## FY 2014 ANNUAL TAX INCREMENT FINANCE REPORT



| Name of Municipality:       |              | United City of Yorkville   | Reporting Fiscal Year: Fiscal Year End: 04 / 30 |   | 2014        |                |
|-----------------------------|--------------|--|---|---|-------------|----------------|
| County: Kendall             |              | Kendall  |   |   |             | 04 / 30 / 2014 |
| Unit Code:                  |              | 047/035/30   | _   |   |             |                |
|                             |              | TIF Administrator  | r Contact Info                                  | ormation  |             |                |
| First Name:                 | Rob          |  | Last Name:                                      | Fredrickson                                     |             | 24             |
| Address:                    | 800 Game     | Farm Road  | Title:  | Finance Director                                |             |                |
| Telephone:                  | 630-553-8    | 534  | City:   | Yorkville                                       | Zip:        | 60560          |
| Mobile                      | 815-274-9    | 223  | E-mail  | rfredrickson@yorkvil                            | le.il.us    |                |
| Mobile                      |              |  | Best way to                                     | X Email   | 1           | _Phone         |
| Provider                    | Verizon      |  | contact   | Mobile  | -           | _Mail          |
| is complete<br>[65 ILCS 5/1 | and accura   | te at the end of this report of the rede<br>i. seq.1 Or the Industrial Jobs Reco | l year under t                                  | he Tax Increment Alloc<br>ILCS 5/11-74.6-10 et. | cation Rede |                |
| Written sign                | ature of TIF | Administator   |   | ' Date  |             |                |

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

| FILL OUT ONE FOR EACH TIF DISTICT                  |                 |                 |  |  |  |
|--|-----------------|-----------------|--|--|--|
| Name of Redevelopment Project Area                 | Date Designated | Date Terminated |  |  |  |
| United City of Yorkville                           |                 |                 |  |  |  |
| Tax Increment Financing Redevelopment              |                 |                 |  |  |  |
| Project Area - US Rte 34 & IL Rte 47 - Countryside | 2/15/2005       |                 |  |  |  |
|  |                 |                 |  |  |  |
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<sup>\*</sup>All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

## SECTION 2 [Sections 2 through 5 must be completed for <u>each</u> redevelopment project area listed in Section 1.] FY 2014

|   | US Rte 34 & IL Rte 47 -      |
|---|------------------------------|
| Name of Redevelopment Project Area:   | Countryside                  |
| Primary Use of Redevelopment Project Area*:                                     | Commercial                   |
| If "Combination/Mixed" List Component Types:                                    |                              |
| Under which section of the Illinois Municipal Code was Redevelopment Project Ar | rea designated? (check one): |
| Tax Increment Allocation Redevelopment Actx Industrial Jobs Reco                | overy Law                    |

|  | No | Yes |
|--|----|-----|
| Were there any amendments to the redevelopment plan, the redevelopment project area, or the State  |    |     |
| Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)]   |    |     |
| If yes, please enclose the amendment labeled Attachment A  | Х  |     |
| Certification of the Chief Executive Officer of the municipality that the municipality has complied with all   |    |     |
| of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-   |    |     |
| 22 (d) (3)]  |    |     |
| Please enclose the CEO Certification labeled Attachment B  |    | X   |
| Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and   |    |     |
| 5/11-74.6-22 (d) (4)]  |    |     |
| Please enclose the Legal Counsel Opinion labeled Attachment C  |    | Х   |
| Were there any activities undertaken in furtherance of the objectives of the redevelopment plan,   |    |     |
| including any project implemented in the preceding fiscal year and a description of the activities   |    |     |
| undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]   |    |     |
| If yes, please enclose the Activities Statement labeled Attachment D   |    |     |
|  |    | Х   |
| Were any agreements entered into by the municipality with regard to the disposition or redevelopment   |    |     |
| of any property within the redevelopment project area or the area within the State Sales Tax Boundary?   |    |     |
| [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)]   |    |     |
| If yes, please enclose the Agreement(s) labeled Attachment E   |    | Х   |
| Is there additional information on the use of all funds received under this Division and steps taken by the  |    |     |
| municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and   |    |     |
| 5/11-74.6-22 (d) (7) (D)]  |    |     |
| If yes, please enclose the Additional Information labeled Attachment F   | Х  |     |
| Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have   |    |     |
| received or are receiving payments financed by tax increment revenues produced by the same TIF? [65  |    |     |
| ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)]   |    |     |
| If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G  | х  |     |
| Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65   |    |     |
| ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)]   |    |     |
| If yes, please enclose the Joint Review Board Report labeled Attachment H  |    | х   |
| Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and  |    |     |
| 5/11-74.6-22 (d) (8) (A)]  |    |     |
| If yes, please enclose the Official Statement labeled Attachment I   |    | х   |
| Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of   |    |     |
| obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-   |    |     |
| 5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)]  |    |     |
| If yes, please enclose the Analysis labeled Attachment J   |    | х   |
| Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)                             |    |     |
| If yes, please enclose Audited financial statements of the special tax allocation fund   |    |     |
| labeled Attachment K   |    | x   |
| Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] |    |     |
| If yes, please enclose a certified letter statement reviewing compliance with the Act labeled  |    |     |
| Attachment L   |    | x   |
| A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an   |    |     |
| accounting of any money transferred or received by the municipality during that fiscal year pursuant to  |    |     |
| those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]   |    |     |
| If yes, please enclose list only of the intergovernmental agreements labeled Attachment M  | х  |     |

<sup>\*</sup> Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

## SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2014

TIF NAME: US Rte 34 & IL Rte 47 - Countryside

Fund Balance at Beginning of Reporting Period

SURPLUS\*/(DEFICIT)(Carried forward from Section 3.3)

\$ 1,572,335

(4,670,066)

| Revenue/Cash Receipts Deposited in Fund During Reporting FY:                                      | Rep | orting Year            | Cum         | ulative*                    | % of Total |
|---|-----|------------------------|-------------|-----------------------------|------------|
| Property Tax Increment  | \$  | -                      | \$          | 33,219                      | 1%         |
| State Sales Tax Increment   |     |                        |             |                             | 0%         |
| Local Sales Tax Increment   |     |                        |             |                             | 0%         |
| State Utility Tax Increment   |     |                        |             |                             | 0%         |
| Local Utility Tax Increment   |     |                        |             |                             | 0%         |
| Interest  | \$  | 107                    | \$          | 395,185                     | 8%         |
| Land/Building Sale Proceeds   |     |                        |             |                             | 0%         |
| Bond Proceeds   | \$  | -                      | \$          | 3,506,099                   | 68%        |
| Transfers from Municipal Sources  |     |                        |             |                             | 0%         |
| Private Sources   |     |                        |             |                             | 0%         |
| Bond Refunding Issuance   | \$  | 1,235,000              | \$          | 1,235,000<br>here 'Reportir | 24%        |
| Total Amount Deposited in Special Tax Allocation Fund During Reporting Period                     | \$  | 1,235,107              | ]           |                             |            |
| Cumulative Total Revenues/Cash Receipts   |     |                        | \$          | 5,169,503                   | 1000/      |
|   |     |                        |             |                             | 100%       |
| Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)                          | \$  | 3,341,529              |             |                             | 100%]      |
| Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)  Distribution of Surplus | \$  | 3,341,529              | ]<br>]      |                             | 100%       |
| ,   | \$  | 3,341,529<br>3,341,529 | ]<br>]<br>] |                             | 100%       |
| Distribution of Surplus   |     |                        | ]<br>]<br>] |                             | 100%]      |

FY 2014

TIF NAME: US Rte 34 & IL Rte 47 - Countryside

## ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment cost, amounts expended during reporting period)

### FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

| FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLE  |         |                       |
|---|---------|-----------------------|
| Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]                                       | Amounts | Reporting Fiscal Year |
| 1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)  |         |                       |
| Legal Services  | 2,917   |                       |
| Auditing Services - TIF Compliance Report   | 250     |                       |
| Reporting Services - Bond Refunding Public Hearing  | 120     |                       |
| Printing Services   | 121     |                       |
| Paying Agent Fees   | 375     |                       |
| JRB Packet Postage  | 8       |                       |
| 2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)  |         | \$ 3,791              |
| 2. Cost of marketing sites—Subsections (4)(1.0) and (0)(1.0)  |         |                       |
|   |         |                       |
|   |         |                       |
|   |         |                       |
| Property assembly, demolition, site preparation and environmental site improvement costs.   |         | \$ -                  |
| Subsection (q)(2), (o)(2) and (o)(3)  |         |                       |
|   |         |                       |
|   |         |                       |
|   |         |                       |
|   |         | \$ -                  |
| Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings.     Subsection (q)(3) and (o)(4) |         | ·                     |
|   |         |                       |
|   |         |                       |
|   |         |                       |
|   |         | \$ -                  |
| 5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)   |         | <b>-</b>              |
|   |         |                       |
|   |         |                       |
|   |         |                       |
|   |         |                       |
| Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs   |         | <u>-</u>              |
| Recovery TIFs ONLY  |         |                       |
|   |         |                       |
|   |         |                       |
|   |         |                       |
|   |         |                       |
|   |         | \$ -                  |

| SECTION 3.2 A  |           |              |
|--|-----------|--------------|
| PAGE 2   |           |              |
| 7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) |           |              |
| and (o)(12)  |           |              |
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|  |           |              |
|  |           |              |
|  |           | -            |
| 8. Financing costs. Subsection (q) (6) and (o)(8)  | 07.045    |              |
| Refunding Bond Issuance Costs  | 37,315    |              |
| Principal  | 185,000   |              |
| Interest   | 117,738   |              |
| Refund Bond Discount   | 9,773     |              |
| Bond Refunding - Payment to Escrow Agent   | 1,187,912 |              |
|  |           |              |
|  |           |              |
|  |           | \$ 1,537,738 |
| 9. Approved capital costs. Subsection (q)(7) and (o)(9)  |           |              |
| ()// / * * (*//*/  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
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|  |           |              |
|  |           |              |
|  |           |              |
|  |           | \$ -         |
| 10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing      |           |              |
| projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY                       |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           | \$ -         |
| 11. Relocation costs. Subsection (q)(8) and (o)(10)  |           | Ψ            |
| T1. Relocation costs. Subsection (q)(6) and (0)(10)  |           |              |
|  |           |              |
|  |           |              |
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|  |           |              |
|  |           |              |
|  |           |              |
|  |           | \$ -         |
| 12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)   |           |              |
|  |           |              |
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|  |           |              |
|  |           | Φ.           |
| 13. Costs of job training, retraining advanced vocational or career education provided by other        |           | -            |
| taxing bodies. Subsection (q)(10) and (o)(12)  |           |              |
| (4)(10) and (0)(12)  |           |              |
|  |           |              |
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|  |           |              |
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|  |           |              |
|  | i         | \$           |

| SECTION 3.2 A  |           |              |
|--|-----------|--------------|
| PAGE 3   |           |              |
| 14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)                |           |              |
| Developer Incentive  | 1,800,000 |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
|  |           | \$ 1,800,000 |
| 15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY |           |              |
|  |           |              |
|  |           |              |
|  |           |              |
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|  |           |              |
|  |           |              |
|  |           |              |
|  |           | -            |
| 16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY                      |           |              |
| ·  |           |              |
|  |           |              |
|  |           |              |
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|  |           |              |
|  |           |              |
|  |           |              |
|  |           | \$ -         |
|  |           |              |
| TOTAL ITEMIZED EXPENDITURES  |           | \$ 3,341,529 |

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|----|---|---|---|---|---|
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TIF NAME: US Rte 34 & IL Rte 47 - Countryside

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

\_\_\_\_\_ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

| Name                 | Name Service        |    | Amount    |  |  |
|----------------------|---------------------|----|-----------|--|--|
| The Bank of New York | Paying Agent        | \$ | 303,112   |  |  |
| James Ratos          | Developer Incentive | \$ | 1,800,000 |  |  |
|                      |                     |    |           |  |  |
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## SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

(534,087)

## Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period FY 2014

TIF NAME: US Rte 34 & IL Rte 47 - Countryside

**FUND BALANCE, END OF REPORTING PERIOD** 

|  | unt of Original<br>Issuance | Amou | nt Designated |
|--|-----------------------------|------|---------------|
| 1. Description of Debt Obligations             |                             |      |               |
| General Obligation Bonds Series 2005           | \$<br>3,525,000             | \$   | 2,189,897     |
| General Obligation Refunding Bonds Series 2014 | \$<br>1,235,000             | \$   | 1,946,082     |
|  |                             |      |               |
|  |                             |      |               |
|  |                             |      |               |
|  |                             |      |               |
| Total Amount Designated for Obligations        | \$<br>4,760,000             | \$   | 4,135,979     |
| 2. Description of Project Costs to be Paid     |                             |      |               |
|  |                             |      |               |
|  |                             |      |               |
|  |                             |      |               |
|  |                             |      |               |

| Total Amount Designated for Project Costs | \$ - |
|---|------|
|   |      |

TOTAL AMOUNT DESIGNATED \$ 4,135,979

**SURPLUS\*/(DEFICIT)** \$ (4,670,066)

<sup>\*</sup> NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

## SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

#### FY 2014

## TIF NAME: US Rte 24 & IL Rte 47 - Countryside

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

## \_\_X\_\_\_ No property was acquired by the Municipality Within the Redevelopment Project Area

## Property Acquired by the Municipality Within the Redevelopment Project Area

| Property (1):                                |  |
|--|--|
| Street address:                              |  |
| Approximate size or description of property: |  |
| Purchase price:                              |  |
| Seller of property:                          |  |
|  |  |
| Property (2):                                |  |
| Street address:                              |  |
| Approximate size or description of property: |  |
| Purchase price:                              |  |
| Seller of property:                          |  |
|  |  |
| Property (3):                                |  |
| Street address:                              |  |
| Approximate size or description of property: |  |
| Purchase price:                              |  |
| Seller of property:                          |  |
|  |  |
| Property (4):                                |  |
| Street address:                              |  |
| Approximate size or description of property: |  |
| Purchase price:                              |  |
| Seller of property:                          |  |

## SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G) PAGE 1

FY 2014

TIF NAME: US Rte 34 & IL Rte 47 - Countryside

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1  $\underline{\text{MUST BE INCLUDED}}$  WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED  $\underline{\text{ONLY IF}}$  PROJECTS ARE LISTED ON THESE PAGES

| Check here if <u>NO</u> projects were undertaken by the Mu                                 |               |                  |             | -                                    |    |              |
|--|---------------|------------------|-------------|--------------------------------------|----|--------------|
| <b>ENTER</b> total number of projects undertaken by the Mu and list them in detail below*. | ınicipality \ | Within the Redev | elopment Pr | oject Area                           | 1_ |              |
| TOTAL:   | 11            | /1/99 to Date    | for Subse   | I Investment<br>quent Fiscal<br>'ear |    | Estimated to |
| Private Investment Undertaken (See Instructions)   | \$            | 8,500,000        | \$          | -                                    | \$ | 8,500,000    |
| Public Investment Undertaken   | \$            | 1,811,065        | \$          | 50,000                               | \$ | 2,000,000    |
| Ratio of Private/Public Investment   |               | 4 52/75          |             |                                      |    | 4 1/4        |
| Project 1: *IF PROJECTS ARE LISTED NUMBER M  | <br>UST BE E  | NTERED ABOV      | F           |                                      |    |              |
| Kendall Crossing   |               |                  | _           |                                      |    |              |
| Private Investment Undertaken (See Instructions)   | \$            | 8,500,000        |             |                                      | \$ | 8,500,000    |
| Public Investment Undertaken   | \$            | 1,811,065        | \$          | 50,000                               | \$ | 2,000,000    |
| Ratio of Private/Public Investment   |               | 4 52/75          |             |                                      |    | 4 1/4        |
| Project 2:   |               |                  |             |                                      |    |              |
| Private Investment Undertaken (See Instructions)   |               |                  |             |                                      |    |              |
| Public Investment Undertaken   |               |                  |             |                                      |    |              |
| Ratio of Private/Public Investment   |               | 0                |             |                                      |    | 0            |
| Project 3:   |               |                  |             |                                      |    |              |
| Private Investment Undertaken (See Instructions)   |               |                  |             |                                      |    |              |
| Public Investment Undertaken   |               |                  |             |                                      |    |              |
| Ratio of Private/Public Investment   |               | 0                |             |                                      |    | 0            |
| Project 4:   |               |                  |             |                                      |    |              |
| Private Investment Undertaken (See Instructions)   |               |                  |             |                                      |    |              |
| Public Investment Undertaken   |               |                  |             |                                      |    |              |
| Ratio of Private/Public Investment   |               | 0                |             |                                      |    | 0            |
| Project 5:   |               |                  |             |                                      |    |              |
| Private Investment Undertaken (See Instructions)   |               |                  |             |                                      |    |              |
| Public Investment Undertaken   |               |                  |             |                                      |    |              |
| Ratio of Private/Public Investment   |               | 0                |             |                                      |    | 0            |
| Project 6:   |               |                  |             |                                      |    |              |
| Private Investment Undertaken (See Instructions)   |               |                  |             |                                      |    |              |
| Public Investment Undertaken   |               |                  |             |                                      |    |              |
| Ratio of Private/Public Investment   |               | 0                |             |                                      |    | 0            |

PAGE 2

|  | PAGE 2 |  |
|--|--------|--|
| Project 7:                                       |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 8:                                       |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 9:                                       |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 10:                                      |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 11:                                      |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 12:                                      |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 13:                                      |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 14:                                      |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |
| Project 15:                                      |        |  |
| Private Investment Undertaken (See Instructions) |        |  |
| Public Investment Undertaken                     |        |  |
| Ratio of Private/Public Investment               | 0 0    |  |

PAGE 3

|   | PAGE 3   |     |
|---|----------|-----|
| Project 16:   |          |     |
|   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
|   |          |     |
| Project 17:   |          |     |
|   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
| Project 18:   | $\neg$   |     |
| Project 16.   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
|   | ,        | •   |
| Project 19:   |          |     |
|   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
|   | _        |     |
| Project 20:   |          |     |
|   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
|   |          |     |
| Project 21:   |          |     |
| Drivete Investment Indestales (Co. Instructions)                              |          |     |
| Private Investment Undertaken (See Instructions) Public Investment Undertaken |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
| Natio of Frivate/Fublic Investment  | 0        |     |
| Project 22:   |          |     |
| 110,000 22.   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
|   | <u> </u> | ·   |
| Project 23:   |          |     |
|   |          | T   |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
| During of   | $\neg$   |     |
| Project 24:   |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
| Trade of Fritation ability investment   | <u> </u> | l 0 |
| Project 25:   |          |     |
| .,  |          |     |
| Private Investment Undertaken (See Instructions)                              |          |     |
| Public Investment Undertaken  |          |     |
| Ratio of Private/Public Investment  | 0        | 0   |
|   | · ·      | •   |

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. \*even though optional MUST be included as part of complete TIF report

#### **SECTION 6**

FY 2014

TIF NAME: US Rte 34 & IL Rte 47 - Countryside

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment

| project area was | roject area was Reporting Fiscal Ye |           |    | oorting Fiscal Year |
|------------------|-------------------------------------|-----------|----|---------------------|
| designated       |                                     | Base EAV  |    | EAV                 |
| 2/15/2005        | \$                                  | 1,528,166 | \$ | 1,393,239           |

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

\_\_X\_\_\_ The overlapping taxing districts did not receive a surplus.

| Overlapping Taxing District | Surplus Distributed from redevelopment<br>project area to overlapping districts |  |  |
|-----------------------------|---|--|--|
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |
|                             | \$ -  |  |  |

#### **SECTION 7**

Provide information about job creation and retention

| Number of Jobs<br>Retained | Number of Jobs<br>Created | Description and Type<br>(Temporary or<br>Permanent) of Jobs | Total Salaries Paid |
|----------------------------|---------------------------|---|---------------------|
|                            |                           |   | \$ -                |
|                            |                           |   | \$ -                |
|                            |                           |   | \$ -                |
|                            |                           |   | \$ -                |
|                            |                           |   | \$ -                |
|                            |                           |   | \$ -                |
|                            |                           |   | \$ -                |

#### **SECTION 8**

Provide a general description of the redevelopment project area using only major boundaries:

| Optional Documents | Enclosed |  |
|--------------------|----------|--|

| Optional Documents                              | Enclosed |                     |
|---|----------|---------------------|
| Legal description of redevelopment project area |          | previously provided |
| Map of District                                 |          | previously provided |



## **United City of Yorkville**

800 Game Farm Road Yorkville, Illinois, 60560 Telephone: 630-553-4350 www.yorkville.il.us

## **CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Gary J. Golinski, Mayor of the United City of Yorkville, Kendall County, Illinois, certify that the City has complied with all of the requirements of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.* during the fiscal year ending April 30, 2014, in connection with the administration of the U.S. Route 34 and IL Route 47 (Countryside) Tax Increment Financing District.

Gary J. Gølinski, Mayor

# LAW OFFICE KATHLEEN FIELD ORR & ASSOCIATES

53 West Jackson Blvd.
Suite 964
Chicago, Illinois 60604
(312)382-2113
(312)382-2127 facsimile

KATHLEEN FIELD ORR kfo@kfoassoc.com

October 21, 2014

Judy Baar Topinka, State Comptroller Office of the State Comptroller Local Government Division 100 West Randolph Street, Suite 15-500 Chicago, Illinois 60601-3252

Re: U.S. Route 34 and Ill. Route 47 (Countryside Shopping Center) Tax Increment Finance Redevelopment Project Area for the Fiscal Year Ending April 30, 2014

Dear Sir:

I, Kathleen Field Orr, am the Tax Increment Financing attorney for the United City of Yorkville, Kendall County, Illinois, and have been such throughout the fiscal year covered by this Report.

