<u>100,000</u>	200,000
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u>200,000</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, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water and Sewer Sales	\$ 1,304,000	1,304,000	1,267,936
Tap on Fees	-	-	1,500
Turn On/Off Water Fees	3,500	3,500	9,810
Penalties	76,000	76,000	38,004
Total Operating Revenues	<u>1,383,500</u>	<u>1,383,500</u>	<u>1,317,250</u>
Operating Expenses			
Operations			
Personal Services	177,359	164,659	161,116
Contractual Services	277,400	302,200	271,276
Commodities	203,000	197,900	197,271
Capital Outlay	133,500	133,500	53,970
Depreciation and Amortization	-	-	679,308
Total Operating Expenses	<u>791,259</u>	<u>798,259</u>	<u>1,362,941</u>
Operating Income (Loss)	<u>592,241</u>	<u>585,241</u>	<u>(45,691)</u>
Nonoperating Revenues (Expenses)			
Interest Income	100	100	159
Miscellaneous Revenue	100	100	187
Principal Retirement	(611,009)	(611,009)	-
Interest Expense	(20,000)	(13,000)	(268,214)
	<u>(630,809)</u>	<u>(623,809)</u>	<u>(267,868)</u>
Income (Loss) Before Transfers	(38,568)	(38,568)	(313,559)
Transfers In	827,827	827,827	38,568
Transfers Out	<u>(789,259)</u>	<u>(789,259)</u>	<u>-</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>(274,991)</u>
Net Position - Beginning as Restated			<u>8,972,032</u>
Net Position - Ending			<u>8,697,041</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Simerl 4 Acres Note Payable of 2004
April 30, 2014**

Date of Issue	December 7, 2006
Date of Maturity	December 1, 2015
Authorized Issue	\$80,000
Interest Rate	7.50%
Interest Date	December 1
Principal Maturity Date	December 1
Payable at	Eugene Simerl

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2015	\$ 3,869	4,131	8,000
2016	51,216	-	51,216
	55,085	4,131	59,216

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Simerl 11 Acres Note Payable of 2004
April 30, 2014**

Date of Issue	December 7, 2006
Date of Maturity	September 1, 2015
Authorized Issue	\$160,000
Interest Rate	7.50%
Interest Date	September 1
Principal Maturity Date	September 1
Payable at	Eugene Simerl

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2015	\$ 7,737	8,263	16,000
2016	102,434	-	102,434
	110,171	8,263	118,434

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Note Payable #4930126 of 2009
April 30, 2014**

Date of Issue	October 6, 2009
Date of Maturity	October 6, 2019
Authorized Issue	\$350,000
Interest Rate	4.75%
Interest Date	Monthly on the 6th
Principal Maturity Date	Monthly on the 6th
Payable at	The Poplar Grove State Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2015	\$ 34,678	9,358	44,036
2016	36,361	7,675	44,036
2017	38,126	5,910	44,036
2018	39,977	4,059	44,036
2019	41,918	2,118	44,036
2020	21,718	301	22,019
	<u>212,778</u>	<u>29,421</u>	<u>242,199</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Note Payable #4930134 of 2009
April 30, 2014**

Date of Issue	April 23, 2010
Date of Maturity	October 6, 2019
Authorized Issue	\$150,000
Interest Rate	4.75%
Interest Date	Monthly on the 6th
Principal Maturity Date	Monthly on the 6th
Payable at	The Poplar Grove State Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2015	\$ 15,439	4,166	19,605
2016	16,188	3,417	19,605
2017	16,974	2,631	19,605
2018	17,798	1,807	19,605
2019	18,662	943	19,605
2020	9,671	135	9,806
	94,732	13,099	107,831

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Alternate Revenue Source Bonds of 2005A
April 30, 2014**