I reviewed all of the information provided to me by the City Administration and I find that the United City of Yorkville, Illinois, has conformed with all of the applicable provisions of the Illinois Tax Increment Allocation Redevelopment Act.

This opinion relates only to the time periods set forth and is based on all information available to me at the end of said fiscal year.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES

KATHLEEN FIELD ORR

KFO/kms

## Activities Statement US Rte 34 & IL Rte 47 Countryside

In November of 2013 a new 30,000 square foot multiplex movie theater, called NCG Cinemas, opened within the Countryside TIF district. Pursuant to the development agreement, the developer of the movie theater will receive TIF incentives totaling \$2 million. Of this amount, \$1.8 million was paid (from remaining 2005 bond proceeds) upon the opening of the new theater. The remaining \$200,000 will be paid from amusement tax receipts. In addition, the developer will also receive a 50% rebate of amusement tax receipts for a period of ten years. This development, known as Kendall Crossing, also contains six additional outlots allowing for potential commercial development in the future.

In January of 2014 the City completed a partial refunding of the 2005 Countryside bonds, in order to mitigate the fund's negative equity position and ease cash flow constraints in subsequent fiscal years. As of April 30, 2014, outstanding principal for the 2005 and 2014 bonds was \$1.6 million and \$1.235 million, respectively. During the current fiscal year the TIF district paid \$302,738 in debt service costs, consisting of principal and interest in the amounts of \$185,000 and \$117,738, respectively.

# UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

### **ORDINANCE NO. 2013-27**

AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT FOR KENDALL CROSSING, YORKVILLE, ILLINOIS

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois This 16<sup>th</sup> day of May, 2013

Published in pamphlet form by the authority of the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois on June 3, 2013.

## Ordinance No. 2013- 27

# AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT FOR KENDALL CROSSING, YORKVILLE, ILLINOIS

WHEREAS, by Ordinance No. 2005-10A, adopted by the Mayor and City Council of the United City of Yorkville (the "Corporate Authorities") on February 8, 2005, a Tax Increment Financing Redevelopment Project and Plan for the US Route 34 and Illinois Route 47 (Countryside Shopping Center) (hereinafter the "Redevelopment Plan") was approved, which Redevelopment Plan covered an area of approximately 19 acres of commercial property (the "Subject Property") which was improved with a retail shopping center in a serious state of disrepair and having a significant number of vacancies; and,

WHEREAS, by Ordinance No. 2005-10B and No. 2005-10C adopted by the Corporate Authorities on February 15, 2005, the City designated the Subject Property as a "redevelopment project area" after a determination that it was a "blighted area" and, due to its eligibility, and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (hereinafter referred to as the "Act"); and,

WHEREAS, after acquisition of the property and demolition of all structures on the Subject Property, a prior owner was unable to proceed with a redevelopment thereof and in 2010, after foreclosing on the Subject property, the current titleholder entered into a contract to convey the Subject Property to James G. Ratos of Yorkville, who has advised the City of his desire to develop the now vacant Subject Property on the condition that the City agrees to assist with the cost of acquisition of the Subject Property and other financial incentives as hereinafter set forth in order to make the redevelopment of the Subject Property economically viable; and,

WHEREAS, pursuant to the Illinois Municipal Code, 65 ILCS 5/1-1-1, et seq. (the "Code"), as from time to time amended, and, more specifically, Sec. 8-1-2.5 of the Code (the

"Economic Development Act"), the Corporate Authorities are empowered to appropriate and expend funds for economic development purposes including the making of grants to any commercial enterprise as deemed necessary for the promotion of economic development; and,

WHEREAS, the Developer has been advised that pursuant to Ordinance No. 2008-101, adopted November 25, 2008, and amended by Ordinance Number 2009-15, adopted March 24, 2009, the Corporate Authorities designated the Subject Property a "Business District" in accordance with the Business District Development and Redevelopment Law (65 ILCS 5/11-74.3 et seq.) (the "Business District Act") and adopted a development or redevelopment plan and imposed a one percent (1%) business district retailers' occupation tax and a one percent (1%) business district service occupation tax ("Business District Taxes") to pay business district project costs including the planning, execution and implementation of an approved business district plan; and,

WHEREAS, the Developer has also requested that the Business District Taxes available to the City as a result of the adoption of the Business District Act, be used to reimburse the Developer for development costs as permitted by the Business District Act, and that a portion of the City's amusement tax of three percent (3%) be applied to the costs of site improvements at the Subject Property; and,

WHEREAS, the City is prepared to assist the Developer as requested but only in accordance with the terms and conditions as set forth in the Development Agreement for Kendall Crossings of Yorkville attached hereto and made a part hereof.

**BE IT ORDAINED** by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois, that the Development Agreement for Kendall Crossing, Yorkville, Illinois, by and between the City and James G. Ratos of Yorkville, Illinois, in the form attached hereto and made a part hereof, is approved and the Mayor and City Clerk are hereby authorized to execute said Development Agreement and the City Administrator is authorized to undertake such action as may be required to implement its terms.

That Ordinance No. 2012-41 passed on October 23, 2012, approving a prior Development Agreement with James G. Ratos of Yorkville is hereby repealed and said prior Development Agreement is cancelled as never having been approved by this City Council.

This Ordinance shall be in full force and effect immediately upon its passage by the Mayor and City Council and approval as provided by law.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois, this 16 day of May CHRIS FUNKHOUSER LARRY KOT CARLO COLOSIMO DIANE TEELING JACKIE MILSCHEWSKI JOEL FRIEDERS ROSE SPEARS KEN KOCH

**APPROVED** by me, as Mayor of the United City of Yorkville, Kendall County, Illinois, this 30 day of MAY, A.D. 2013.

Attest:

## DEVELOPMENT AGREEMENT FOR KENDALL CROSSING, YORKVILLE, ILLINOIS

THIS AGREEMENT dated as of the 30 day of MAY, 2013, by and between the United City of Yorkville, Kendall County, Illinois, a municipal corporation (hereafter the "City") and James G. Ratos of Yorkville, Illinois (hereafter "Developer").

#### WITNESSETH:

WHEREAS, by Ordinance No. 2005-10A, adopted by the Mayor and City Council of the City (the "Corporate Authorities") on February 8, 2005, a Tax Increment Financing Redevelopment Project and Plan for the US Route 34 and Illinois Route 47 (Countryside Shopping Center) (hereinafter the "Redevelopment Plan") was approved, which Redevelopment Plan covered an area of approximately 19 acres legally described on Exhibit A attached hereto and made a part hereof, the boundary of which is depicted on Exhibit B also attached hereto and made a part hereof, as of said date being improved as a commercial shopping center with approximately 158,000 square feet of retail space on approximately 17 acres of land owned by T-L Countryside LLC, a Delaware limited liability company (the "Prior Owner"), plus approximately two (2) acres of adjacent right of way within State Route 47 (the "Subject Property"); and,

WHEREAS, by Ordinance No. 2005-10B and No. 2005-10C adopted by the Corporate Authorities on February 15, 2005, the City designated the Subject Property as a "redevelopment project area" and adopted tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (hereinafter referred to as the "*Act*"); and,

WHEREAS, in order to induce the development of the Subject Property by the Prior Owner, the City issued tax exempt alternative revenue bonds in an amount which provided net

proceeds of Three Million Dollars (\$3,000,000) after funding for capitalized interest and payment of all bond issuance costs, which net proceeds were to be available to assist with the redevelopment of the Subject Property (the "Bond Proceeds"); and,

WHEREAS, the Prior Owner proceeded with the redevelopment of the Subject Property and demolished all of the structures comprising the commercial shopping center located thereon but was unable to proceed any further due to the inability to find a commercial user in a declining economy; and,

WHEREAS, the Prior Owner ultimately lost its ownership interest in the Subject Property to its mortgagee (the "Lender") after receiving \$500,000 of reimbursement from the City from the Bond Proceeds for the cost of demolition; and,

WHEREAS, after foreclosing on the Subject Property in 2010, the Lender has now entered into a contract to convey the Subject Property to the Developer and the Developer has advised the City of his desire to develop the now vacant Subject Property on the condition that the balance of the Bond Proceeds be used to assist with the cost of acquisition of the Subject Property and that the City grants other financial incentives as hereinafter set forth in order to make the redevelopment of the Subject Property economically viable; and,

**WHEREAS**, pursuant to the Illinois Municipal Code, 65 ILCS 5/1-1-1, *et seq*. (the "Code"), as from time to time amended, and, more specifically, Sec. 8-1-2.5 of the Code (the "Economic Development Act"), the Corporate Authorities are empowered to appropriate and expend funds for economic development purposes including the making of grants to any commercial enterprise as deemed necessary for the promotion of economic development; and,

WHEREAS, the Developer has been advised that pursuant to Ordinance No. 2008-101, adopted November 25, 2008, and amended by Ordinance Number 2009-15, adopted March 24, 2009, the Corporate Authorities designated the Subject Property a "Business District" in accordance with the Business District Development and Redevelopment Act (65 ILCS 5/11-74.3 et seq.) (the "Business District Act") and adopted a development or redevelopment plan and imposed a one percent (1%) business district retailers' occupation tax and a one percent (1%) business district service occupation tax ("Business District Taxes") to pay business district project costs including the planning, execution and implementation of an approved business district plan; and,

WHEREAS, the Developer has requested: (i) the balance of the Bond Proceeds be used to assist with his cost to acquire the Subject Property; (ii) the Business District Taxes available to the City as a result of the Business District Act, be used to reimburse the Developer for development costs as permitted by the Business District Act; and, (iii) a portion of the City's amusement tax of three percent (3%) be applied to **the costs of** site improvements at the Subject Property; and,

WHEREAS, the City is prepared to assist the Developer as requested but only in accordance with the terms and conditions hereinafter set forth and only after the City approves the plan for development because the City recognizes that the development of the Subject Property is of vital importance to the City given its strategic location near the intersection of two primary commercial corridors of the City.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties agree as follows:

**Section 1. Preambles.** The foregoing preambles are hereby incorporated into this Agreement as if fully restated in this Section 1.

## Section 2. Developer's Obligations.

- A. The Developer has filed a Planned Unit Development concept plan for the development of the Subject Property which provides for the construction of a new 38,500 square foot cinema complex covering approximately seven (7) acres of the Subject Property (the "Cinema Complex"), which shall be reviewed and shall require consideration of the following items:
  - 1. Variance in required parking spaces from the required 662 to 418 spaces;
  - 2. Need for one shade tree for every twenty (20) parking spaces in interior landscaped medians of 190 square feet;
    - 3. Variance from the required 2 loading docks to one loading dock;
  - 4. Authorization to vary from the Subdivision Control Ordinance and stormwater management requirements, subject to the review of final engineering plans and the recommendation(s) of the City Engineer..
- B. On or before March 31, 2013, the Developer shall have amended the proposed plan to include all required changes and have received approval from the City of a Final Plat for a planned unit development and have been issued any and all required permits from the City and any other governmental agency having jurisdiction over the Subject Property to commence development of the Cinema Complex to house a ten (10) screen cinema and all site improvements, including, but not limited to, storm management, landscaping, parking lot,

lighting and walkways, as depicted on the approved Final Plat (collectively, hereinafter referred to as the "*Project*").

- C. Simultaneously with the recordation of the Final Plat for the planned unit development, the Developer shall have deposited with the City security in the form of a letter of credit or performance bond in the amount as required by the City's Code of Ordinance to guarantee completion of all public improvements inclusive of a public improvement completion ("pic") schedule as required for all new subdivisions per the amended subdivision control ordinance at the Subject Property.
- D. On or before March 31, 2013, the Developer shall deliver to the City proof of the Developer's contract to convey the Cinema Complex to Neighborhood Cinema Group of Owosso, Michigan, who shall operate the ten (10) screen cinema (hereinafter "NCG").
- E. On or before July 31, 2013, the Developer shall deliver proof of conveyance of the Cinema Complex to NCG who shall commence operation of the Cinema Complex with ten (10) screens on or before March 31, 2014.
- F. On or before December 31, 2013, the Developer shall have completed construction of the Project in accordance with all permits as issued in conjunction with the approved Final Plat for a planned unit development.
- G. On or before March 31, 2014, the Developer shall have been issued a certificate of occupancy from the City.

## Section 3. Obligations on the part of the City.

A. Upon issuance of a certificate of occupancy for the Cinema Complex at the Subject Property, the City agrees to reimburse the Developer \$2,000,000 for a portion of the cost

of acquisition of the Subject Property payable as follows: (i) \$1,800,000; and (ii) the difference between said payment and \$2,000,000, being \$200,000, payable to the Developer from fifty percent (50%) of the three percent (3%) of the City's amusement tax receipts from the operation of the Cinema Complex at the Subject Property required to be collected by the operator of said amusement pursuant to Chapter 4, Article D of the City's Code of Ordinances (the "Amusement Tax"). Payments by the City shall be made in accordance with the procedures as set forth in Section IV of this Agreement.

- B. So long as no notice of an event of default has been issued to the Developer and remains outstanding, the City further agrees to reimburse the Developer for Business District Project Costs, as hereinafter defined, from the Business District Taxes generated from the Subject Property commencing with the date of issuance of a certificate of occupancy and terminating upon the termination of the designation of the Subject Property as a business district under the Business District Act. Payment by the City shall be made to the Developer in accordance with the procedures hereinafter set forth in Section IV.
- C. So long as no notice of an event of default has been issued by the City to the Developer and remains outstanding, the City shall rebate to the Developer fifty percent (50%) of the three percent (3%) of the Amusement Tax generated from the operation of the Cinema Complex at the Subject Property. Payments of fifty percent (50%) of the three percent (3%) Amusement Tax shall be paid to the Developer in accordance with the provisions of Section IV hereof commencing on the date of the issuance of a certificate of occupancy for the Cinema Complex and continue until the 10<sup>th</sup> anniversary of said date of occupancy.

D. For purposes of this Agreement, "Business District Project Costs" shall mean and include all costs defined as "business district project costs" in Section 11-74.3-5 of the Business District Act which are eligible for reimbursement under the Business District Act. The parties acknowledge that the determination of Business District Project Costs and qualification for reimbursement from Business District Taxes under this Agreement are subject to the Business District Act, all amendments to the Business District Act both before and after the date of this Agreement, and all administrative rules and judicial interpretations rendered during the term of this Agreement. The City has no obligation to the Developer to attempt to modify said rules or decisions but will cooperate with the Developer in obtaining approval of Business District Project Costs.

## Section 4. Deposits and Disbursements from the Business District Tax Allocation Fund.

- A. In connection with the administration of the Subject Property designated as a "business district" under the Business District Act, the City has established the Business District Tax Allocation Fund (the "BDD Fund") into which the City shall deposit all Business District Taxes generated from the operation of any business located on the Subject Property for so long as the Subject Property remains designated as a business district and, for a period of ten (10) years commencing with the date of the issuance of a certificate of occupancy for the Cinema Complex on the Subject Property, fifty percent (50%) of the Amusement Tax generated from the Cinema Complex operating at the Subject Property which shall be used to reimburse the Developer for Business District Project costs in accordance with the procedures hereinafter set forth.
- B. To establish a right of reimbursement for Business District Project Costs under this Agreement the Developer shall submit to the City a written statement in the form attached to

this Agreement as Exhibit C (a "Request for Reimbursement") setting forth the amount of reimbursement requested and the specific Business District Project Costs for which reimbursement is sought. Each Request for Reimbursement shall be accompanied by such bills, contracts, invoices, lien waivers or other evidence as the City shall reasonably require to evidence that reimbursement requests shall include only such costs which are Business District Project Costs which have been incurred by the Developer in connection with the development of the approved Final Plat for the Subject Property, which Final Plat, from time to time, may be amended. The City Administrator shall have thirty (30) days after receipt of any Request for Reimbursement from the Developer to recommend to the City Finance Director approval or disapproval of such Request and, if disapproved, to provide the Developer, in writing and in detail, an explanation as to why the City is not prepared to recommend such reimbursement. The only reasons for disapproval of any expenditure for which reimbursement is sought shall be that (i) it is not an eligible Business District Project Cost under the Business District Act; (ii) inadequate documentation has been provided to substantiate such expenditure; or, (iii) it was not constructed and completed by the Developer in accordance with all applicable City Code requirements and the provisions of this Agreement, including, without limitation, all approved permits The parties acknowledge that the determination of Business District Project Costs and qualification for reimbursement under this Agreement are subject to the Business District Act, all amendments to the Act both before and after the date of this Agreement, and all administrative rules and judicial interpretations rendered during the term of this Agreement. The City has no obligation to the Developer to attempt to modify said rules or decisions but will cooperate with the Developer in obtaining approval of Business District Project Costs.

- C. Payments shall be made quarterly to the Developer from the BDD Fund, i.e., March 31, June 30, September 30 and December 31 of each year so long as this Agreement is in full force and effect. To the extent insufficient funds are available in the BDD Fund to pay the amount approved, any Business District Project Cost not reimbursed shall be reimbursed from future deposits to the BDD Fund and disbursed to the Developer with the next quarterly payment.
- D. In addition to the foregoing, the City shall further distribute to the Developer on a quarterly basis, so long as no notice of default has been issued to the Developer by the City and remains outstanding, fifty percent (50%) of the three percent (3%) Amusement Tax received by the City as a result of the operation of the Cinema Complex at the Subject Property. Payments of this fifty percent (50%) of the three percent (3%) shall be made until the difference between an amount equal to \$2,000,000 and the amount of Bond Proceeds paid to the Developer upon issuance of the certificate of occupancy, shall have been disbursed to the Developer.

## Section 5. Undertakings on the Part of Developer.

- A. The Developer hereby covenants and agrees to promptly pay, as the same become due, any and all taxes and governmental charges of any kind that may at any time be assessed with regard to its operation including all real estate taxes assessed against the Subject Property or any other location in the City owned or controlled by the Developer.
- B. The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from any third-party claims made against the City as

a result of the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or material men; from any default or breach of the terms of this Agreement by the Developer; or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer). The Developer shall, at its own cost and expense, appear, defend and pay all charges of attorneys, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials or employees in any such action, the Developer shall, at its own expense, satisfy and discharge the same. The paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees or contractors.

Section 6. Term. Unless earlier terminated pursuant to Section 18, the term of this Redevelopment Agreement shall commence on the date of execution and end December 31, 2031 (the "Termination Date").

**Section 7.** Verification of Sales Taxes. The Developer shall use its best efforts to cooperate with the City in obtaining certified copies of its reports to the Illinois Department of Revenue of all remittances of all sales and service taxes.

Section 8. No Liability of City for Others for Developer's Expenses. The City shall have no obligation to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or

material man providing services or materials to the Developer for the development of the Project. The Developer agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et seq.*, as may be required.

Section 9. Time; Force Majeure. Time is of the essence of this Redevelopment Agreement, provided, however, a party shall not be deemed in material breach of this Redevelopment Agreement with respect to any obligations of this Redevelopment Agreement on such party's part to be performed if such party fails to timely perform the same and such failure is due in whole or in part to any strike, lock-out, labor trouble (whether legal or illegal), civil disorder, weather conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, acts of terrorism, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or similar causes beyond the reasonable control of such party ("Force Majeure"). If one of the foregoing events shall occur or either party shall claim that such an event shall have occurred, the party to whom such claim is made shall investigate same and consult with the party making such claim regarding the same and the party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

Section 10. Assignment. This Redevelopment Agreement may not be assigned by the

Developer without the prior written consent of the City, which consent shall not be unreasonably

withheld.

Section 11. Waiver. Any party to this Redevelopment Agreement may elect to waive

any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless

the party waiving such right or remedy does so in writing. No such waiver shall obligate such

party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other

rights and remedies provided said party pursuant to this Redevelopment Agreement.

Section 12. Severability. If any section, subsection, term or provision of this

Redevelopment Agreement or the application thereof to any party or circumstance shall, to any

extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision

of this Redevelopment Agreement or the application of same to parties or circumstances other

than those to which it is held invalid or unenforceable, shall not be affected thereby.

Section 13. Notices. All notices, demands, requests, consents, approvals or other

instruments required or permitted by this Redevelopment Agreement shall be in writing and shall

be executed by the party or an officer, agent or attorney of the party, and shall be deemed to have

been effective as of the date of actual delivery, if delivered personally, or as of the third (3<sup>rd</sup>) day

from and including the date of posting, if mailed by registered or certified mail, return receipt

requested, with postage prepaid, addressed as follows:

To the Developer:

James G. Ratos

207 W Kendall Drive

Yorkville, IL 60560

With a copy to:

Daniel J. Kramer, Attorney

1107A South Bridge Street

Yorkville, IL 60560

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To the City:

United City of Yorkville

800 Game Farm Road Yorkville, Illinois 60560

Attention: City Administrator

With a copy to:

Kathleen Field Orr

Kathleen Field Orr & Associates 53 West Jackson Blvd., Suite 935

Chicago, Illinois 60604

Section 14. Successors in Interest. This Redevelopment Agreement shall be binding

upon and inure to the benefit of the parties to this Redevelopment Agreement and their

respective successors and assigns.

Section 15. No Joint Venture, Agency or Partnership Created. Neither anything in this

Redevelopment Agreement nor any acts of the parties to this Redevelopment Agreement shall be

construed by the parties or any third person to create the relationship of a partnership, agency, or

joint venture between or among such parties.

Section 16. Warranties and Covenants of the Developer.

A. The Developer hereby covenants and agrees to promptly pay, as the same become

due, any and all taxes and governmental charges of any kind that may at any time be lawfully

assessed including all real estate taxes assessed against the Subject Property or any other location

in the City owned or controlled by the Developer.

B. The Developer covenants and agrees that at all times it shall comply with all

applicable zoning ordinances and regulations, building code, fire code and all other City

ordinances, resolutions and regulations.

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C. The Developer hereby covenants and agrees to comply with all applicable laws, rules and regulations of the State of Illinois, the United States and all agencies of each of them having jurisdiction over it.

Section 17. No Discrimination – Construction. The Developer for himself and his successors and assigns agrees that in the construction of the improvements at the Subject Property provided for in this Redevelopment Agreement the Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause.

#### Section 18. Remedies – Liability.

A. If, in the City's judgment, the Developer is in material default of this Redevelopment Agreement, the City shall provide the Developer with a written statement indicating in adequate detail any failure on the Developer's part to fulfill its obligations under this Redevelopment Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty

(30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceed with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Redevelopment Agreement. A default not cured as provided above shall constitute a breach of this Redevelopment Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

B. If the Developer materially fails to fulfill his obligations under this Redevelopment Agreement after notice is given by the City and any cure periods described in paragraph (a) above have expired, the City may elect to terminate this Redevelopment Agreement or exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Redevelopment Agreement. If any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for either one of the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by the City, to forthwith terminate this Redevelopment Agreement under this Section, the City's sole obligation shall be to record, in the office of the Kendall County

Recorder, a Certificate of Default, executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Redevelopment Agreement is terminated pursuant to the provisions of this Section, in which event this Redevelopment Agreement by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.

- C. If, in the Developer's judgment, the City is in material default of this Redevelopment Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Redevelopment Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If by its nature such default cannot reasonably be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Redevelopment Agreement. A default not cured as provided above shall constitute a breach of this Redevelopment Agreement. Any failure or delay by the Developer in asserting any of their rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of shall not operate as a waiver of any rights or remedies it may have as a result of such default or breach.
- D. In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Redevelopment Agreement, either at law or in equity,

including, but not limited to the equitable remedy of an action for specific performance; provided, however, no recourse under or upon any obligation contained herein or for any claim based thereon shall be had against the City, its officers, agents, attorneys, representatives or employees in any amount or in excess of any specific sum agreed to be paid by the City hereunder, and no liability, right or claim at law or in equity shall be attached to or incurred by the City, its officers, agents, attorneys, representatives or employees in any amount in excess of any specific sums agreed by the City to be paid hereunder and any such claim is hereby expressly waived and released as a condition of and as consideration for the execution of this Redevelopment Agreement by the City. Notwithstanding the foregoing, in the event either party shall institute legal action against the other party because of a breach of any Redevelopment Agreement or obligation contained in this Redevelopment Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

Section 19. Amendment. This Redevelopment Agreement, and any exhibits attached to this Redevelopment Agreement, may be amended only in a writing signed by all the parties with the adoption of any ordinance or resolution of the City approving said amendment, as provided by law, and by execution of said amendment by the parties or their successors in interest. Except

as otherwise expressly provided herein, this Redevelopment Agreement supersedes all prior Redevelopment Agreements, negotiations and discussions relative to the subject matter hereof.

Section 20. Counterparts. This Redevelopment Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed by their duly authorized officers on the above date at Yorkville, Illinois.

United City of Yorkville, an Illinois municipal corporation

By:

By:

Mayor

Attest:

City Clerk

James G. Ratos

Attest:

Secretary

Subject Property

# Legal Description

THAT PART OF LOT 7 OF THE RESUBDIVISION OF PART OF BLOCK 1 OF COUNTRYSIDE CENTER UNIT NO. 1 IN THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NUMBER 79-1982 BEING DESCRIBED BY COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 7; THENCE NORTH 04 DEGREES 45 MINUTES 00 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 7, ALSO BEING THE WESTERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE NO. 47, A DISTANCE OF 90.00 FEET FOR THE POINT OF BEGINNING; THENCE NORTH 80 DEGREES 58 MINUTES 11 SECONDS WEST PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 7, A DISTANCE OF 140.35 FEET; THENCE SOUTH 70 DEGREES 02 MINUTES 01 SECONDS WEST, A DISTANCE OF 185.14 FEET TO A POINT OF BEND IN SAID LOT 7; THENCE SOUTH 04 DEGREES 45 MINUTES 00 SECONDS WEST ALONG THE SOUTHEASTERLY LINE OF SAID LOT 7, A DISTANCE OF 14.60 FEET; THENCE NORTH 85 DEGREES 15 MINUTES 00 SECONDS WEST A DISTANCE OF 217.92 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 7; THENCE NORTH 00 DEGREES 18 MINUTES 59 SECONDS EAST ALONG SAID WESTERLY LINE, A DISTANCE OF 82.75 FEET TO A POINT OF BEND IN SAID LOT 7: THENCE SOUTH 89 DEGREES 16 MINUTES 11 SECONDS WEST ALONG THE SOUTHERLY LINE OF SAID LOT 7, A DISTANCE OF 216.95 FEET TO THE SOUTHEAST CORNER OF LOT 2 OF SAID RESUBDIVISION; THENCE NORTH 00 DEGREES 43 MINUTES 49 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 2, A DISTANCE OF 94.00 FEET TO A POINT OF BEND IN SAID LOT 2; THENCE NORTH 06 DEGREES 56 MINUTES 00 SECONDS EAST ALONG SAID EAST LINE OF LOT 2, A DISTANCE OF 175.56 FEET TO A POINT; THENCE WESTERLY ALONG A NON TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 32.0 FEET, A DISTANCE OF 32.42 FEET TO THE POINT OF TANGENT OF SAID CURVE; THENCE SOUTH 74 DEGREES 06 MINUTES 09 SECONDS WEST ALONG SAID TANGENT 214.64 FEET TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE NORTHWESTERLY ALONG THE WEST LINE OF SAID LOT 7 BEING ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1275.00 FEET, A DISTANCE OF 377.77 FEET TO THE POINT OF TANGENT OF SAID CURVE; THENCE NORTH 30 DEGREES 09 MINUTES 10 SECONDS WEST ALONG SAID TANGENT AND THE WEST LINE OF SAID LOT 7, A DISTANCE OF 44.10 FEET TO THE SOUTHWEST CORNER OF LOT 3 OF SAID RESUBDIVISION; THENCE NORTH 70 DEGREES 01 MINUTES 26 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 3, A DISTANCE OF 276.04 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTHEAST ALONG A NON TANGENT CURVE HAVING A RADIUS OF 60.00 FEET, A DISTANCE OF 59.49 FEET TO THE POINT OF TANGENT AS SHOWN ON SAID RESUBDIVISION PLAT; THENCE NORTH 69 DEGREES 56 MINUTES 04 SECONDS EAST ALONG SAID TANGENT AND THE SOUTH LINE OF LOTS 4 AND 5 OF SAID RESUBDIVISION 317.47 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE A DISTANCE OF 41.53 FEET TO THE POINT OF TANGENT OF SAID CURVE BEING THE EASTERLY LINE OF SAID LOT 5; THENCE NORTH 25 DEGREES 14 MINUTES 40 SECONDS WEST ALONG SAID EASTERLY LINE OF LOT 5, A DISTANCE OF 159.35 FEET TO THE NORTHEAST CORNER THEREOF; THENCE EASTERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2625.00 FEET,

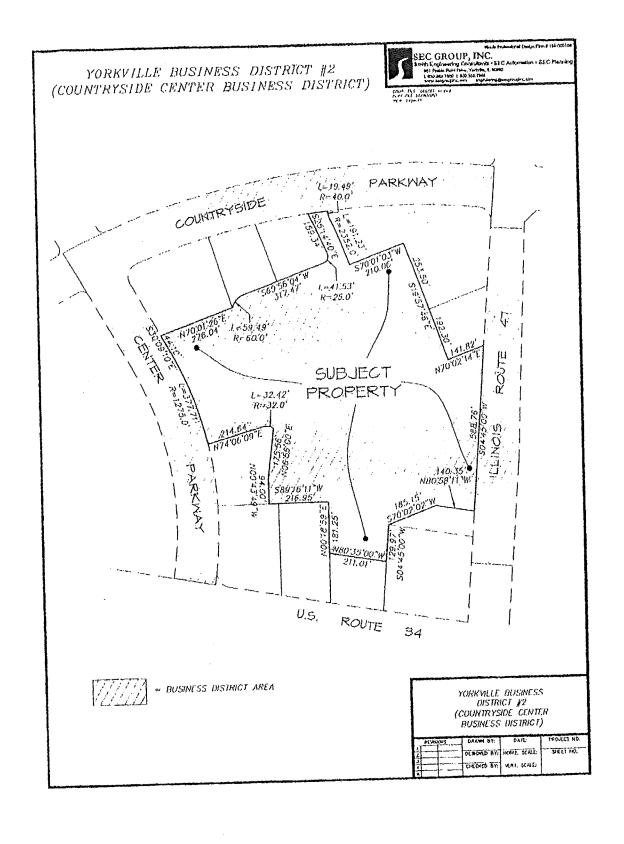
A DISTANCE OF 71.43 FEET TO THE NORTHWEST CORNER OF LOT 6 OF SAID RESUBDIVISION; THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 6 BEING ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET, A DISTANCE OF 19.49 FEET TO A POINT OF REVERSE CURVATURE; THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF SAID LOT 6 BEING ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2352.00 FEET, A DISTANCE OF 191.23 FEET TO THE SOUTHWEST CORNER OF SAID LOT 6; THENCE NORTH 70 DEGREES 01 MINUTES 03 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 6, A DISTANCE OF 210.06 FEET TO A POINT OF BEND IN SAID LOT 6; THENCE SOUTH 19 DEGREES 57 MINUTES 46 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF SAID LOT 6 AND SAID LINE BEING EXTENDED SOUTHERLY, A DISTANCE OF 445.80 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 14 SECONDS EAST, A DISTANCE OF 141.82 FEET TO A POINT ON THE EAST LINE OF SAID LOT 7; THENCE SOUTH 04 DEGREES 45 MINUTEES 00 SECONDS WEST ALONG SAID EAST LINE OF

LOT 7, A DISTANCE OF 589.06 FEET TO THE POINT OF BEGINNING CONTAINING 17.7416 ACRES MORE OR LESS IN THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS.

P.I.N.# 02-28-104-015

# Exhibit B

Business District Boundaries



# REQUEST FOR REIMBURSEMENT

City of Yorkville Yorkville, Illinois 61490-9999

| Re          | : Redevelop                   | ment Agreement da   | ated, by and among the City of Yorkville   |
|-------------|-------------------------------|---|--|
| D 6'        | an Illinois                   | municipal corporat  | tion, and James G. Ratos (the "Developer")   |
| Dear Sir:   |                               |   | <u>.</u> .   |
| r orkvine p | nsuam to the Ag               | greement described a  | rsement of funds from the Sub-Account established by the City of above in the amount(s), to the person(s) and for the purpose(s) set   |
|             | Request for Rein              | ibursement.   |  |
| 1.          |                               | r Reimbursement No.   | ··   |
| 2.          | Payment D                     |   |  |
| 3.<br>4.    |                               | be Disbursed:   |  |
| 4.          | pay Redeve                    | it requested to be dist<br>elopment Project Cos<br>st for Reimbursement | bursed pursuant to this Request for Reimbursement will be used to sts as defined in the Agreement and as listed on the Schedule to   |
| 5.          |                               | igned certifies that:   |  |
|             | (i) the                       | amounts included in   | n 3 above were made or incurred or financed and were necessary to made or incurred in accordance with the construction contracts, is heretofore in effect:   |
|             | (ii) the                      | e amounts paid or to loart of the funds due a                           | be paid, as set forth in this Request for Reimbursement, represents and payable for Business District Project Costs:   |
|             | (iii) the<br>Pro<br>Re<br>are | e expenditures for whoject Costs identified<br>quest for Reimburser     | hich amounts are requisitioned represent proper Business District<br>d in the Agreement, have not been included in any previous<br>ment, have been properly recorded on the Developer's books and<br>ched Schedule, with paid invoices attached for all sums for which |
|             | (iv) the                      | moneys requisitione   | d are not greater than those necessary to meet obligations due and the Developers for his funds actually advanced for Business   |
|             | (v) the                       | amount of Business<br>quest for Reimburse                               | District Project Costs to be reimbursed in accordance with this ement, together with all amounts reimbursed to the Developer   |
|             | pur<br>(vi) the<br>kno        | Suant to the Agreeme Developer is not in                                | ent, is not in excess of the items listed on Exhibit B;<br>a default under the Agreement and nothing has occurred to the<br>oper that would prevent the performance of its obligations under   |
| 6.          | Attached to                   | this Request for Reir   | mbursement is Schedule #, together with copies of invoices ien Waivers covering all items for which reimbursement is being   |
| Date:       |                               |   |  |
|             |                               | By:   |  |
| Date:       |                               |   | James G. Ratos   |
|             |                               | By:   |  |
|             |                               | - <i>J</i> ·  | APPROVED:  |
|             |                               |   | City of Yorkville, an Illinois municipal corporation   |
|             |                               |   |  |

# FY 2013 Annual Joint Review Board for TIF Districts Tuesday, November 26, 2013 2:00 p.m.

Yorkville City Hall Conference Room 800 Game Farm Road, Yorkville, IL 60560

#### **Committee Members in Attendance:**

Dean Romano, Asst. Supt. for Finance & Operations – Yorkville CUSD #115

# **City Officials in Attendance:**

Bart Olson, City Administrator – United City of Yorkville Rob Fredrickson, Finance Director - United City of Yorkville Kathleen Field Orr, City Attorney – Kathleen Field Orr & Associates

#### **Other Attendees:**

No other attendees

#### **Elect Public Member**

There was no public member present so City Attorney Orr stated they would forego it.

#### **Elect Chair Person**

Administrator Olson made a motion to elect Mr. Romano as Chairperson. Mr. Romano seconded; the motion was carried and Mr. Romano is the Chairperson.

Mr. Romano took roll and called the meeting to order. He opened the annual meeting by asking for approval of the minutes from the last meeting (November 27, 2012). Director Fredrickson made one amendment to the minutes to reflect "2012" rather than "2011." (Correction has been made.) No other changes were necessary; minutes approved with correction.

#### Annual Report for U.S. Route 34 & Route 47 – Countryside TIF District:

Mr. Romano asked Director Fredrickson to provide some feedback on above subject. Director Fredrickson opened by referring to page 6 of the report which showed fund balance to be \$1,877,872 as of May 1, 2012. During the year, there were total revenues of \$2,132; total expenditures of \$307,669; resulting in an ending fund balance of \$1,572,335. Pages seven, eight and nine of the TIF Report provide further expenditure details.

At this point, City Attorney Orr asked Mr. Romano if he knew the history of the Countryside TIF. Mr. Romano responded that he did not. City Attorney Orr explained that the TIF was established in 2005 because Kohl's was expected to open a new store in Yorkville. In order to facilitate this project, the City issued a bond for \$3.525 million. Minimal work was completed on the project before the developer pulled out and Kohl's ended up constructing a new store in the City's Kendall Marketplace Business District instead.

Since then the City has used the bond proceeds to pay debt service, since there is no revenue coming in from the property. The City has been hoping for a developer ever since and then Mr. Jim Ratos comes in and said, "We need a cinema!" and NGC Theatres opens in November of 2013. The agreement the City made with Mr. Ratos will be in next year's packet since it was not passed until May of 2013. The agreement stipulates that Mr. Ratos gets an incentive payout totaling \$2 million, consisting of remaining bond proceeds of approximately \$1.8 million with the remainder (\$200,000) to be paid from Amusement Tax receipts. City Attorney Orr went on to say that when the TIF was initially established, the base EAV still had the initial building. Therefore, continuing with the TIF as it is right now, she asked if the City is going to ask for an extension on the bond? Administrator Olson responded that it would depend on the refinancing being stretched to be coterminous with the life of the TIF district, which ends in 2029.

Mr. Romano asked if there was space and if it covered out buildings. Administrator Olson and City Attorney Orr confirmed that it did. Administrator Olson went on to say that northwest of the theatre site there is actually a larger lot than what the theatre is on now. This could be subdivided further into a lot of smaller lots; however, the thought is that the City would like another larger, anchor tenant in there.

Mr. Olson stated this year's TIF report is particularly bland because there are few expenses and not much has been done. Within the next two years, there will be a new re-development agreement and hopefully some revenue to actually pay off the bonds. City Attorney Orr stated that she wanted to point out one other thing regarding the Countryside TIF. On page 16 of the current year's report, when the TIF was established in 2005 the base EAV was \$1,528,166. She then noted that the current EAV (before construction) is less than the base year. So, if the City had waited to establish the TIF, the school district would have lost the \$1.5 million base that they can at least get now. Mr. Romano said he was familiar with the concept of TIF's moving into a lower EAV situation.

#### **Annual Report for Downtown Yorkville TIF District:**

Director Fredrickson referenced page 30 of the TIF report, which identifies a summary of the activity in the Downtown TIF for fiscal year 2013. During the year, there were total revenues of \$45,409; total expenditures of \$86,425; resulting in an ending fund balance of \$216,937.

Administrator Olson stated there was an error in the report showing \$3,506,099 in "Cumulative Bond Proceeds" that matches the amount in Countryside TIF report. City Attorney Orr said that number should not be there. Mr. Olson said the rest of the numbers looked fine and that the cumulative bond proceeds number should be "0" - for the record.

City Attorney Orr stated that fund balance for the Downtown TIF is \$216,000; \$200,000 of which is committed to the Route 47 expansion project. She went on to say that there is a redevelopment agreement with Imperial Investments as a business district overlay. City Attorney Orr stated that one of the issues with the TIF was that in the base year the EAV was already \$5.7 million, so it's only gone up less than \$1 million since it was established in 2006. She went on to say that this is not a realistic evaluation of the TIF's EAV.

Administrator Olson said there were a couple of minor expenses throughout the year, as noted on pages 31through 33 of the TIF report. There were some marketing costs for conference attendance and engineering services (FS Grainco property east alley). The City has a Brownfield Grant (that they have been doing a study for); clean-up costs for minor repairs on the old Post Office and some other City buildings within the TIF district; and the Route 47 costs that were previously discussed. He projected that next year's TIF report will show some increment going to Imperial Investments for projects that they have done. Mr. Romano asked if there was a commitment to that group. City Attorney Orr stated the City owes them at least \$500,000 at this time, per their investment identified in the TIF report.

Administrator Olson said that on the November 26, 2013 City Council agenda, the City is considering accelerating some decorative street lights, if Council approves a grant. In addition, there are probably a few more minor projects that are TIF eligible associated with Riverfront Park. There is a separate grant to do that. There might be some other things they choose to do down there (aesthetic based) that would also qualify as TIF expenses.

City Attorney Orr said basically the TIF is very small and conservative. The only way it would ever include residential property is if residences are built at Kendallwood Estates (owned by Imperial Investments which bought the platted subdivision), which is currently dormant. The infrastructure is all there (they built roads, detention basins, water and sewer), they just have not seen a market for it. Mr. Romano asked if they do develop it, would they be able to receive the per pupil disbursement. City Attorney Orr assured him that he would.

Administrator Olson asked if there was anything else TIF related and Mr. Romano said he had nothing else; he was up-to-speed. He then moved to adjourn the meeting; Mr. Olson seconded it. All were in favor; no one opposed and the meeting was adjourned at 2:16 p.m.

Minutes respectfully submitted by:

Bonnie Olsem Administrative Secretary New Issue

Investment Rating: Standard & Poor's ... AA- (Stable Outlook)

#### Final Official Statement Dated December 10, 2013

Subject to compliance by the City with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.



#### \$1,235,000

#### UNITED CITY OF YORKVILLE

**Kendall County, Illinois** 

General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014

**Dated Date of Delivery** 

**Bank Qualified** 

**Book-Entry** 

Due Serially December 1, 2025-2029

The \$1,235,000 General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014 (the "Bonds"), are being issued by the United City of Yorkville, Kendall County, Illinois (the "City"). Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2014. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1, in the following years and amounts. Interest is calculated based on a 360-day year of twelve 30-day months.

#### AMOUNTS, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

| Principal | Due    | Interest | Yield or | CUSIP      | Principal | Due    | Interest | Yield or | CUSIP      |
|-----------|--------|----------|----------|------------|-----------|--------|----------|----------|------------|
| Amount    | Dec. 1 | Rate     | Price    | Number     | Amount    | Dec. 1 | Rate     | Price    | Number     |
| \$230,000 | 2025   | 4.000%   | 3.800%   | 987355 HW7 | \$255,000 | 2028   | 4.150%   | 4.150%   | 987355 HZ0 |
| 235,000   | 2026   | 4.000%   | 3.900%   | 987355 HX5 | 270,000   | 2029   | 4.300%   | 4.300%   | 987355 JA3 |
| 245 000   | 2027   | 4 050%   | 4 050%   | 097355 HV3 |           |        |          |          |            |

#### **OPTIONAL REDEMPTION**

The Bonds are callable in whole or in part on any date on or after December 1, 2023, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

#### PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to defease a portion of and to advance refund a portion of the City's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the "Series 2005 Bonds"), to pay capitalized interest through June 1, 2015, and to pay the costs of issuance of the Bonds. See "PLAN OF FINANCING" herein.