Date of Issue	May 9, 2005
Date of Maturity	May 1, 2023
Authorized Issue	\$3,525,000
Interest Rates	3.30% to 4.75%
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
2015	\$ 205,000	115,759	320,759
2016	235,000	107,559	342,559
2017	265,000	98,746	363,746
2018	290,000	88,676	378,676
2019	320,000	77,439	397,439
2020	350,000	64,959	414,959
2021	390,000	50,959	440,959
2022	420,000	35,164	455,164
2023	435,000	17,944	452,944
	<u>2,910,000</u>	<u>657,205</u>	<u>3,567,205</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Alternate Revenue Source Bonds of 2005B
April 30, 2014**

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		Totals
	Principal	Interest	
2015	\$ 140,000	84,526	224,526
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
	<u>2,095,000</u>	<u>582,259</u>	<u>2,677,259</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Alternate Revenue Source Bonds of 2008
April 30, 2014**

Date of Issue	February 11, 2008
Date of Maturity	May 1, 2028
Authorized Issue	\$780,000
Interest Rates	4.85% to 4.90%
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
2015	\$ -	38,025	38,025
2016	-	38,025	38,025
2017	-	38,025	38,025
2018	-	38,025	38,025
2019	-	38,025	38,025
2020	-	38,025	38,025
2021	-	38,025	38,025
2022	-	38,025	38,025
2023	-	38,025	38,025
2024	-	38,025	38,025
2025	-	38,025	38,025
2026	390,000	38,025	428,025
2027	390,000	19,110	409,110
	<u>780,000</u>	<u>475,410</u>	<u>1,255,410</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Alternate Revenue Source Bonds of 2008A
April 30, 2014**

Date of Issue	August 11, 2008
Date of Maturity	May 1, 2029
Authorized Issue	\$535,000
Interest Rate	6.00%
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		Totals
	Principal	Interest	
2015	\$ -	32,100	32,100
2016	-	32,100	32,100
2017	-	32,100	32,100
2018	-	32,100	32,100
2019	-	32,100	32,100
2020	-	32,100	32,100
2021	-	32,100	32,100
2022	-	32,100	32,100
2023	-	32,100	32,100
2024	-	32,100	32,100
2025	-	32,100	32,100
2026	-	32,100	32,100
2027	400,000	32,100	432,100
2028	135,000	8,100	143,100
	<u>535,000</u>	<u>425,400</u>	<u>960,400</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Alternate Revenue Source Bonds of 2012A
April 30, 2014

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	
2015	\$ 10,000	5,758	15,758
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
	190,000	33,922	223,922

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

**Waterworks and Sewerage Revenue Refunding Bonds of 2012B
April 30, 2014**

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
2015	\$ 110,000	49,187	159,187
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>1,755,000</u>	<u>387,581</u>	<u>2,142,581</u>

VILLAGE OF POPLAR GROVE, ILLINOIS

**Assessed Valuations, Tax Levies, Rates and Extensions - Last Five Tax Levy Years
April 30, 2014**

Tax Levy Year	2009	2010	2011	2012	2013
Assessed Valuation	\$ 121,163,521	108,419,477	98,487,944	91,998,020	89,536,281
Tax Rates					
Corporate	0.1592	0.1762	0.1965	0.2120	0.2324
Social Security	0.0074	0.0139	0.0162	0.0185	0.0240
Audit	0.0074	0.0092	0.0102	0.0174	0.0204
Insurance	0.0124	0.0148	0.0162	0.0174	0.0204
Bonds and Interest	0.0246	0.0288	-	-	-
Total Tax Rates	0.2110	0.2429	0.2391	0.2653	0.2972
Tax Extensions					
Corporate	\$ 192,904	191,012	194,504	195,036	194,205
Social Security	9,002	15,004	15,010	17,001	20,007
Audit	9,002	10,007	10,006	16,008	17,008
Insurance	15,000	16,002	16,004	16,008	17,008
Bonds and Interest	30,085	31,570	-	-	-
Total Tax Extensions	255,993	263,595	235,524	244,053	248,228