In the opinion of Shanahan & Shanahan LLP, Chicago, Illinois, Bond Counsel, the Bonds will constitute valid and legally binding obligations of the City payable as to principal and interest ratably and equally with the City's outstanding Series 2005 Bonds not being refunded by the Bonds from (a) (i) the sales taxes received by the City pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailer's Occupation Tax Act, each as supplemented and amended from time to time by the General Assembly of the State of Illinois, and (ii) certain incremental property taxes to be derived from the Project Area and to be received by the City, and (b) ad valorem taxes levied against all taxable property within the City without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "DESCRIPTION OF THE BONDS" herein

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approving legal opinion of Shanahan & Shanahan LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois. It is expected that the Bonds will be made available for delivery on or about January 6, 2014.



The Underwriter has provided the following sentence for inclusion in the Final Official Statement. The Underwriter has reviewed the information in this Final Official Statement in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Final Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page hereof, nor shall there be any offer to sell, solicitation of an offer to buy or sale of, the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement they will be furnished on request. This Final Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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#### **BOND ISSUE SUMMARY**

This Bond Issue Summary is expressly qualified by the entire Final Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

**Issuer:** United City of Yorkville, Kendall County, Illinois (the "City").

**Issue:** \$1,235,000 General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014.

**Date Date:** Date of delivery (expected to be on or about January 6, 2014).

**Interest Due:** Each June 1 and December 1, commencing June 1, 2014.

**Principal Due:** Serially each December 1, commencing December 1, 2025 through 2029, as detailed on the front page of

this Final Official Statement.

**Optional Redemption:** The Bonds are callable at the option of the City on any date on or after December 1, 2023, at a price of par

plus accrued interest. See "OPTIONAL REDEMPTION" herein.

**Authorization:** By vote of the City Council and pursuant to the provisions of the Illinois Municipal Code (the "Municipal

Code") and the Local Government Debt Reform Act (the "Debt Reform Act") of the State of Illinois.

Security: The Bonds are payable both as to principal and interest ratably and equally with the City's outstanding

Series 2005 Bonds not being refunded by the Bonds from (a) (i) the sales taxes received by the City pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailer's Occupation Tax Act, each as supplemented and amended from time to time by the General Assembly of the State of Illinois (the "Sales Taxes"), and (ii) certain incremental property taxes to be derived from the US Route 34 & IL Route 47 (Countryside Shopping Center) Tax Increment Financing Redevelopment Project Area within the City (the "Project Area") and to be received by the City (the "Incremental Property Taxes), and (b) ad valorem taxes levied against all taxable property within the City without limitation as to

rate or amount. See "DESCRIPTION OF THE BONDS" herein

Credit Rating: The City's outstanding general obligation rating is "AA-" (Stable Outlook) from Standard & Poor's, a

Division of the McGraw-Hill Companies, New York, New York. See "INVESTMENT RATING"

herein.

Purpose: Bond proceeds will be used to defease a portion of and to advance refund a portion of the City's

outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the "Series 2005 Bonds"), to pay capitalized interest through June 1, 2015, and to pay the costs of issuance of the Bonds. See

"PLAN OF FINANCING" herein.

Tax Exemption: Shanahan & Shanahan LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds

as discussed under "TAX MATTERS" in this Final Official Statement. Interest on the Bonds is not

exempt from present State of Illinois income taxes.

Bank Qualified: The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of

1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

**Bond Registrar/Paying Agent** 

Escrow Agent/Tax Escrow: The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois.

Verification Agent: Stanley P. Stone & Associates, Inc., New York, New York.

Book-Entry Form: The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company

("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B

herein.

**Delivery:** The Bonds are expected to be delivered on or about January 6, 2014.

**Denomination:** \$5,000 or integral multiples thereof.

Financial Advisor: Speer Financial, Inc., Chicago, Illinois.

**Underwriter:** Bernardi Securities, Inc., Chicago, Illinois.

# UNITED CITY OF YORKVILLE Kendall County, Illinois

Gary J. Golinski *Mayor* 

#### Aldermen

Carlo Colosimo Joel Frieders Chris Funkhouser Ken Koch Larry Kot

Jacquelyn Milschewski Rose Ann Spears Diane Teeling

#### **Officials**

Beth Warren City Clerk

Bart Olson *City Administrator* 

Eric Dhuse

Director of Public Works

Rob Fredrickson
Finance Director/Deputy Treasurer

Kathleen Field Orr, Esq. *City Attorney* 

#### **DESCRIPTION OF THE BONDS**

#### **Security: Alternate Revenue Sources and Tax Levy**

The Bonds are payable both as to principal and interest ratably and equally with the City's outstanding Series 2005 Bonds not being refunded by the Bonds from (a) (i) the Sales Taxes and the Incremental Property Taxes (the "Pledged Revenues"), and (b) ad valorem taxes levied against all of the taxable property within the City without limitation as to rate or amount (the "Pledged Taxes"). Pursuant to the Debt Reform Act, the City will pledge such monies to the payment of Bonds and shall covenant to provide for and apply such Pledged Revenues to the payment of Bonds and the provision of not less than an additional 0.25 times debt service, which pledge and covenant shall constitute a continuing obligation of the City and continuing appropriation of the amounts received. For the prompt payment of the Bonds, the full faith, credit and resources of the City are irrevocably pledged.

In the ordinance authorizing the Bonds (the "Bond Ordinance"), the City covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to collect the Pledged Revenues or, except for abatement of tax levies as permitted in the Bond Ordinance, to levy and collect the Pledged Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided in the Bond Ordinance and deposited in the Bond Fund.

As provided in the Debt Reform Act, the City's determination of the sufficiency of the Pledged Revenues will be based on the City's audited financial statements for its fiscal year ended April 30, 2013, or on reports of the State of Illinois.

#### **Highlights of Alternate Bonds**

Section 15 of the Debt Reform Act provides that whenever revenue bonds have been duly authorized, a local government unit may issue its general obligation bonds in lieu of such revenue bonds as authorized, and such general obligation bonds may be referred to as "alternate bonds." The Debt Reform Act also provides that whenever there exists an alternate revenue source, a local government unit may issue alternate bonds. Such bonds are general obligation debt payable from the pledged alternate revenues with the general obligation of the issuer acting as back-up security. The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued.

First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, the alternate bonds must be authorized under applicable law. Alternate bonds may be issued payable from either enterprise revenues or other revenue sources, or both.

Second, the question of issuance must be submitted to referendum if, within thirty (30) days after publication of an authorizing ordinance and notice of intent to issue alternate bonds, a petition signed by the greater of (i) 7.5% of the registered voters in the government unit; or (ii) 200 of those registered voters or 15%, whichever is less, is filed. No legally sufficient petition has been filed in connection with the Bonds, and accordingly the City is now authorized to issue the Bonds.

Third, the issuer must determine that the pledged revenue source or sources are sufficient in each year to final maturity to provide not less than 1.25 times debt service of the proposed alternate bonds and all other outstanding alternate bonds of the issuer payable from the same revenue source. To the extent payable from enterprise revenues, such revenues shall have been determined by the governing body to be sufficient to provide for or pay in each year to final maturity of such alternate bonds all of the following: (1) costs of operation and maintenance of the utility or enterprise, but not including depreciation, (2) debt service on all outstanding revenue bonds payable from such enterprise revenues, (3) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such enterprise revenues, and (5) in each year, an amount not less than 1.25 times debt service of all (i) alternate bonds payable from such enterprise revenues previously issued and outstanding and (ii) alternate bonds proposed to be issued. To the extent payable from one or more revenue sources, such sources shall have been determined by the governing body to provide in each year an amount not less than 1.25 times debt service on all alternate bonds payable from such revenue sources previously issued and outstanding and the alternate bonds proposed to be issued. The issuer must in fact pledge and covenant to provide for, collect and apply the pledged alternate enterprise revenues or revenue source(s).

#### **Refunding Alternate Bonds**

Section 15 of the Debt Reform Act, provides that alternate bonds may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth in such section, as would have applied to the Prior Bonds (see "Highlights of Alternate Bonds" above), if the term of the refunding bonds is no longer than the term of the refunded bonds and the debt service payable on the refunding bonds in each year is no more than the debt service payable in such year on the refunded bonds.

#### **Abatement of Pledged Taxes**

Whenever funds are available to pay any principal of or interest on the Bonds when due, the City will direct the deposit of such funds into the Bond Fund created solely for such purpose. The City covenants in the Bond Ordinance, as supplemented by Bond Order, to deposit monthly into the appropriate Bond Fund an amount equal to one-sixth (1/6) of the next scheduled interest payment and one-twelfth (1/12) of the next scheduled principal payment. The City pledges to abate the levy for the Bonds only upon full funding of the Bond Fund in the appropriate levy amount.

#### **Bond Funds**

The City will deposit the appropriate Pledged Revenues and the Pledged Taxes into a separate Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by the Bond Ordinance. The Bonds are secured by a pledge of all of the monies on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the City are discharged under the Bond Ordinance.

#### **Certain Risk Factors**

The ability of the City to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the City. There is no guarantee that the Pledged Revenues will continue to be available at current levels.

To the extent that Pledged Revenues may be insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year.

#### THE CITY

The site where the United City of Yorkville (the "City") is located was first settled in 1833; the City was officially incorporated as a Village on July 8, 1874. On April 16, 1957, the City and the Village of Bristol joined together to form one municipality known as the United City of Yorkville. The City has been the county seat of Kendall County since 1859. It is located in northeastern Illinois on the Fox River approximately 45 miles southwest of Chicago. Nearby communities include Oswego, Bristol, Plano, Millbrook, Helmar, Newark, Plattville, Montgomery, Sugar Grove and Plainfield. According to the 2000 Census, the City had a population of 6,189. A special census in December of 2003 resulted in a population total of more than 8,500; a special census completed in May of 2006 showed an increase in that total of 31.8% when the population increased to 11,204. The special census in 2008 recorded a population of 16,838 which increased to 16,921 at the 2010 Census.

#### **City Government and Services**

The City follows a Mayor/City Council form of government in which the Mayor, Aldermen, City Clerk and City Treasurer are each elected to a four-year term. The City Council is comprised of the Mayor and eight Aldermen (two Aldermen elected from each of the City's four wards).

The City is served by the Bristol/Kendall Fire Protection District which carries a Protection Class 6. It maintains a 24 hour paramedics unit and is a member of the Mutual Aid Box Alarm System. The Police Department employs 26 full-time officers and 5 part-time officers, and emergency medical service is available 24 hours a day.

#### **Transportation**

The City is approximately 15 miles west of Interstate 55 (I-55); almost 20 miles north of Interstate 80 (I-80); and nearly 12 miles south of Interstate 88 (I-88). Illinois Route 47 and U.S. Route 34 intersect the City.

O'Hare International Airport is approximately 50 miles northeast of the City and Midway Airport is about 45 miles to the east in Chicago. Aurora Municipal Airport, approximately ten miles to the north provides lighted runways and aircraft tiedowns, hangar, power plant repair, air frame repair and navigator aids. Additionally it offers freight, charter and helicopter services.

The Burlington Northern Sante Fe Railroad in nearby Aurora provides commuter rail service.

#### **Commerce and Industry**

Businesses and retailers are attracted to the City because of its location near several major thoroughfares and the Fox River. The City features several shopping centers including Kendall Marketplace and the historic downtown area as well as the retail establishments found on both the north and south ends of the City. There are two tax increment finance (TIF) districts in the City referred to as the Countryside TIF and the Downtown TIF. Major private employers are found in a variety of fields including entertainment, retail, services and light industry. Some of the larger employers are the Raging Waves Water Park (450 employees), Wrigley Manufacturing Company LLC (335 employees), Super Target (180 employees), Menards Mega Store (140 employees), and Jewel/Osco and Newlyweds Foods (each with 130 employees).

#### **Community Life**

The City contains approximately 60 acres of parks with picnic areas, a gazebo and recreational fields. Programs offered include aerobics, basketball, bus trips, bowling, crafts, dance, fishing, golf, soccer, sports club, street hockey, tee ball, tennis and tumbling. Residents also enjoy a golf course and forest preserves which are nearby but outside the City boundaries.

Raging Waves, the largest outdoor water park in Illinois, opened in 2009. Among its attractions are the Kangaroo Falls play structure with ladders and water spouts, the Cyclone Bowl and Boomerang Tornado rides as well as the Great Barrier Reef wave that imitates the action of the ocean.

Yorkville Public Library (the "Library") serves the residents of the City and is a member of the Heritage Trail Library System. In addition to its extensive collection of books, Library resources include dial-a-story, local history, newspapers, sheet music, audio books, large print books, paperbacks, magazines, and videos and DVDs. Services available to the community are homebound service, interlibrary loan, kits for brothers and sisters of new babies, kits for sick kids, loft meeting area, photocopier, computers, tax forms, talking books, typewriter and voter registration. The Library offers the following online resources: animals and the environment; arts and crafts; children's book and screen characters; children's books and stories online; educational resources; exploration and museums; history and geography; holidays and celebrations; literature online; math and science; music and poetry; reference tools and homework help; space; and sports and recreation. The Library recently completed a \$8.75 million expansion program.

Medical services are available at Rush/Copley Medical Center in the City and also at the Rush/Copley Medicine Center and Provena-Mercy Center, both located in Aurora. Additional facilities are provided by Sandwich Community Hospital in Sandwich, Illinois. These institutions are about fifteen miles from the City.

#### **Education**

Community Unit School District Number 115 (the "District") meets the elementary and secondary educational requirements of the City with two elementary schools, one junior high school and one high school. The District has a staff of approximately 425 teachers and administrators and approximately 5,500 students. The District has implemented a new computer curriculum, innovative interdisciplinary projects and advanced team building and support programs for students and staff. Higher education opportunities are offered by Aurora University in nearby Aurora and Northern Illinois University in DeKalb.

In addition, Waubonsee Community College District No. 516 (the "College") offers a wide variety of transfer, vocational, continuing and community education, children's and corporate development and training classes. It has 24 programs designed for transfer to senior institutions, and also offers occupational-oriented programs ranging in length from one semester to two years. The College recently opened a state-of-the-art academic computing center that houses eight classrooms and a 120 personal computer work station open lab.

#### SOCIOECONOMIC INFORMATION

Following are lists of large employers located in the City and in the surrounding area.

### **Major City Employers**(1)

|   |  | Approximate |
|---|--|-------------|
| <u>Name</u>                               | Product/Service                            | Employment  |
| Raging Waves Water Park                   | . Water Park                               | 450         |
| Community Unit School District Number 115 | . Education                                | 425         |
| Kendall County                            | County Government                          | 345         |
| Wrigley Manufacturing Co., LLC            | . Sugar Confections, Bubble Gum, and Candy | 335         |
| Super Target                              | Retail Store                               | 180         |
| Menards Mega Store                        | . Home Improvement Store                   | 140         |
| United City of Yorkville                  | City Government                            | 140         |
| Jewel/Osco                                | Grocery Store                              | 130         |
| Newlyweds Foods                           | Food Seasonings, Cures and Binders         | 130         |
| Kohl's                                    | Retail Store                               | 115         |
| United States Postal Service              | Postal Service                             | 100         |
| Boombah, Inc.                             | . Sports Equipment and Apparel             | 90          |
| Hillside Health Care Center               | . Healthcare                               | 90          |
| Home Depot                                | . Home Improvement Store                   | 85          |
| Wheatland Title Guaranty Co               | . Title Insurance                          | 65          |
| Marshalls                                 |  |             |
| Brenart Eye Clinic                        | . Eyeglasses                               | 45          |
| Rush-Copley Medical Center                | . Medical Center                           | 45          |
| Maciano's Pizza & Pastaria                |  |             |
| Panera Bread                              | . Restaurant and Bakery                    | 40          |

Note: (1) Source: 2013 Illinois Manufacturers Directory, 2013 Illinois Services Directory, Yorkville Economic Development Corporation and a selective telephone survey.

# Major Area Employers(1)

|                         |   |  | Approximate |
|-------------------------|---|--|-------------|
| Location                | Name  | Business or Product                        | Employment  |
| Greater Fox Valley Area | . Rush-Copley Medical Center(2)             | . Medical Center                           | 2,000       |
| Sugar Grove             | . Waubonsee Community College #516          | . Education                                | 1,460       |
| Morris                  | .Exelon Nuclear, Dresden Generating Station | Electric Service                           | 900         |
| Montgomery              | . Eby-Brown Co                              | . Wholesale Tobacco and Confectionery      | 400         |
| Montgomery              | .Lyons Workspace Products, LLC              | Steel Storage Equipment                    | 400         |
| Morris                  | .LyondellBassell Industries                 | Plastic Materials                          | 400         |
| Montgomery              | .VVF Illinois Services                      | . Soap and Detergents                      | 350         |
| Montgomery              | . Fox River Foods Inc                       | . Wholesale Food                           | 300         |
| Morris                  | . Northfield Block Co                       | Architectural Concrete Blocks              | 300         |
| Plainfield              | .CB&I, Inc                                  | Storage Tank Insulation Equipment          | 300         |
| Plainfield              | . Diageo North American, Inc                | . Gin and Vodka Distilling                 | 300         |
| Montgomery              | . Aurora Bearing Co                         | . Ball and Roller Bearings                 | 250         |
| Oswego                  | .Coldwell Banker Primus Realty              | Residential Real Estate                    | 225         |
| Montgomery              | . Hormann Gadco LLC                         | Doors, Sash and Trim Metal                 | 200         |
| Plainfield              | . Plainfield Precision                      | Custom Metal and Plastic Components        | 200         |
| Plano                   | . Midwest Mfg., Inc                         | Millwork                                   | 200         |
| Plainfield              | . Walsh Landscape                           | Landscape Construction and Maintenance     | 185         |
| Montgomery              | . Aurora Metals Div., L.L.C                 | Copper Foundries                           | 150         |
| Montgomery              | . International Paper                       | Corrugated Cartons                         | 150         |
| Oswego                  | . Radiac Abrasives, Inc                     | Diamond Grinding Wheels                    | 150         |
| Plano                   | . Fox Valley Molding, Inc                   | Compression Transfer and Injection Molding | 150         |

Notes: (1) Source: 2013 Illinois Manufacturers Directory, 2013 Illinois Services Directory and a selective telephone survey.

(2) Includes the City.

The following tables show employment by industry and by occupation for the City, Kendall County (the "County") and the State of Illinois as reported by the U.S. Census Bureau 2007-2011 American Community Survey 5-year estimated values.

#### **Employment By Industry**(1)

|  | The    | e City  | The    | County  | State of  | Illinois |
|--|--------|---------|--------|---------|-----------|----------|
| Classification   | Number | Percent | Number | Percent | Number    | Percent  |
| Agriculture, Forestry, Fishing and Hunting, and Mining     | 20     | 0.2%    | 333    | 0.6%    | 63,960    | 1.1%     |
| Construction   | 626    | 7.6%    | 3,912  | 7.0%    | 343,232   | 5.7%     |
| Manufacturing  | 1,260  | 15.3%   | 7,522  | 13.5%   | 775,663   | 12.8%    |
| Wholesale Trade  | 274    | 3.3%    | 1,805  | 3.2%    | 196,738   | 3.3%     |
| Retail Trade   | 996    | 12.1%   | 6,633  | 11.9%   | 659,708   | 10.9%    |
| Transportation and Warehousing, and Utilities              | 408    | 5.0%    | 3,555  | 6.4%    | 355,486   | 5.9%     |
| Information  | 312    | 3.8%    | 1,405  | 2.5%    | 135,688   | 2.2%     |
| Finance and Insurance, and Real Estate                     |        |         |        |         |           |          |
| and Rental and Leasing                                     | 508    | 6.2%    | 4,890  | 8.8%    | 466,468   | 7.7%     |
| Professional, Scientific, and Management, Administrative,  |        |         |        |         |           |          |
| and Waste Management Services                              | 641    | 7.8%    | 5,874  | 10.5%   | 662,987   | 11.0%    |
| Educational Services and Health Care and Social Assistance | 1,910  | 23.2%   | 11,398 | 20.4%   | 1,337,455 | 22.1%    |
| Arts, Entertainment and Recreation and Accommodation       |        |         |        |         |           |          |
| and Food Services  | 502    | 6.1%    | 3,878  | 7.0%    | 524,925   | 8.7%     |
| Other Services, Except Public Administration               | 316    | 3.8%    | 2,126  | 3.8%    | 288,538   | 4.8%     |
| Public Administration                                      | 447    | 5.4%    | 2,467  | 4.4%    | 232,923   | 3.9%     |
| Total  | 8,220  | 100.0%  | 55,798 | 100.0%  | 6,043,771 | 100.0%   |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

### **Employment By Occupation**(1)

|  | The    | City    | The C  | ounty   | State of  | Illinois |
|--|--------|---------|--------|---------|-----------|----------|
| Classification                                   | Number | Percent | Number | Percent | Number    | Percent  |
| Management, Business, Science, and Art           | 3,393  | 41.3%   | 21,718 | 38.9%   | 2,167,571 | 35.9%    |
| Service  | 1,274  | 15.5%   | 7,319  | 13.1%   | 1,007,434 | 16.7%    |
| Sales and Office                                 | 1,947  | 23.7%   | 14,863 | 26.6%   | 1,550,202 | 25.6%    |
| Natural Resources, Construction, and Maintenance | 740    | 9.0%    | 5,159  | 9.2%    | 474,566   | 7.9%     |
| Production, Transportation, and Material Moving  | 866    | 10.5%   | 6,739  | 12.1%   | 843,998   | 14.0%    |
| Total  | 8.220  | 100.0%  | 55.798 | 100.0%  | 6.043.771 | 100.0%   |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

#### **Annual Average Unemployment Rates**(1)

| Calendar | The    | The    | The   |
|----------|--------|--------|-------|
| Year     | City   | County | State |
| 2003     | 3 . 6% | 6.0%   | 6.7%  |
| 2004     | 3 . 4% | 5.0%   | 6.2%  |
| 2005     | 3 . 2% | 5.2%   | 5.7%  |
| 2006     | 2 . 6% | 4.0%   | 4.5%  |
| 2007     | 3 . 1% | 4.5%   | 4.6%  |
| 2008     | 3 . 8% | 5.8%   | 6.4%  |
| 2009     | 6 . 6% | 9.9%   | 10.0% |
| 2010     | 6 . 4% | 9.8%   | 10.3% |
| 2011     | 5 . 9% | 8.7%   | 9.8%  |
| 2012     | 5 . 2% | 7.8%   | 8.9%  |
| 2013(2)  | N/A    | 7.9%   | 9.0%  |

Notes: (1) Illinois Department of Employment Security.

(2) Preliminary rates for the month of August 2013.

# Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$248,200. This compares to \$239,300 for the County and \$198,500 for the State of Illinois. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State of Illinois at the time of the 2007-2011 American Community Survey.

#### **Specified Owner-Occupied Units**(1)

|                        | The City |         | The    | County  | State of Illinois |         |
|------------------------|----------|---------|--------|---------|-------------------|---------|
| <u>Value</u>           | Number   | Percent | Number | Percent | Number            | Percent |
| Under \$50,000         | 68       | 1.5%    | 302    | 1.0%    | 218,208           | 6.7%    |
| \$50,000 to \$99,999   | 141      | 3.2%    | 789    | 2.5%    | 451,967           | 13.8%   |
| \$100,000 to \$149,999 | 396      | 8.8%    | 2,652  | 8.3%    | 464,158           | 14.2%   |
| \$150,000 to \$199,999 | 654      | 14.6%   | 6,873  | 21.6%   | 518,957           | 15.8%   |
| \$200,000 to \$299,999 | 1,909    | 42.6%   | 12,198 | 38.4%   | 725,004           | 22.1%   |
| \$300,000 to \$499,999 | 1,099    | 24.6%   | 7,465  | 23.5%   | 613,486           | 18.7%   |
| \$500,000 to \$999,999 | 209      | 4.7%    | 1,287  | 4.1%    | 234,600           | 7.2%    |
| \$1,000,000 or more    | 0        | 0.0%    | 204    | 0.6%    | 53,191            | 1.6%    |
| Total                  | 4,476    | 100.0%  | 31,770 | 100.0%  | 3,279,571         | 100.0%  |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

#### Mortgage Status(1)

|                                  | The City |         | The County |         | <u>State of Illinois</u> |         |
|----------------------------------|----------|---------|------------|---------|--------------------------|---------|
|                                  | Number   | Percent | Number     | Percent | Number                   | Percent |
| Housing Units with a Mortgage    | 3,802    | 84.9%   | 27,085     | 85.3%   | 2,272,745                | 69.3%   |
| Housing Units Without a Mortgage | 674      | 15.1%   | 4,685      | 14.7%   | 1,006,826                | 30.7%   |
| Total                            | 4,476    | 100.0%  | 31,770     | 100.0%  | 3,279,571                | 100.0%  |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

#### **Income**

# Per Capita Personal Income for the Ten Highest Income Counties in the State(1)

| Rank               | 2007-2011  |
|--------------------|------------|
| 1 Lake County      | . \$38,512 |
| 2 DuPage County    | . 38,405   |
| 3 McHenry County   | . 32,318   |
| 4 Monroe County    | . 31,570   |
| 5 Kendall County   | . 31,325   |
| 6 Will County      | . 30,199   |
| 7 Cook County      | . 29,920   |
| 8 Woodford County  | . 29,886   |
| 9 Kane County      | . 29,864   |
| 10 Sangamon County | . 29,167   |

Note: (1) Source: U.S. Bureau of the Census. 2007-2011 American Community 5-Year Estimates.

The following shows a ranking of median family income for the Chicago metropolitan area from the 2007-2011 American Community Survey.

### **Ranking of Median Family Income**(1)

| I11.           | Family     | I11. |
|----------------|------------|------|
| County         | Income     | Rank |
| DuPage County  | . \$94,049 | 1    |
| Lake County    | . 93,260   | 2    |
| Kendall County | . 90,696   | 3    |
| McHenry County | . 87,133   | 4    |
| Will County    | . 86,372   | 5    |
| Kane County    | . 79,686   | 7    |
| Cook County    | . 65,842   | 20   |

Note: (1) Source: U.S. Bureau of the Census. 2007-2011 American Community 5-Year Estimates.

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$90,657. This compares to \$90,696 for the County and \$69,658 for the State of Illinois. The following table represents the distribution of family incomes for the City, the County and the State of Illinois at the time of the 2007-2011 American Community Survey.

#### **Median Family Income**(1)

|                        | The    | : City  | The C  | ounty   | State of  | Illinois |
|------------------------|--------|---------|--------|---------|-----------|----------|
| <u>Value</u>           | Number | Percent | Number | Percent | Number    | Percent  |
| Under \$10,000         | 8      | 0.2%    | 361    | 1.2%    | 131,841   | 4.2%     |
| \$10,000 to \$14,999   | 30     | 0.7%    | 175    | 0.6%    | 86,610    | 2.7%     |
| \$15,000 to \$24,999   | 265    | 6.3%    | 926    | 3.2%    | 224,421   | 7.1%     |
| \$25,000 to \$34,999   | 198    | 4.7%    | 1,379  | 4.7%    | 260,262   | 8.3%     |
| \$35,000 to \$49,999   | 415    | 9.8%    | 2,617  | 9.0%    | 389,862   | 12.4%    |
| \$50,000 to \$74,999   | 735    | 17.4%   | 5,659  | 19.4%   | 606,737   | 19.2%    |
| \$75,000 to \$99,999   | 762    | 18.0%   | 5,386  | 18.5%   | 486,151   | 15.4%    |
| \$100,000 to \$149,999 | 1,175  | 27.8%   | 8,409  | 28.9%   | 547,784   | 17.4%    |
| \$150,000 to \$199,999 | 342    | 8.1%    | 2,581  | 8.9%    | 212,016   | 6.7%     |
| \$200,000 or more      | 298    | 7.0%    | 1,609  | 5.5%    | 207,841   | 6.6%     |
| Total                  | 4,228  | 100.0%  | 29,102 | 100.0%  | 3,153,525 | 100.0%   |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$82,917. This compares to \$82,649 for the County and \$56,576 for the State of Illinois. The following table represents the distribution of household incomes for the City, the County and the State of Illinois at the time of the 2007-2011 American Community Survey.

#### **Household Income**(1)

|                        | The    | City    | The C  | ounty   | State of  | Illinois |
|------------------------|--------|---------|--------|---------|-----------|----------|
| Value                  | Number | Percent | Number | Percent | Number    | Percent  |
| Under \$10,000         | 47     | 0.8%    | 689    | 1.9%    | 324,506   | 6.8%     |
| \$10,000 to \$14,999   | 75     | 1.3%    | 481    | 1.3%    | 225,927   | 4.7%     |
| \$15,000 to \$24,999   | 442    | 7.7%    | 1,697  | 4.6%    | 480,204   | 10.1%    |
| \$25,000 to \$34,999   | 286    | 5.0%    | 1,965  | 5.3%    | 462,115   | 9.7%     |
| \$35,000 to \$49,999   | 774    | 13.5%   | 3,940  | 10.7%   | 628,998   | 13.2%    |
| \$50,000 to \$74,999   | 949    | 16.6%   | 7,596  | 20.6%   | 884,623   | 18.5%    |
| \$75,000 to \$99,999   | 971    | 17.0%   | 6,558  | 17.8%   | 627,813   | 13.2%    |
| \$100,000 to \$149,999 | 1,485  | 26.0%   | 9,348  | 25.4%   | 656,199   | 13.7%    |
| \$150,000 to \$199,999 | 387    | 6.8%    | 2,870  | 7.8%    | 243,765   | 5.1%     |
| \$200,000 or more      | 305    | 5.3%    | 1,712  | 4.6%    | 238,852   | 5.0%     |
| Total                  | 5,721  | 100.0%  | 36,856 | 100.0%  | 4,773,002 | 100.0%   |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

#### **Retail Activity**

Following is a summary of the City's sales tax receipts as collected and disbursed by the State.

#### Retailers' Occupation, Service Occupation and Use Tax(1)

| State Fiscal Year        | State Sales Tax  | Annual Percent |
|--------------------------|------------------|----------------|
| Ending June 30           | Distributions(2) | Change + (-)   |
| 2004                     |                  | 21.39%(3)      |
| 2005                     |                  | 18.58%         |
| 2006                     |                  | 13.59%         |
| 2007                     | 2,676,261        | 5.00%          |
| 2008                     | 2,506,434        | (6.35%)        |
| 2009                     | 2,500,285        | (0.25%)        |
| 2010                     | 2,446,099        | (2.17%)        |
| 2011                     | 2,569,233        | 5.03%          |
| 2012                     |                  | (0.65%)        |
| 2013                     | 2,490,503        | (2.43%)        |
| Growth from 2004 to 2013 |                  | 25 . 64%       |

Notes: (1)

- (1) Source: Illinois Department of Revenue and the City.
- (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
- (3) The 2004 percentage is based on a 2003 sales tax of \$1,558,831.

#### PLAN OF FINANCING

Bond proceeds will be used to defease a portion of and to advance refund a portion of the City's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the "Defeased/Refunded Bonds"), to pay capitalized interest through June 1, 2015, and to pay the costs of issuance of the Bonds.

#### General Obligation Bonds (Alternate Revenue Source), Series 2005

|            | Outstanding | Principal | Principal |            |            |
|------------|-------------|-----------|-----------|------------|------------|
|            | Principal   | Amount    | Amount    | Redemption | Redemption |
| Maturities | Amount      | Defeased  | Refunded  | Price      | Date       |
| 12/1/2014  | \$ 195,000  | \$195,000 | \$ 0      | 100.00%    | 12/1/2014  |
| 12/1/2015  | 200,000     | 200,000   | 0         | 100.00%    | 12/1/2015  |
| 12/1/2016  | 210,000     | 0         | 210,000   | 100.00%    | 6/1/2015   |
| 12/1/2017  | 220,000     | 0         | 220,000   | 100.00%    | 6/1/2015   |
| 12/1/2018  | 225,000     | 0         | 225,000   | 100.00%    | 6/1/2015   |
| 12/1/2019  | 235,000     | 0         | 0         | NA         | NA         |
| 12/1/2020  | 245,000     | 0         | 0         | NA         | NA         |
| 12/1/2021  | 260,000     | 0         | 0         | NA         | NA         |
| 12/1/2022  | 275,000     | 0         | 0         | NA         | NA         |
| 12/1/2023  | 285,000     | 0         | 0         | NA         | NA         |
| 12/1/2024  | 300,000     | 0         | 0         | NA         | NA         |
| Total      | \$2,650,000 | \$395,000 | \$655,000 |            |            |

A portion of the Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient: (i) to pay when due the interest on the Defeased/Refunded Bonds as stated above, and (ii) to pay principal of and call premium, if any, on the Defeased/Refunded Bonds on their respective redemption dates.

The Government Securities will be held in an escrow account created pursuant to an escrow agreement (the "Escrow Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

The mathematical calculations: (a) of the adequacy of the deposit made pursuant to the Escrow Agreement to provide for the payment of certain interest and principal on the Defeased/Refunded Bonds, and (b) supporting the opinion of Bond Counsel that the interest of the Bonds is excludable from gross income of the owners thereof for federal income tax purposes will be verified by Stanley P. Stone & Associates, Inc., Financing Consultants, New York, New York at the time of delivery of the Bonds. All moneys and Government Securities deposited for the payment of Defeased/Refunded Bonds, including interest thereon, are required to be applied solely and irrevocably to the payment of the Defeased/Refunded Bonds.

#### Projected Debt Service Coverage Table Sales Tax Alternate Revenue Source Bonds

|             | Revenue         |                |             |           |              | Mandatory  |
|-------------|-----------------|----------------|-------------|-----------|--------------|------------|
|             | Available for   |                | The         |           | Debt Service | Coverage   |
| <u>Year</u> | Debt Service(1) | Series 2005(2) | Bonds       | Total     | Coverage     | Amounts(3) |
| 2014        | \$2,490,503     | \$ 68,073      | \$ 45,784   | \$113,857 | 21.87x       | \$142,321  |
| 2015        | 2,490,503       | 69,073         | 50,715      | 119,788   | 20.79x       | 149,734    |
| 2016        | 2,490,503       | 68,073         | 50,715      | 118,788   | 20.97x       | 148,484    |
| 2017        | 2,490,503       | 68,073         | 50,715      | 118,788   | 20.97x       | 148,484    |
| 2018        | 2,490,503       | 68,073         | 50,715      | 118,788   | 20.97x       | 148,484    |
| 2019        | 2,490,503       | 303,073        | 50,715      | 353,788   | 7.04x        | 442,234    |
| 2020        | 2,490,503       | 303,203        | 50,715      | 353,918   | 7.04x        | 442,397    |
| 2021        | 2,490,503       | 307,913        | 50,715      | 358,628   | 6.94x        | 448,284    |
| 2022        | 2,490,503       | 311,923        | 50,715      | 362,638   | 6.87x        | 453,297    |
| 2023        | 2,490,503       | 310,305        | 50,715      | 361,020   | 6.90x        | 451,275    |
| 2024        | 2,490,503       | 313,050        | 50,715      | 363,765   | 6.85x        | 454,706    |
| 2025        | 2,490,503       | 0              | 280,715     | 280,715   | 8.87x        | 350,894    |
| 2026        | 2,490,503       | 0              | 276,515     | 276,515   | 9.01x        | 345,644    |
| 2027        | 2,490,503       | 0              | 277,115     | 277,115   | 8.99x        | 346,394    |
| 2028        | 2,490,503       | 0              | 277,193     | 277,193   | 8.98x        | 346,491    |
| 2029        | 2,490,503       | 0              | 281,610     | 281,610   | 8.84x        | 352,013    |
| Total       |                 | \$2,190,828    | \$1,946,082 |           |              |            |

Notes: (1) Based on the City's 2013 fiscal year report.

- (2) Does not include defeased/refunded bonds.
- (3) Equal to the mandatory 125% rate covenant.

#### **DEBT INFORMATION**

After issuance of the Bonds and the defeasance of a portion of the Series 2005 Bonds, the City will have outstanding \$36,155,000 principal amount of general obligation debt and alternate revenue bond debt. For the 2012 tax levy (fiscal year ended April 30, 2014), the City did not abate the property tax levy for the Series 2005A bonds, and partially abated the property tax levies for the Series 2004B and Series 2007A Bonds. For the 2013 levy year, the City fully abated the Series 2004B Bonds, partially abated the Series 2007A Bonds and did not abate the Series 2005A Bonds. Going forward the City expects to gradually eliminate this practice by fiscal year 2019. The City also has outstanding \$91,463,000 of special service area (SSA) debt and \$2,060,997 for the fiscal year ended April 30, 2013 of IEPA loans. The debt service on the SSA debt is current and is being paid solely from SSA taxes; SSA debt is an obligation solely of the various SSAs and not an obligation of the City.

# Outstanding General Obligation and Debt Certificate Debt(1) (Principal Only)

|          | Series       | Series       | Series       | Series      | Series      | Series      | Series      |
|----------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| Calendar | 2003         | 2003A        | 2004A        | 2004B       | 2005        | 2005A       | 2005C       |
| Year     | Certificates | Certificates | Certificates | (ARS)(2)    | (ARS)(3)    | (ARS)(2)    | (ARS)(4)    |
| 2014     | . \$100,000  | \$ 100,000   | \$190,000    | \$ 375,000  | \$ 195,000  | \$ 225,000  | \$ 100,000  |
| 2015     | . 100,000    | 105,000      | 0            | 395,000     | 200,000     | 235,000     | 105,000     |
| 2016     | . 100,000    | 110,000      | 0            | 410,000     | 210,000     | 250,000     | 110,000     |
| 2017     | . 100,000    | 115,000      | 0            | 435,000     | 220,000     | 260,000     | 110,000     |
| 2018     | . 300,000    | 120,000      | 0            | 455,000     | 225,000     | 275,000     | 120,000     |
| 2019     | . 0          | 130,000      | 0            | 0           | 235,000     | 290,000     | 120,000     |
| 2020     | . 0          | 135,000      | 0            | 0           | 245,000     | 300,000     | 130,000     |
| 2021     | . 0          | 140,000      | 0            | 0           | 260,000     | 320,000     | 135,000     |
| 2022     | . 0          | 150,000      | 0            | 0           | 275,000     | 335,000     | 140,000     |
| 2023     | . 0          | 155,000      | 0            | 0           | 285,000     | 0           | 150,000     |
| 2024     | . 0          | 0            | 0            | 0           | 300,000     | 0           | 150,000     |
| 2025     | . 0          | 0            | 0            | 0           | 0           | 0           | 0           |
| Total    | \$700,000    | \$1,260,000  | \$190,000    | \$2,070,000 | \$2,650,000 | \$2,490,000 | \$1,370,000 |

|          |           | Series       | Series      | Series       | Series      |              | Cumulat      | ive     |
|----------|-----------|--------------|-------------|--------------|-------------|--------------|--------------|---------|
| Calendar | Series    | 2006A        | 2007A       | 2011         | 2013        | Outstanding  | Principal    | Retired |
| Year     | 2006      | Certificates | (ARS)(2)    | (ARS)(5)     | Ref. Bonds  | Debt         | Amount       | Percent |
| 2014     | \$ 50,000 | \$ 420,000   | \$ 15,000   | \$ 685,000   | \$ 455,000  | \$ 2,910,000 | \$ 2,910,000 | 8.09%   |
| 2015     | 50,000    | 435,000      | 15,000      | 715,000      | 485,000     | 2,840,000    | 5,750,000    | 15.99%  |
| 2016     | 50,000    | 460,000      | 15,000      | 745,000      | 500,000     | 2,960,000    | 8,710,000    | 24.21%  |
| 2017     | 50,000    | 475,000      | 15,000      | 780,000      | 520,000     | 3,080,000    | 11,790,000   | 32.78%  |
| 2018     | 50,000    | 495,000      | 15,000      | 810,000      | 565,000     | 3,430,000    | 15,220,000   | 42.31%  |
| 2019     | 50,000    | 850,000      | 680,000     | 845,000      | 585,000     | 3,785,000    | 19,005,000   | 52.84%  |
| 2020     | 75,000    | 850,000      | 695,000     | 885,000      | 610,000     | 3,925,000    | 22,930,000   | 63.75%  |
| 2021     | 75,000    | 390,000      | 725,000     | 920,000      | 645,000     | 3,610,000    | 26,540,000   | 73.78%  |
| 2022     | 75,000    | 255,000      | 750,000     | 960,000      | 675,000     | 3,615,000    | 30,155,000   | 83.83%  |
| 2023     | 100,000   | 0            | 0           | 1,000,000    | 700,000     | 2,390,000    | 32,545,000   | 90.48%  |
| 2024     | 100,000   | 0            | 0           | 1,045,000    | 730,000     | 2,325,000    | 34,870,000   | 96.94%  |
| 2025     | <u> </u>  | 0            | 0           | 1,100,000    | 0           | 1,100,000    | 35,970,000   | 100.00% |
| Total    | \$725,000 | \$4,630,000  | \$2,925,000 | \$10,490,000 | \$6,470,000 | \$35,970,000 |              |         |

Notes: (1) Source: the City; does not include December 2013 maturities.

<sup>(2)</sup> Currently paid from tax levies.

<sup>(3)</sup> Payable from revenues from Sales Taxes and the incremental taxes if any from the Countryside TIF.

<sup>(4)</sup> Payable from revenues from the Water and Sewer System and State Income Taxes.

<sup>(5)</sup> Payable from Special Sales Taxes.

# **General Obligation Bonded Debt After Refunding**(1) (Principal Only)

|          |              |             | Less:             |              | Cumulat-     | ive     |
|----------|--------------|-------------|-------------------|--------------|--------------|---------|
| Calendar | Outstanding  | The         | Defeased/Refunded | Total        | Principal F  | Retired |
| Year     | Debt(2)      | Bonds       | Series 2005 Bonds | Debt         | Amount       | Percent |
| 2014     | \$ 2,910,000 | \$ 0        | \$ (195,000)      | \$ 2,715,000 | \$ 2,715,000 | 7.51%   |
| 2015     | 2,840,000    | 0           | (200,000)         | 2,640,000    | 5,355,000    | 14.81%  |
| 2016     | 2,960,000    | 0           | (210,000)         | 2,750,000    | 8,105,000    | 22.42%  |
| 2017     | 3,080,000    | 0           | (220,000)         | 2,860,000    | 10,965,000   | 30.33%  |
| 2018     | 3,430,000    | 0           | (225,000)         | 3,205,000    | 14,170,000   | 39.19%  |
| 2019     | 3,785,000    | 0           | 0                 | 3,785,000    | 17,955,000   | 49.66%  |
| 2020     | 3,925,000    | 0           | 0                 | 3,925,000    | 21,880,000   | 60.52%  |
| 2021     | 3,610,000    | 0           | 0                 | 3,610,000    | 25,490,000   | 70.50%  |
| 2022     | 3,615,000    | 0           | 0                 | 3,615,000    | 29,105,000   | 80.50%  |
| 2023     | 2,390,000    | 0           | 0                 | 2,390,000    | 31,495,000   | 87.11%  |
| 2024     | 2,325,000    | 0           | 0                 | 2,325,000    | 33,820,000   | 93.54%  |
| 2025     | 1,100,000    | 230,000     | 0                 | 1,330,000    | 35,150,000   | 97.22%  |
| 2026     | 0            | 235,000     | 0                 | 235,000      | 35,385,000   | 97.87%  |
| 2027     | 0            | 245,000     | 0                 | 245,000      | 35,630,000   | 98.55%  |
| 2028     | 0            | 255,000     | 0                 | 255,000      | 35,885,000   | 99.25%  |
| 2029     | 0            | 270,000     | 0                 | 270,000      | 36,155,000   | 100.00% |
| Total    | \$35,970,000 | \$1,235,000 | \$(1,050,000)     | \$36,155,000 |              |         |

Note: (1) Source: the City.

(2) See "DEBT INFORMATION - Outstanding General Obligation and Debt Certificate Debt" table for detail.

# **Detailed Overlapping Bonded Debt**(1)

|   | Outstanding | Applicabl  | e to City    |
|---|-------------|------------|--------------|
|   | Debt(2)     | Percent(3) | Amount       |
| Schools:  |             |            |              |
| High School District Number 18                  | \$ 0        | 0.23%      | \$ 0         |
| Grade School District Number 66                 | 1,565,000   | 0.33%      | 5,165        |
| Unit School District Number 88                  |             | 0.37%      | 102,141      |
| Unit School District Number 115                 |             | 58.30%     | 47,774,091   |
| Community College District Number 516           |             | 5.29%      | 4,452,158    |
| Total Schools                                   |             |            | \$52,333,555 |
| Other(4):                                       |             |            |              |
| Kendall County(5)                               |             | 16.59%     | \$ 6,565,287 |
| Kendall County Forest Preserve District         |             | 16.59%     | 7,974,979    |
| Total Other                                     |             |            | \$14,540,266 |
| Total Schools and Other Overlapping Bonded Debt |             |            |              |
|   |             |            |              |

Notes: (1) Source: Kendall County Clerk.

- (2) As of May 8, 2013.
- (3) Percentages are based on 2012 EAVs, the latest available.
- (4) The United City of Yorkville Special Service Areas (also includes Series 2007 revenue bonds) have \$91,463,000 in outstanding debt, which is expected to be paid from sources other than City revenues.
- (5) Includes Public Building Commission.

#### **Statement of Bonded Indebtedness**(1)

|  |                 | Ratio     | о То      | Per Capita   |
|--|-----------------|-----------|-----------|--------------|
|  | Amount          | Equalized | Estimated | (2010 Census |
|  | Applicable      | Assessed  | Actual    | 16,921)      |
| City EAV of Taxable Property, 2012           | \$ 443,122,808  | 100.00%   | 33.33%    | \$26,187.74  |
| Estimated Actual Value, 2012                 | \$1,329,368,424 | 300.00%   | 100.00%   | \$78,563.23  |
| Net Direct Bonded Debt(2)(3)                 | \$ 20,410,000   | 4.61%     | 1.54%     | \$ 1,206.19  |
| Overlapping Bonded Debt(4):                  |                 |           |           |              |
| Schools                                      | \$ 52,333,555   | 11.81%    | 3.94%     | \$ 3,092.82  |
| Other  | 14,530,266      | 3.28%     | 1.09%     | 858.71       |
| Total Overlapping Bonded Debt                | \$ 66,863,821   | 15.09%    | 5.03%     | \$ 3,951.53  |
| Total Net Direct and Overlapping Bonded Debt | \$ 87,273,821   | 19.70%    | 6.57%     | \$ 5,157.72  |

Notes: (1) Source: Kendall County Clerk.

- (2) Includes debt certificates and excludes alternate bonds and bonds to be defeased by this issue.
- (3) Excludes \$91.463.000 bonds of the United City of Yorkville Special Service Areas which are expected to be paid from sources other than City revenues.
- (4) As of May 8, 2013.

#### Legal Debt Margin(1)

| 2012 City Equalized Assessed Valuation |                |
|--|----------------|
| Series 2003 Certificates               | 700.000        |
| Series 2003A Certificates              | 1,260,000      |
| Series 2004A Certificates              | 190,000        |
| Series 2004B Bonds (ARS)(2)            | 2,070,000      |
| Series 2005 Bonds (ARS)(3)(4)          | 1,600,000      |
| Series 2005A Bonds (ARS)(2)            | 2,490,000      |
| Series 2005C Bonds (ARS)(3)            | 1,370,000      |
| Series 2006 Bonds                      | 725,000        |
| Series 2006A Certificates              | 4,630,000      |
| Series 2007A Bonds (ARS)(2)            | 2,925,000      |
| Series 2011 Bonds (ARS)(3)             | 10,490,000     |
| Series 2013 Bonds                      | 6,470,000      |
| The Bonds(3)                           | 1,235,000      |
| Total Debt                             | \$ 36,155,000  |
| Less:                                  |                |
| Series 2005 Bonds (ARS)(3)             | \$ (2,650,000) |
| Series 2005C Bonds (ARS)(3)            |                |
| Series 2011 Bonds (ARS)(3)             |                |
| The Bonds(3)                           |                |
|  | (-,,           |
| Total Applicable Debt                  |                |

Notes: (1) Source: the City.

- (2) Alternate bonds which have taxes levied for payment.
- Series 2005 Bonds, Series 2005C Bonds, Series 2011 Bonds and the Bonds (the "Alternate Bonds") are alternate bonds and do not constitute an indebtedness of the City within the meaning of any constitutional statutory limitation, unless the pledged taxes will have been extended pursuant to the general obligation, full faith and credit promise supporting the Alternate Bonds in which case the amount of the outstanding Alternate Bonds will be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shows that the Alternate Bonds have been paid from their pledged revenues for a complete fiscal year.
- (4) Does not include bonds being defeased.

#### PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2012 levy year, the City's EAV was comprised of approximately 75% residential, 1% industrial, 23% commercial, and less than 1% farm and railroad property valuations.

#### **Equalized Assessed Valuation**(1)

|                   | Levy Years  |                                       |                                       |               |               |
|-------------------|-------------|---------------------------------------|---------------------------------------|---------------|---------------|
|                   | 2008        | 2009                                  | 2010                                  | 2011          | 2012          |
| By Property Class | <u>.</u>    | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · |               |               |
| Residential\$4    | 140,037,839 | \$444,422,818                         | \$407,528,709                         | \$367,600,683 | \$332,551,186 |
| Farm              | 2,562,106   | 2,524,355                             | 2,398,027                             | 2,450,231     | 2,568,351     |
| Commercial 1      | 117,707,447 | 124,381,958                           | 122,304,406                           | 112,753,206   | 101,264,981   |
| Industrial        | 6,914,772   | 6,921,977                             | 6,820,310                             | 7,283,729     | 6,720,962     |
| Railroad          | 17,328      | 17,328                                | 17,328                                | 17,328        | 17,328        |
| Total\$5          | 567,239,492 | \$578,268,436                         | \$539,068,780                         | \$490,105,177 | \$443,122,808 |
| Percent Change    | 11.30%(2)   | 1.94%                                 | (6.78%)                               | (9.08%)       | (9.59%)       |

Notes: (1) Source: Kendall County Clerk.

(2) Percentage change based on 2007 EAV of \$509,638,009.

# Representative Tax Rates(1) (Per \$100 EAV)

|                                       |          |          | Levy Year |             |           |
|---------------------------------------|----------|----------|-----------|-------------|-----------|
|                                       | 2008     | 2009     | 2010      | 2011        | 2012      |
| The City:                             |          |          | <u> </u>  | <del></del> | ·         |
| Corporate                             | \$0.1329 | \$0.1138 | \$0.1472  | \$0.2108    | \$ 0.2354 |
| Bonds and Interest                    | 0.0000   | 0.0000   | 0.4105    | 0.1477      | 0.1097    |
| IMRF                                  | 0.0724   | 0.0778   | 0.0804    | 0.0918      | 0.1016    |
| Police Protection                     | 0.0550   | 0.0584   | 0.0620    | 0.0714      | 0.0790    |
| Police Pension                        | 0.0573   | 0.0583   | 0.0670    | 0.0900      | 0.1229    |
| Audit                                 | 0.0073   | 0.0095   | 0.0098    | 0.0082      | 0.0068    |
| Liability Insurance                   | 0.0387   | 0.0583   | 0.0615    | 0.0082      | 0.0090    |
| Social Security/IMRF                  | 0.0541   | 0.0528   | 0.0546    | 0.0612      | 0.0677    |
| School Cross Guard                    | 0.0043   | 0.0042   | 0.0044    | 0.0051      | 0.0057    |
| Unemployment Insurance                | 0.0047   | 0.0043   | 0.0045    | 0.0102      | 0.0113    |
| Total City Rates(2)                   | \$0.4267 | \$0.4374 | \$0.9020  | \$0.7045    | \$ 0.7490 |
| Kendall County                        | 0.5724   | 0.5734   | 0.6396    | 0.6999      | 0.7446    |
| Kendall County Forest Preserve        | 0.0966   | 0.0944   | 0.1041    | 0.1205      | 0.1495    |
| Bristol Township                      | 0.2921   | 0.2963   | 0.3246    | 0.3693      | 0.3935    |
| Bristoll - Kendall Fire District      | 0.5896   | 0.6007   | 0.6734    | 0.7176      | 0.7356    |
| Yorkville - Bristol Sanitary District | 0.0000   | 0.0000   | 0.0000    | 0.0000      | 0.0000    |
| Unit School District Number 115       | 4.5923   | 4.6973   | 5.2767    | 5.9101      | 6.7561    |
| Community College District Number 516 | 0.3990   | 0.4037   | 0.4115    | 0.4702      | 0.5306    |
| Yorkville Library                     | 0.2099   | 0.2172   | 0.2589    | 0.3042      | 0.3242    |
| Total Tax Rates(3)                    | \$7.1786 | \$7.3204 | \$8.5908  | \$9.2962    | \$10.3831 |

Notes: (1) Source: Kendall County Clerk.

<sup>(2)</sup> Statutory tax rate limits for the City are as follows: Corporate (\$0.4375); Police Protection (\$0.6000); Garbage (\$0.2000); School Crossing Guard (\$0.0200).

<sup>(3)</sup> Representative tax rates for other government units are from Bristol Township tax code 005.

# **Tax Extensions and Collections**(1) (Excludes Road, Bridge and Library Levies)

| Levy | Coll.   | Taxes       | Taxes Colle | ected(3) |
|------|---------|-------------|-------------|----------|
| Year |         | Extended(2) | Amount      | Percent  |
| 2007 | 2008    | \$2,122,133 | \$2,101,984 | 99.05%   |
| 2008 | 2009    | 2,420,411   | 2,407,483   | 99.47%   |
| 2009 | 2010    | 2,529,057   | 2,521,570   | 99.70%   |
| 2010 | 2011    | 4,862,185   | 4,849,681   | 99.74%   |
| 2011 | 2012    | 3,452,742   | 3,435,616   | 99.50%   |
| 2012 | 2013(4) | 3,318,990   | 3,185,693   | 95.98%   |

Notes: (1) Source: Kendall County Treasurer and the City.

- (2) Tax extensions have been adjusted for abatements.
- (3) Total collections include back taxes, taxpayer refunds, interest, etc.
- (4) As of December 13, 2013.

#### **Principal Taxpayers**(1)

| Taxpayer Name   | Business/Service          | 2012 EAV(2)  |
|---|---------------------------|--------------|
| Menard, Inc.  | Retail                    | \$ 7,804,600 |
| Copley Ventures, Inc  |                           |              |
| Cannonball LLC  | . Commercial Real Estate  | 4,596,172    |
| Yorkville Shopping Center I                                   | Shopping Center           | 3,884,596    |
| Target Corporation  | . Retail                  | 3,104,272    |
| Wrigley Manufacturing Co LLC                                  | . Gum                     | 2,893,422    |
| Boombah Properties LLC  | . Retail                  | 2,269,648    |
| Home Depot USA Inc  | . Retail                  | 1,832,215    |
| Prime Yorkville LLC   | . Office Building Complex | 1,803,983    |
| York Meadows LLC  | . Apartments              | 1,686,666    |
| Total   | ····                      | \$37,214,438 |
| Ten Largest Taxpayers as Percent of City's 2012 EAV (\$443,12 | 22,808)                   | 8.40%        |

Notes: (1) Source: Kendall County Clerk.

(2) Every effort has been made to seek out and report the largest taxpayers. However, many taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2012 EAV by PIN is the most current available.

#### REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

#### **Tax Levy and Collection Procedures**

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

#### **Exemptions**

An annual General Homestead Exemption (the "General Homestead Exemption") provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$3,500 for assessment years prior to assessment year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of \$5,000 for assessment year 2004 through 2007 in all counties. The maximum reduction is \$5,500 for assessment year 2008 and the maximum reduction is \$6,000 for assessment year 2009 and thereafter in all counties. Additionally, maximum reduction increased to \$7,000 for assessment year 2012 for Cook County.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by \$2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is \$3,000 in all counties. For assessment year 2008 and thereafter, the maximum reduction is \$4,000 for all counties. Beginning with tax year 2012, the maximum reduction increased to \$5,000 for Cook County. Beginning with tax year 2013, the maximum reduction increased to \$5,000 for all other counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$35,000 for years prior to 1999, \$40,000 for assessment years 1999 through 2003, \$45,000 for assessment years 2004 and 2005, \$50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is \$55,000. In general, the Senior Citizens Assessment Freeze Homestead Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with a population of less than 3,000,000, the Senior Citizens Assessment Freeze Homestead Exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the Senior Citizens Assessment Freeze Homestead Exemption phases out as the amount of household income increases. The amount of the Senior Citizens Assessment Freeze Homestead Exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the Disabled Veterans Standard Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of \$2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for the Returning Veterans' Homestead Exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, "or a leasehold interest of land on which a single family residence is located, which is occupied as a principle residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes." Those individuals eligible for the Returning Veterans' Homestead Exemption may claim the Returning Veterans' Homestead Exemption, in addition to other homestead exemptions, unless otherwise noted.

#### **Property Tax Extension Limitation law**

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the City. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds (such as the Bonds) or are for certain refunding purposes.

The City has the authority to levy taxes for many different purposes. See the table entitled **Representative Tax Rates** under "**PROPERTY ASSESSMENT AND TAX INFORMATION**" herein. The ceiling at any particular time on the rate at which these taxes may be extended for the City is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the City) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the City's limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the City, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

#### **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

#### FINANCIAL INFORMATION

#### **Financial Reports**

The City's financial statements are audited annually by certified public accountants and are in conformity with accounting principles generally accepted in the United States of America. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. See **APPENDIX A** for more detail.

#### No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "FINANCIAL INFORMATION" section and in APPENDIX A are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended April 30, 2013 (the "2013 Audit") which was approved by formal action of the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information in this Final Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2013 Audit. The inclusion of the Excerpted Financial Information in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2013 Audit. Questions or inquiries relating to financial information of the City since the date of the 2013 Audit should be directed to the City.

#### **Summary Financial Information**

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the City's 2013 Audit.

### **Statement of Net Assets**(1) **Governmental Activities**

|   |                | Audi                        | ted as of April             | 30                          |                           |
|---|----------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
|   | 2008           | 2009                        | 2010                        | 2011                        | 2012                      |
| ASSETS:   |                |                             |                             |                             |                           |
| Current Assets: Cash and Cash Equivalents                           | ¢ 5 /// // /00 | \$ 4.744.779                | \$ 4.185.507                | \$ 4.379.393                | \$ 4,395,719              |
| Receivables:  | . \$ 5,440,430 | \$ 4,744,773                | \$ 4,100,007                | \$ <del>4</del> ,3/9,393    | J 4,090,719               |
| Property Taxes Receivable   | . 3,033,744    | 2,049,489                   | 3,276,306                   | 4,469,943                   | 4,623,354                 |
| Intergovernmental Receivables                                       |                | 1,575,497                   | 2,054,417                   | 1,923,851                   | 0                         |
| Accounts Receivable   |                | 1,298,559                   | 459,445                     | 494,959                     | 380,675                   |
| Utility Taxes Receivable  |                | 0                           | 247,659<br>0                | 239,106<br>0                | 0<br>2.577.391            |
| Internal Balances   | •              | (2,128,740)                 | (2,482,580)                 | (2,219,599)                 | (1,145,614)               |
| Prepaid Items   |                | 0                           | 54,288                      | 145,404                     | 181,683                   |
| Other Assets  |                | 448,534                     | <u>0</u>                    | 0 422 057                   | 400,000                   |
| Total Current Assets  | . \$11,511,9/6 | \$ 7,988,118                | \$ 7,795,042                | \$ 9,433,057                | \$11,413,208              |
| Land, Land Improvements and CIP                                     | . \$33,258,775 | \$ 30,163,653               | \$ 30,049,329               | \$ 30,274,710               | \$30,224,292              |
| Infrastructure  |                | 18,243,547                  | 28,050,993                  | 28,580,530                  | 28,726,021                |
| Building and Improvements   |                | 13,003,871                  | 12,713,680                  | 12,486,849                  | 12,195,378                |
| Equipment and Vehicles  |                | 4,351,137<br>\$65,762,208   | 3,602,054<br>\$82,211,098   | 3,055,284<br>\$74,397,373   | 2,665,905<br>\$73.811.596 |
| Other Assets:   | . 400,331,200  | 400,702,200                 | ¥02,211,030                 | Ψ7 1,037,070                | Ψ/O,011,030               |
| Net Pension Benefit   |                | \$ 16,161                   | \$ 0                        | \$ 0                        | \$ 0                      |
| Deferred Charges  |                | 66,494                      | 58,060                      | 50,180                      | 42,893                    |
| Total Other Assets  |                | \$ 82,655<br>\$73,832,981   | \$ 58,060<br>\$82,269,158   | \$ 50,180<br>\$83,880,610   | \$ 42,893<br>\$85,267,697 |
| Total Assets  | . 4/0,55/,6/1  | <u>\$73,032,901</u>         | <u>\$02,209,130</u>         | \$00,000,010                | <u>\$65,207,097</u>       |
| LIABILITIES AND NET ASSETS:   |                |                             |                             |                             |                           |
| Liabilities:  |                |                             |                             |                             |                           |
| Current Liabilities: Accounts Payable                               | . \$ 928,628   | \$ 220.782                  | \$ 335.840                  | \$ 689.702                  | \$ 527.054                |
| Deposits Payable  |                | 0                           | 333,040                     | 009,702                     | 66.584                    |
| Retainage Payable   |                | 0                           | 0                           | 3,201                       | 0                         |
| Accrued Payroll   |                | 93,501                      | 117,174                     | 99,928                      | 108,478                   |
| Interest Payable  |                | 235,790<br>2,183,722        | 228,618<br>3,315,611        | 218,758<br>4,514,986        | 213,875<br>5,671,251      |
| Current Portion of Long-Term Debt                                   |                | 2,103,722                   | 0,010,011                   | 1,314,300                   | 1.098.099                 |
| Other Liabilities   |                | 145,022                     | 567,031                     | 417,495                     | 356,259                   |
| Total Current Liabilities   | . \$ 4,533,109 | \$ 2,878,817                | \$ 4,564,274                | \$ 5,944,070                | \$ 8,041,600              |
| Noncurrent Liabilities: Long-Term Obligations, Due within One Year: |                |                             |                             |                             |                           |
| Bonds Payable   | . \$ 310.000   | \$ 580.000                  | \$ 650.000                  | \$ 790.000                  | \$ 0                      |
| Debt Certificates Payable   |                | 145,000                     | 95,000                      | 95,000                      | 0                         |
| Notes Payable   |                | 124,937                     | 151,544                     | 153,254                     | 0                         |
| Loan Installment Purchase   |                | 0<br>320.364                | 0<br>221.316                | 0<br>242.538                | 0<br>292,100              |
| Accrued Claims  | ,              | 320,304                     | 60,000                      | 242,330                     | 292,100                   |
| Long-Term Obligations, Due in more than One Year:                   | •              | -                           |                             | •                           | -                         |
| Bonds Payable   |                | 15,365,000                  | 14,715,000                  | 13,925,000                  | 13,025,000                |
| Loans Payable  Debt Certificates Payable                            |                | 1,890<br>285,000            | 1,890                       | 0<br>95.000                 | 0                         |
| Notes Payable   |                | 1,152,623                   | 190,000<br>1,001,079        | 849.715                     | 817.751                   |
| Loan Installment Purchase   |                | 0                           | 0                           | 0                           | 0                         |
| Compensated Absences  |                | 273,047                     | 165,631                     | 299,148                     | 0                         |
| Net Pension Obligation  |                | 0                           | 133,940                     | 398,325                     | 564,311                   |
| Other Post-employment Benefits                                      |                | 2,345<br>105,000            | 4,676<br>0                  | 7,007<br>0                  | 9,453<br>1,890            |
| Total Noncurrent Liabilities  |                | \$18,355,206                | \$17,390,076                | \$16,854,987                | \$14,710,505              |
| Total Liabilities   | \$22,383,160   | \$21,234,023                | \$21,954,350                | \$22,799,057                | \$22,752,105              |
| Net Assets:   |                |                             |                             |                             |                           |
| Invested in Capital Assets, Net of Related Debt                     | . \$53,202.922 | \$51,529,648                | \$60,971,543                | \$61,594,404                | \$58,943,771              |
| Restricted for Capital Projects                                     | . 3,630,544    | 2,821,728                   | 3,042,137                   | 2,736,585                   | 3,478,139(2)              |
| Restricted for Debt Service   |                | 285,643                     | 426,013                     | 578,443                     | 02 (02                    |
| Unrestricted Net Assets   |                | (2,038,061)<br>\$52,598,958 | (4,124,885)<br>\$60,314,808 | (3,827,879)<br>\$61,081,553 | 93,682<br>\$62,515,592    |
| TOTAL NEW MODELS  | · *UU,1/7,/11  | <u> </u>                    | <u>400.014.000</u>          | *OT.001.000                 | *UC. JIJ. JJC             |

Notes: (1)

Changed to Statement of Net Position in 2013. See table on page 26. For fiscal year ending April 30, 2012, consisting of \$388,198 for Library Operations, \$29,259 for Special Service Areas, \$924,857 for Motor Fuel Tax and \$2,135,825 for Tax Increment Financing District. (2)

### **Statement of Net Position Governmental Activities**

|   | Audited as of April 30 2013   |
|---|---|
| ASSETS:   |   |
| Current Assets:   |   |
| Cash and Investments Receivables - Net Prepaids Internal Balances Due from Other Governments Total Current Assets Noncurrent Assets: Capital Assets:  | 7,364,633<br>174,571<br>(259,447)<br>15<br>\$ 15,032,207  |
| Nondepreciable Capital Assets Depreciable Capital Assets Accumulated Depreciation Total Capital Assets Total Assets   | 66,528,719<br>(21,705,810)<br>\$ 75,843,339   |
| LIABILITIES: Current Liabilities:   |   |
| Accounts Payable Deposits Payable Accrued Payroll Accrued Interest Payable Other Liabilities Other Payables Current Portion of Long-Term Debt Total Current Liabilities: Noncurrent Liabilities: Compensated Absences Payable Net Pension Obligation Payable Net Other Post-Employment Benefit Payable Notes Payable General Obligation Bonds Payable Other Liabilities Total Noncurrent Liabilities Total Liabilities  Total Liabilities  Total Liabilities  Total Liabilities | 289,418 137,178 199,038 288,139 87,015 928,122 \$ 2,747,933  \$ 244,440 653,423 7,927 823,589 12,190,000 1,890 13,921,269 |
| Property and State Taxes  |   |
| NET POSITION: Net Investment in Capital Assets  | \$ 61,962,738   |
| Library Operations Special Service Areas Motor Fuel Tax Land Cash Tax Increment Financing Districts Unrestricted Total Net Position   | 22,864<br>1,152,348<br>121,420<br>1,787,605<br>3,341,127  |

### Statement of Activities Governmental Activities Statement of Net (Expense) Revenue and Changes in Net Assets

|                                  |              | Υe            | ear Ended April | 30             |                      |
|----------------------------------|--------------|---------------|-----------------|----------------|----------------------|
| <del>-</del>                     | 2009         | 2010          | 2011            | 2012           | 2013                 |
| PRIMARY GOVERNMENT(1):           |              | <del></del>   |                 |                | <del></del>          |
| Governmental Activities          |              |               |                 |                |                      |
| General Government               | (3,790,396)  | \$(2,563,751) | \$ (2,799,032)  | \$ (3,674,413) | \$(1,308,913)        |
| Public Safety                    | (3,097,083)  | (3,660,914)   | (3,287,448)     | (2,905,184)    | (3,750,318)          |
| Public Works                     | (502,929)    | 8,002,542     | (1,214,089)     | (1,275,841)    | 470,019              |
| Library                          | (2,993,925)  | (1,023,547)   | (1,104,099)     | (798, 256)     | (849,831)            |
| Parks and Recreation             | 321,319      | (1,664,356)   | (1,217,887)     | (1,161,266)    | (1,072,532)          |
| Community Development            | (2,155,995)  | (447,491)     | (394,687)       | (307,053)      | (356,689)            |
| Unallocated Bad Debt Adjustments | 0            | (1,016,132)   | 0               | 0              | 0                    |
| Interest on Debt                 | (741,303)    | (757,192)     | (723,246)       | (704,213)      | (691,551)            |
| Total Governmental Activities    | (12,960,312) | \$(3,130,841) | \$(10,740,488)  | \$(10,826,226) | \$(7,559,815)        |
|                                  |              |               |                 |                |                      |
| GENERAL REVENUES:                |              |               |                 |                |                      |
| Taxes:                           |              |               |                 |                |                      |
| Property Taxes                   | 3,670,632    | \$ 4,087,698  | \$ 4,281,902    | \$ 4,953,862   | \$ 4,743,599         |
| Sales Tax                        | 2,474,549    | 2,480,213     | 2,577,651       | 2,962,810      | 4,409,926            |
| Income Tax                       | 1,124,204    | 1,280,519     | 1,306,325       | 1,444,426      | 1,587,324            |
| Utility Taxes                    | 1,630,188    | 1,542,649     | 1,614,294       | 1,568,699      | 1,553,693            |
| Other Taxes                      | 861,936      | 641,360       | 780,863         | 963,524        | 922,439              |
| Development Fees                 | 454,822      | 0             | 0               | 0              | 0                    |
| Investment Earnings              | 74,761       | 73,327        | 6,762           | 10,388         | 16,368               |
| Other General Revenues           | 1,336,958    | 783,999       | 764,528         | 667,637        | 652,606              |
| Transfers                        |              | 134,209       | 174,908         | 0              | 0                    |
| Total General Revenues           | 9,384,559    | \$11,023,974  | \$ 11,507,233   | \$ 12,571,346  | \$13,885,95 <u>5</u> |
|                                  |              |               |                 |                |                      |
| Change in Net Assets             | (3,575,753)  | \$ 7,893,133  | \$ 766,745      | \$ 1,745,120   | \$ 6,326,140         |
|                                  |              |               |                 |                |                      |
| Net Assets                       | 56 174 711   | FO 401 6==    | 60 014 060      | 60 770 470     | 60 515 560           |
| Beginning of Year, as Restated   |              | 52,421,675    | 60,314,808      | 60,770,472     | 62,515,592           |
| End of Year                      | 52,598,958   | \$60,314,808  | \$ 61,081,553   | \$ 62,515,592  | \$68,841,732         |

Note: (1) Expenses net of program revenues of Fees, Fines & Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions.

### **General Fund Balance Sheet**

|   | Audited as of April 30 |                      |                      |                    |                    |
|---|------------------------|----------------------|----------------------|--------------------|--------------------|
|   | 2009                   | 2010                 | 2011                 | 2012               | 2013               |
| ASSETS:   |                        |                      |                      |                    |                    |
| Cash and Investments  | \$ 0                   | \$ 0                 | \$ 0                 | \$ 0               | \$3,139,755        |
| Property Taxes Receivable   | 1,390,069              | 2,626,306            | 2,749,964            | 2,801,487          | 2,950,692          |
| Other Governmental Receivables  | 1,553,123              | 1,748,223            | 1,576,444            | 0                  | 15                 |
| Account Receivable  | 1,298,559              | 459,445              | 488,780              | 369,626            | 205,599            |
| Other Taxes Receivable  | 0                      | 0                    | 0                    | 2,543,802          | 2,328,040          |
| Utility Taxes Receivable  | 0                      | 247,659              | 239,106              | 0                  | 0                  |
| Interfund Receivable  | 69,220                 | 0                    | 100,000              | 0                  | 0                  |
| Prepaid Items   | 0                      | 39,497               | 136,917              | 153,770            | 139,985            |
| Other Assets  | 164,587                | 0                    | 0                    | 7,479              | 0                  |
| Total Assets  | \$4,475,558            | \$5,121,130          | \$5,291,211          | \$5,876,164        | \$8.764.086        |
| LIABILITIES AND FUND BALANCE:   |                        |                      |                      |                    |                    |
| Liabilities:  |                        |                      |                      |                    |                    |
| Accounts Payable  | \$ 123,376             | \$ 258,021           | \$ 531,957           | \$ 477,374         | \$ 586,758         |
| Accrued Payroll   | 69,525                 | 87,832               | 75,382               | 78,840             | 100,025            |
| Deposits Payable  |                        | 0                    | 0                    | 54,498             | 271,365            |
| Retainage Payable   | 32,867                 | 0                    | 0                    | 0                  | 0                  |
| Interfund Payable   | 865,218                | 1,815,685            | 1,577,286            | 0                  | 0                  |
| Other Payable   | 112,155                | 401,201              | 198,074              | 114,854            | 0                  |
| Due to Other Funds  |                        | 0                    | 0                    | 497,989            | 17,448             |
| Deferred Revenue  |                        | 3,048,330            | 3,180,412            | 3,381,986          | 0                  |
| Total Liabilities   | \$3,080,018            | \$5,611,069          | \$5,563,111          | \$4,605,541        | \$ 975,596         |
| DEFERRED INFLOWS OF RESOURCES(1):                                     |                        |                      |                      |                    |                    |
| Property and State Taxes  | \$ <u>0</u><br>\$ 0    | \$ 0                 | \$ 0                 | \$ 0               | \$3,564,670        |
| Total Liabilities and Deferred Inflows of Resources                   | \$ 0                   | \$ 0                 | \$ 0                 | \$ 0               | \$4,540,266        |
| Fund Balances:  |                        |                      |                      |                    |                    |
| Unassigned  |                        | \$ (532,436)         | \$ (408,817)         | \$ 784,353         | \$4,083,835        |
| Nonspendable  |                        | 0                    | 0                    | 153,770            | 139,985            |
| Assigned  |                        | 0                    | 0                    | 332,500            | 0                  |
| Reserved for Prepaid Items  |                        | 39,497               | 136,917              | 0                  | 0                  |
| Total Fund Balance  | \$1,395,540            | <u>\$ (492,939</u> ) | <u>\$ (271,900</u> ) | \$1,270,623        | \$4,223,820        |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances(1) | \$4.475.558            | <u>\$5.118.130</u>   | \$5,291,211          | <u>\$5.876.164</u> | <u>\$8,764,086</u> |

Note: (1) Change in reporting format.

### General Fund Revenues and Expenditures

| Property Taxes   |   |        | Audited Fis          | cal Year Ending Ap | ril 30       |               |
|--|---|--------|----------------------|--------------------|--------------|---------------|
| Property Taxes   | 2009  | 9      | 2010                 | 2011               | 2012         | 2013          |
| Township Road and Bridge Taxes   | REVENUES:                                     |        |                      |                    |              |               |
| Sales Tax         2,500,285         2,446,099         2,569,233         2,552,483         2,490,503           Non-HR Sales         0         0         0         410,327         1,191,423           Income Tax         1,004,980         1,277,889         1,315,321         1,444,426         1,587,324           Utility Tax         572,999         833,669         873,999         828,426         835,972           Other Taxes         1,601,673         1,322,380         1,521,787         1,441,803         1,355,967           Intergovernmental         0         0         0         277,715         304,937           Charges for Services         0         1,252,904         1,298,042         1,561,554         1,199,908           Licerses, Permits & Fees         1,748,512         304,415         241,752         171,921         168,831           Fines         130,344         154,575         201,236         175,159         169,144           Interest Revenues         435,586         441,908         520,082         433,555         391,519           Grants         0         8,209         53,557         50         0         0           General Government         \$ 5,030,274         \$ 4,577,468         \$ 4,71  | Property Taxes \$ 2,245                       | 5,490  | \$ 2,407,483         | \$ 2,521,570       | \$ 2,709,936 | \$ 2,715,518  |
| Non-HR Sales   | Township Road and Bridge Taxes                | 0      | 151,196              | 164,296            | 166,896      | 168,477       |
| Income Tax   | Sales Tax                                     | 0,285  | 2,446,099            | 2,569,233          | 2,552,483    | 2,490,503     |
| Utility Tax         572,999         833,669         873,999         828,426         835,972           Other Taxes         1,601,673         1,322,380         1,521,787         1,441,803         1,355,967           Intergovernmental         0         0         0         277,715         304,937           Charges for Services         0         1,282,904         1,288,042         1,561,554         1,199,908           Licenses, Permits & Fees         1,748,512         304,415         241,752         171,921         168,831           Fines         130,344         154,575         201,236         175,159         169,144           Interest Revenues         18,629         62,043         1,760         5,102         7,287           Other Revenue         435,586         441,908         520,082         433,555         391,519           Grants         0         8,209         53,537         50         0           Total Revenues         \$10,258,458         \$10,662,770         \$11,282,615         \$12,179,353         \$13,314,810           EXPENDITURES:           General Government         \$5,030,274         \$4,577,468         \$4,713,073         \$4,814,105         \$3,296,379           Streets & Sanitation   | Non-HR Sales                                  | 0      | 0                    | 0                  | 410,327      | 1,919,423     |
| Other Taxes         1,601,673         1,322,380         1,521,787         1,441,803         1,355,967           Intergovernmental         0         0         0         277,715         304,937           Charges for Services         0         1,252,904         1,298,042         1,561,554         1,199,08           Licenses, Permits & Fees         1,748,512         304,415         241,752         171,921         168,831           Fines         130,344         154,575         201,236         175,159         169,144           Interest Revenues         18,629         62,043         1,760         5,102         7,287           Other Revenue         435,586         441,908         520,082         433,555         391,519           Grants         0         8,209         53,537         50         0         0           Total Revenues         \$10,258,458         \$10,662,770         \$11,282,615         \$12,179,363         \$13,314,810           EXPENDITURES:           General Government         \$5,030,274         \$4,577,468         \$4,713,073         \$4,814,105         \$3,296,379           Streets & Sanitation         1,752,822         1,800,389         1,788,538         1,703,802         1,647,589  | Income Tax                                    | 4,980  | 1,277,889            | 1,315,321          | 1,444,426    | 1,587,324     |
| Intergovernmental  | Utility Tax 572                               | 2,959  | 833,669              | 873,999            | 828,426      | 835,972       |
| Chargés for Services         0         1,252,904         1,298,042         1,561,554         1,199,908           Licenses. Permits & Fees         1,30,344         154,575         201,236         175,159         168,831           Fines         130,344         154,575         201,236         175,159         169,144           Interest Revenues         18,629         62,043         1,760         5,102         7,287           Other Revenue         435,586         441,908         520,082         433,555         391,519           Grants         0         8,209         53,537         50         0           Total Revenues         \$10,258,458         \$10,662,770         \$11,282,615         \$12,179,353         \$13,314,810           EXPENDITURES:           General Government         \$ 5,030,274         \$ 4,577,468         \$ 4,713,073         \$ 4,814,105         \$ 3,296,379           Streets & Sanitation         1,752,822         1,800,389         1,788,538         1,703,802         1,647,589           Community Development         461,182         419,785         395,291         307,053         3,550,995           Total Expenditures         \$10,405,008         \$10,057,898         \$ 9,780,156         \$ 9,671,380         \$ 8,  | Other Taxes                                   | 1,673  | 1,322,380            | 1,521,787          | 1,441,803    | 1,355,967     |
| Licenses, Permits & Fees   | Intergovernmental                             | 0      | 0                    | •                  | 277,715      | 304,937       |
| Fines  | Charges for Services                          | 0      | 1,252,904            | 1,298,042          | 1,561,554    | 1,199,908     |
| Interest Revenues  | Licenses, Permits & Fees                      | 8,512  | 304,415              | 241,752            | 171,921      | 168,831       |
| Other Revenue         435,586 (rants)         441,908 (rants)         520,082 (rants)         433,555 (rants)         391,519 (rants)           Total Revenues         \$10,258,458 (rants)         \$10,662,770 (rants)         \$11,282,615 (rants)         \$12,179,353 (rants)         \$13,314,810 (rants)           EXPENDITURES:         General Government         \$5,030,274 (rants)         \$4,577,468 (rants)         \$4,713,073 (rants)         \$4,814,105 (rants)         \$3,296,379 (rants)           Streets & Sanitation         \$1,752,822 (rants)         \$1,800,389 (rants)         \$1,788,538 (rants)         \$1,703,802 (rants)         \$1,647,589 (rants)           Community Development         461,182 (rants)         419,785 (rants)         395,291 (rants)         307,053 (rants)         365,188 (rants)           Public Safety         3,160,730 (rants)         3,260,256 (rants)         2,883,254 (rants)         2,846,420 (rants)         3,550,955 (rants)           Total Expenditures         \$10,405,008 (rants)         \$10,057,898 (rants)         \$9,671,380 (rants)         \$8,860,111 (rants)           Excess (Deficiency) of Revenues Over         Expenditures         \$1,445,550 (rants)         \$1,502,459 (rants)         \$2,507,973 (rants)         \$4,454,699 (rants)           Other Financing Sources (Uses):         \$1,246,550 (rants)         \$1,644,594 (rants)         \$1,547,581 (rants)         \$1,502,605 (rant | Fines   | 0,344  | 154,575              | 201,236            | 175,159      | 169,144       |
| Grants         0         8,209         53,537         50         0           Total Revenues         \$10,258,458         \$10,662,770         \$11,282,615         \$12,179,353         \$13,314,810           EXPENDITURES:           General Government         \$5,030,274         \$4,577,468         \$4,713,073         \$4,814,105         \$3,296,379           Streets & Sanitation         1,752,822         1,800,389         1,788,538         1,703,802         1,647,589           Community Development         461,182         419,785         395,291         307,053         365,188           Public Safety         3,160,730         3,260,256         2,883,254         2,846,420         3,550,955           Total Expenditures         \$10,405,008         \$10,057,898         \$9,780,156         \$9,671,380         \$8,860,111           Excess (Deficiency) of Revenues Over Expenditures         \$(146,550)         \$604,872         \$1,502,459         \$2,507,973         \$4,454,699           Other Financing Sources (Uses):         \$0         \$604,872         \$1,502,459         \$2,507,973         \$4,454,699           Operating Transfers In         \$902,485         \$344,658         \$235,357         \$0         \$0         \$0           Operating Transfers Out         \$(1,2  | Interest Revenues                             | 8,629  | 62,043               | 1,760              | 5,102        | 7,287         |
| EXPENDITURES:         \$10.258.458         \$10.662.770         \$11.282.615         \$12.179.353         \$13.314.810           EXPENDITURES:         General Government         \$ 5.030.274         \$ 4.577.468         \$ 4.713.073         \$ 4.814.105         \$ 3.296.379           Streets & Sanitation         1.752.822         1.800.389         1.788.538         1.703.802         1.647.589           Community Development         461.182         419.785         395.291         307.053         365.188           Public Safety         3.160.730         3.260.256         2.833.254         2.846.420         3.550.955           Total Expenditures         \$10.405.008         \$10.057.898         \$ 9.780.156         \$ 9.671.380         \$ 8.860.111           Excess (Deficiency) of Revenues Over Expenditures         \$ (146.550)         \$ 604.872         \$ 1.502.459         \$ 2.507.973         \$ 4.454.699           Other Financing Sources (Uses):         \$ 902.485         \$ 344.658         \$ 235.357         \$ 0         \$ 0           Operating Transfers In         \$ 902.485         \$ 344.658         \$ 235.357         \$ 0         \$ 0           Operating Transfers Out         \$ (2.312.731)(1)         \$ (1.644.594)(2)         \$ (1.516.778)(4)         \$ (965.450)(5)         \$ (1.501.502)(6)           Total O  | Other Revenue 435                             | 5,586  | 441,908              | 520,082            | 433,555      | 391,519       |
| EXPENDITURES:           General Government         \$ 5,030,274         \$ 4,577,468         \$ 4,713,073         \$ 4,814,105         \$ 3,296,379           Streets & Sanitation         1,752,822         1,800,389         1,788,538         1,703,802         1,647,589           Community Development         461,182         419,785         395,291         307,053         365,188           Public Safety         3,160,730         3,260,256         2,883,254         2,846,420         3,550,955           Total Expenditures         \$10,405,008         \$10,057,898         \$ 9,780,156         \$ 9,671,380         \$ 8,860,111           Excess (Deficiency) of Revenues Over         Expenditures         \$ (146,550)         \$ 604,872         \$ 1,502,459         \$ 2,507,973         \$ 4,454,699           Other Financing Sources (Uses):         Operating Transfers In         \$ 902,485         \$ 344,658         \$ 235,357         \$ 0         \$ 0           Operating Transfers Out         (2,312,731)(1)         (1,644,594)(2)         (1,516,778)(4)         \$ (965,450)(5)         (1,501,502)(6)           Total Other Financing Sources (Uses)         \$ (1,410,246)         \$ (1,299,936)         \$ (1,281,421)         \$ (965,450)         \$ (1,501,502)           SPECIAL ITEM:           Adjustment for B   | Grants  | 0      | 8,209                | 53,537             | 50           | 0             |
| General Government         \$ 5,030,274         \$ 4,577,468         \$ 4,713,073         \$ 4,814,105         \$ 3,296,379           Streets & Sanitation         1,752,822         1,800,389         1,788,538         1,703,802         1,647,589           Community Development         461,182         419,785         395,291         307,053         365,188           Public Safety         3,160,730         3,260,256         2,883,254         2,846,420         3,550,955           Total Expenditures         \$10,405,008         \$10,057,898         \$ 9,780,156         \$ 9,671,380         \$ 8,860,111           Excess (Deficiency) of Revenues Over         Expenditures         \$ (146,550)         \$ 604,872         \$ 1,502,459         \$ 2,507,973         \$ 4,454,699           Other Financing Sources (Uses):         \$ 902,485         \$ 344,658         \$ 235,357         \$ 0         \$ 0           Operating Transfers In         \$ 902,485         \$ 344,658         \$ 235,357         \$ 0         \$ 0           Operating Transfers Out         \$ (2,312,731)(1)         \$ (1,644,594)(2)         \$ (1,516,778)(4)         \$ (965,450)(5)         \$ (1,501,502)(6)           Total Other Financing Sources (Uses)         \$ (1,410,246)         \$ (1,299,936)         \$ (1,216,778)(4)         \$ (965,450)(5)         \$ (1,501,502)(6)  | Total Revenues \$10,258                       | 8,458  | \$10,662,770         | \$11,282,615       | \$12,179,353 | \$13,314,810  |
| General Government         \$ 5,030,274         \$ 4,577,468         \$ 4,713,073         \$ 4,814,105         \$ 3,296,379           Streets & Sanitation         1,752,822         1,800,389         1,788,538         1,703,802         1,647,589           Community Development         461,182         419,785         395,291         307,053         365,188           Public Safety         3,160,730         3,260,256         2,883,254         2,846,420         3,550,955           Total Expenditures         \$10,405,008         \$10,057,898         \$ 9,780,156         \$ 9,671,380         \$ 8,860,111           Excess (Deficiency) of Revenues Over         Expenditures         \$ (146,550)         \$ 604,872         \$ 1,502,459         \$ 2,507,973         \$ 4,454,699           Other Financing Sources (Uses):         \$ 902,485         \$ 344,658         \$ 235,357         \$ 0         \$ 0           Operating Transfers In         \$ 902,485         \$ 344,658         \$ 235,357         \$ 0         \$ 0           Operating Transfers Out         \$ (2,312,731)(1)         \$ (1,644,594)(2)         \$ (1,516,778)(4)         \$ (965,450)(5)         \$ (1,501,502)(6)           Total Other Financing Sources (Uses)         \$ (1,410,246)         \$ (1,299,936)         \$ (1,216,778)(4)         \$ (965,450)(5)         \$ (1,501,502)(6)  |   |        |                      |                    |              |               |
| Streets & Sanitation       1,752,822       1,800,389       1,788,538       1,703,802       1,647,589         Community Development       461,182       419,785       395,291       307,053       365,188         Public Safety       3,160,730       3,260,256       2,883,254       2,846,420       3,550,955         Total Expenditures       \$10,405,008       \$10,057,898       \$9,780,156       \$9,671,380       \$8,860,111         Excess (Deficiency) of Revenues Over       Expenditures       \$ (146,550)       \$604,872       \$1,502,459       \$2,507,973       \$4,454,699         Other Financing Sources (Uses):       Operating Transfers In       \$902,485       \$344,658       \$235,357       \$0       \$0         Operating Transfers Out       (2,312,731)(1)       (1,644,594)(2)       (1,516,778)(4)       (965,450)(5)       (1,501,502)(6)         Total Other Financing Sources (Uses)       \$(1,410,246)       \$(1,299,936)       \$(1,281,421)       \$(965,450)       \$(1,501,502)         SPECIAL ITEM:         Adjustment for Bad Debts       \$0       \$(1,016,132)       \$0       \$0       \$0         Net Change in Fund Balances       \$(1,556,796)       \$(1,711,196)       \$221,038       \$1,542,523       \$2,953,197         Fund Balance - Beginning of the Year </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>   |   |        |                      |                    |              |               |
| Community Development         461.182         419.785         395.291         307.053         365.188           Public Safety         3.160.730         3.260.256         2.883.254         2.846.420         3.550.955           Total Expenditures         \$10.405.008         \$10.057.898         \$9.780.156         \$9.671.380         \$8.860.111           Excess (Deficiency) of Revenues Over Expenditures         \$ (146.550)         \$604.872         \$1.502.459         \$2.507.973         \$4.454.699           Other Financing Sources (Uses):         \$ 902.485         \$344.658         \$235.357         \$0         \$0           Operating Transfers In         \$902.485         \$344.658         \$235.357         \$0         \$0           Operating Transfers Out         \$(2.312.731)(1)         \$(1.644.594)(2)         \$(1.516.778)(4)         \$(965.450)(5)         \$(1.501.502)(6)           Total Other Financing Sources (Uses)         \$(1,410.246)         \$(1.299.936)         \$(1.281.421)         \$(965.450)         \$(1.501.502)           SPECIAL ITEM:           Adjustment for Bad Debts         \$0         \$(1.016.132)         \$0         \$0         \$0           Net Change in Fund Balances         \$(1.556.796)         \$(1.711.196)         \$221.038         \$1.542.523         \$2.953.197 <tr< td=""><td></td><td></td><td></td><td></td><td></td><td>\$ 3,296,379</td></tr<>   |   |        |                      |                    |              | \$ 3,296,379  |
| Public Safety         3,160,730         3,260,256         2,883,254         2,846,420         3,550,955           Total Expenditures         \$10,405,008         \$10,057,898         \$9,780,156         \$9,671,380         \$8,860,111           Excess (Deficiency) of Revenues Over Expenditures         \$ (146,550)         \$604,872         \$1,502,459         \$2,507,973         \$4,454,699           Other Financing Sources (Uses):         \$ 902,485         \$344,658         \$235,357         \$ 0         \$ 0           Operating Transfers Out         \$ (2,312,731)(1)         \$ (1,644,594)(2)         \$ (1,516,778)(4)         \$ (965,450)(5)         \$ (1,501,502)(6)           Total Other Financing Sources (Uses)         \$ (1,410,246)         \$ (1,299,936)         \$ (1,281,421)         \$ (965,450)         \$ (1,501,502)           SPECIAL ITEM:           Adjustment for Bad Debts         \$ 0         \$ (1,016,132)         \$ 0         \$ 0         \$ 0           Net Change in Fund Balances         \$ (1,556,796)         \$ (1,711,196)         \$ 221,038         \$ 1,542,523         \$ 2,953,197           Fund Balance - Beginning of the Year         \$ 2,952,336         \$ 1,218,257(3)         \$ (492,939)         \$ (271,900)         \$ 1,270,623   |   |        |                      |                    |              |               |
| Total Expenditures   |   | , -    | - /                  |                    | /            | ,             |
| Excess (Deficiency) of Revenues Over Expenditures \$ (146.550) \$ 604.872 \$ 1.502.459 \$ 2.507.973 \$ 4.454.699  Other Financing Sources (Uses): Operating Transfers In \$ 902.485 \$ 344.658 \$ 235.357 \$ 0 \$ 0 \$ 0 Operating Transfers Out (2.312.731)(1) (1.644.594)(2) (1.516.778)(4) (965.450)(5) (1.501.502)(6) Total Other Financing Sources (Uses) \$ (1.410.246) \$ (1.299.936) \$ (1.281.421) \$ (965.450) \$ (1.501.502)  SPECIAL ITEM: Adjustment for Bad Debts \$ 0 \$ (1.016.132) \$ 0 \$ 0 \$ 0  Net Change in Fund Balances \$ (1.556.796) \$ (1.711.196) \$ 221.038 \$ 1.542.523 \$ 2.953.197  Fund Balance - Beginning of the Year \$ 2.952.336 \$ 1.218.257(3) \$ (492.939) \$ (271.900) \$ 1.270.623   |   |        |                      |                    |              |               |
| Expenditures       \$ (146,550)       \$ 604,872       \$ 1,502,459       \$ 2,507,973       \$ 4,454,699         Other Financing Sources (Uses):       Operating Transfers In       \$ 902,485       \$ 344,658       \$ 235,357       \$ 0       \$ 0         Operating Transfers Out       (2,312,731)(1)       (1,644,594)(2)       (1,516,778)(4)       (965,450)(5)       (1,501,502)(6)         Total Other Financing Sources (Uses)       \$ (1,410,246)       \$ (1,299,936)       \$ (1,281,421)       \$ (965,450)       \$ (1,501,502)         SPECIAL ITEM:         Adjustment for Bad Debts       \$ 0       \$ (1,016,132)       \$ 0       \$ 0         Net Change in Fund Balances       \$ (1,556,796)       \$ (1,711,196)       \$ 221,038       \$ 1,542,523       \$ 2,953,197         Fund Balance - Beginning of the Year       \$ 2,952,336       \$ 1,218,257(3)       \$ (492,939)       \$ (271,900)       \$ 1,270,623  | Total Expenditures \$10,405                   | 5,008  | \$10,057,898         | \$ 9,780,156       | \$ 9,671,380 | \$ 8,860,111  |
| Expenditures       \$ (146,550)       \$ 604,872       \$ 1,502,459       \$ 2,507,973       \$ 4,454,699         Other Financing Sources (Uses):       Operating Transfers In       \$ 902,485       \$ 344,658       \$ 235,357       \$ 0       \$ 0         Operating Transfers Out       (2,312,731)(1)       (1,644,594)(2)       (1,516,778)(4)       (965,450)(5)       (1,501,502)(6)         Total Other Financing Sources (Uses)       \$ (1,410,246)       \$ (1,299,936)       \$ (1,281,421)       \$ (965,450)       \$ (1,501,502)         SPECIAL ITEM:         Adjustment for Bad Debts       \$ 0       \$ (1,016,132)       \$ 0       \$ 0         Net Change in Fund Balances       \$ (1,556,796)       \$ (1,711,196)       \$ 221,038       \$ 1,542,523       \$ 2,953,197         Fund Balance - Beginning of the Year       \$ 2,952,336       \$ 1,218,257(3)       \$ (492,939)       \$ (271,900)       \$ 1,270,623  |   |        |                      |                    |              |               |
| Other Financing Sources (Uses): Operating Transfers In   |   |        |                      |                    |              |               |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$   | Expenditures\$ (146                           | 6,550) | \$ 604,872           | \$ 1,502,459       | \$ 2,507,973 | \$ 4,454,699  |
| $\begin{array}{cccccccccccccccccccccccccccccccccccc$   | 011 5:  |        |                      |                    |              |               |
| Operating Transfers Out  | · · · · · · · · · · · · · · · · · · ·         | 0 405  | <b>.</b> 044 650     | A 005 057          | <b>.</b>     |               |
| Total Other Financing Sources (Uses)\$(1,410,246) \$(1,299,936) \$(1,281,421) \$ (965,450) \$(1,501,502) \$ SPECIAL ITEM:  Adjustment for Bad Debts\$ 0 \$(1,016,132) \$ 0 \$ 0 \$ 0  Net Change in Fund Balances\$ \$(1,556,796) \$(1,711,196) \$ 221,038 \$ 1,542,523 \$ 2,953,197  Fund Balance - Beginning of the Year\$ \$2,952,336 \$ 1,218,257(3) \$ (492,939) \$ (271,900) \$ 1,270,623  |   |        | . ,                  |                    |              |               |
| SPECIAL ITEM:         Adjustment for Bad Debts       \$ 0       \$(1,016.132)       \$ 0       \$ 0       \$ 0         Net Change in Fund Balances       \$(1,556.796)       \$(1,711.196)       \$ 221.038       \$ 1,542.523       \$ 2,953.197         Fund Balance - Beginning of the Year       \$ 2,952.336       \$ 1,218.257(3)       \$ (492.939)       \$ (271.900)       \$ 1,270.623   |   |        |                      |                    |              |               |
| Adjustment for Bad Debts   | lotal uther Financing Sources (Uses)\$(1,410  | 0,246) | \$(1,299,936)        | \$(1,281,421)      | \$ (965,450) | \$(1,501,502) |
| Adjustment for Bad Debts   | SDECIAL ITEM.                                 |        |                      |                    |              |               |
| Net Change in Fund Balances  | *· -*-· · - · ·                               | 0      | ¢(1 016 132)         | ¢ 0                | ¢ 0          | ¢ 0           |
| Fund Balance - Beginning of the Year\$ 2,952,336  \$ 1,218,257(3) \$ (492,939) \$ (271,900) \$ 1,270,623   | תעןעטעוויפווג וטו שמע שפטגט                   | U      | Ψ(1,010,132)         | Ψ                  | Ψ U          | Ψ             |
| Fund Balance - Beginning of the Year\$ 2,952,336  \$ 1,218,257(3) \$ (492,939) \$ (271,900) \$ 1,270,623   | Net Change in Fund Balances \$(1.556          | 6 796) | \$(1 711 196)        | \$ 221 038         | \$ 1 542 523 | \$ 2 953 197  |
|  | nee onange in rand barances                   | 0,7307 | <b>∀</b> (⊥,/⊥⊥,⊥J∪/ | ¥ 221,000          | ¥ 1,072,020  | Ψ L, JUU, 1J/ |
|  | Fund Balance - Beginning of the Year \$ 2 952 | 2 336  | \$ 1 218 257(3)      | \$ (492 939)       | \$ (271 900) | \$ 1 270 623  |
|  | Fund Balance - End of the Year \$ 1,395       |        | \$ (492,939)         | \$ (271,900)       | \$ 1,270,623 | \$ 4,223,820  |

Notes: (1) \$220,000 to City Wide Capital for capital purchases and installment purchase; \$1,080,348 to Park and Recreation to supplement operations; \$200,000 to Water Improvement for capital purchases; \$662,383 to Debt Service Fund; \$150,000 to Sewer for capital purchases.

<sup>(2) \$100,000</sup> to City Wide Capital for installment purchase; \$969,500 to Park and Recreation to supplement operations; \$150,000 to Park and Recreation as a loan to supplement cashflow to be repaid; \$425,094 to Debt Service Fund.

<sup>(3)</sup> Adjusted

<sup>(4) \$951,890</sup> to Park and Recreation to supplement operations; \$429,404 to Debt Service Fund; \$135,484 to City Wide Capital to cover an installment payment on long-term debt and for sidewalk replacement.

<sup>(5) \$125,000</sup> to City Wide Capital for an installment payment; \$103,740 to Debt Service Fund; \$736,710 to Park and Recreation to supplement operations.

<sup>(6) \$419.332</sup> to City Wide Capital for ongoing capital projects: \$99.465 to Debt Service Fund; \$955.886 to Park and Recreation to supplement operations: \$26.819 to Library Fund for reimbursement of liability and unemployment insurance.

### General Fund Budget Financial Information

| REVENUES:   | Adopted<br>Budget<br>Fiscal Year<br>Ending<br>4/30/2013 | Adopted<br>Budget<br>Fiscal Year<br>Ending<br>4/30/2014 |
|---|---|---|
| Taxes   | ¢ 8 788 433   | \$ 9.359.104  |
| Intergovernmental                                 |   | 1,998,200   |
| Licenses and Permits                              |   | 193.000   |
| Fines and Forfeits                                | ,   | 180.200   |
| Charges for Services                              |   | 1,181,235   |
| Investment Earnings                               |   | 6.500   |
| Reimbursements                                    |   | 75,000  |
| Miscellaneous                                     | 11,000  | 11,000  |
| Other Financing Sources                           | 0   | 5,250   |
| Total Revenues                                    | \$12,311,109  | \$13,009,489  |
| EXPENDITURES:                                     |   |   |
| Salaries  | \$ 3,371,895  | \$ 3,546,298  |
| Benefits  | 2,327,040   | 2,270,039   |
| Contractual Services                              | 3,840,120   | 3,934,440   |
| Supplies  | 274,151   | 292,110   |
| Contingencies                                     | 50,000  | 50,000  |
| Other Financing Uses                              |   | 3,798,673   |
| Total Expenditures                                | \$11,379,867  | \$13,891,560  |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 931,242  | \$ (882,071)  |

### EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund, a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the City at 800 Game Farm Road, Yorkville, Illinois 60560. IMRF does issue 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 <a href="www.imrf.org">www.imrf.org</a>. The benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

### Plan Descriptions, Provisions and Funding Policies

### Illinois Municipal Retirement System(1)

All employees (other than those covered by the Police Pension plan) 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. The monthly pension of a member hired before January 1, 2011, shall be increased annually by 3% of the original pension. Employees with at least 8 years of credited service may retire at or after age 55 and receive a reduced benefit.

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 City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. For the calendar year 2012 the employer annual required contribution rate was 9.64 percent.

### Funding Progress(1)

|           |             |             |                |              |             | (0)            |
|-----------|-------------|-------------|----------------|--------------|-------------|----------------|
|           |             |             |                |              |             | Unfunded       |
|           |             |             |                |              |             | (Overfunded)   |
|           |             |             |                | (4)          |             | Actuarial      |
|           |             | (2)         |                | Unfunded     |             | Accrued        |
|           | (1)         | Actuarial   |                | (Overfunded) |             | Liability as a |
| Actuarial | Actuarial   | Accrued     | (3)            | Actuarial    | (5)         | Percentage     |
| Valuation | Value       | Liability   | Funded         | Accrued      | Annua 1     | of Covered     |
| Date      | of Plan     | (AAL)       | Ratio          | Liability    | Covered     | Payroll        |
| Dec. 31,  | Assets      | - Entry Age | $(1) \div (2)$ | (2) - (1)    | Payrol1     | $(4) \div (5)$ |
| 2007      | \$4,137,504 | \$4,104,243 | 100.81%        | \$ (33,261)  | \$3,271,273 | (1.02%)        |
| 2008      | 4,165,811   | 4,949,634   | 84.16%         | 783,823      | 3,694,367   | 21.22%         |
| 2009      | 4,322,149   | 5,008,192   | 86.30%         | 686,043      | 3,638,986   | 18.85%         |
| 2010      | 4,671,071   | 5,408,655   | 86.36%         | 737,584      | 3,235,515   | 22.80%         |
| 2011      | 4,416,393   | 5,169,646   | 85.43%         | 753,253      | 2,663,554   | 28.28%         |
| 2012      | 4,215,113   | 5,247,562   | 80.33%         | 1,032,449    | 2,518,404   | 41.00%         |
|           |             |             |                |              |             |                |

(6)

### **Employer Contributions**(1)

|        |               | Annua I      |             |
|--------|---------------|--------------|-------------|
| Fiscal | Employer      | Required     | Percent     |
| Year   | Contributions | Contribution | Contributed |
| 2008   | \$248,944     | \$248,944    | 100.00%     |
| 2009   | 287,422       | 287,422      | 100.00%     |
| 2010   | 302,036       | 302,036      | 100.00%     |
| 2011   | 310,933       | 295,402      | 95.01%      |
| 2012   | 253,304       | 253,304      | 100.00%     |
| 2013   | 267,471       | 242,774      | 110.17%     |
|        |               |              |             |

### Police Pension Plan(1)

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2012, the date of the most recent actuarial valuation, the Police Pension Plan membership consisted of:

| <br>6  |
|--------|
|        |
|        |
| <br>13 |
| <br>12 |
| 31     |
|        |

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer 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 60, but the lesser of 3% or  $\frac{1}{2}$  of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

### Funding Progress(1)

|                  |             |                    |                |              |             | (6)            |
|------------------|-------------|--------------------|----------------|--------------|-------------|----------------|
|                  |             |                    |                |              |             | Unfunded       |
|                  |             |                    |                |              |             | (Overfunded)   |
|                  |             |                    |                | (4)          |             | Actuarial      |
|                  |             | (2)                |                | Unfunded     |             | Accrued        |
|                  | (1)         | Actuarial          |                | (Overfunded) |             | Liability as a |
| Actuarial        | Actuarial   | Accrued            | (3)            | Actuarial    | (5)         | Percentage     |
| Valuation        | Value       | Liability          | Funded         | Accrued      | Annual      | of Covered     |
| Date             | of Plan     | (AAL)              | Ratio          | Liability    | Covered     | Payroll        |
| <u>Apr, 30, </u> | Assets      | <u>- Entry Age</u> | $(1) \div (2)$ | (2) - (1)    | Payroll     | $(4) \div (5)$ |
| 2007             | \$2,156,875 | \$ 5,728,722       | 37.65%         | \$3,571,847  | \$1,573,832 | 226.95%        |
| 2008             | 2,631,594   | 7,382,023          | 35.65%         | 4,750,429    | 1,789,042   | 265.53%        |
| 2009             | 2,759,119   | 8,272,076          | 33.35%         | 5,512,957    | 1,926,125   | 286.22%        |
| 2010             | 3,643,355   | 9,509,795          | 38.31%         | 5,866,440    | 1,819,957   | 322.34%        |
| 2011             | 4,216,855   | 10,393,520         | 40.57%         | 6,176,665    | 1,890,046   | 326.80%        |
| 2012             | 4,481,601   | 10,463,737         | 42.83%         | 5,982,136    | 1,694,445   | 353.04%        |
|                  |             |                    |                |              |             |                |

### **Employer Contributions**(1)

|             |               | Annual       |             |
|-------------|---------------|--------------|-------------|
| Fiscal      | Employer      | Required     | Percent     |
| <u>Year</u> | Contributions | Contribution | Contributed |
| 2008        | \$275,144     | \$339,071    | 81.15%      |
| 2009        | 297,328       | 383,502      | 77.53%      |
| 2010        | 323,291       | 429,562      | 75.26%      |
| 2011        | 336,075       | 481,207      | 69.84%      |
| 2012        | 360,356       | 496,952      | 72.51%      |
| 2013        | 438,711       | 542,648      | 80.85%      |

### **Summary of Significant Accounting Policies and Plan Asset Matters**

### Basis of Accounting(1)

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### Method Used to Value Investments(1)

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.

### Significant Investments(1)

At year-end, the Police Pension Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Schwab S&P 500 Index Fund (\$590,541). Information for IMRF is not available.

### **Related Party Transactions**(1)

There are no securities of the employer or any other related parties included in plan assets.

### Annual Pension Cost and Net Pension Obligation(1)

The pension liability for IMRF and the Police Pension Plan is as follows:

|  | Illinois   |           |           |
|--|------------|-----------|-----------|
|  | Retirement | Police    |           |
|  | Municipal  | Pension   | Total     |
| Annual Required Contribution               | \$242,774  | \$542,648 | \$785,422 |
| Interest on Net Pension Obligation         | 1,190      | 42,369    | 43,559    |
| Adjustment to Annual Required Contribution | 7,644      | (41,331)  | (33,687)  |
| Annual Pension Cost                        | 251,608    | 543,686   | 795,294   |
| Actual Contribution                        | 267,471    | 438,711   | 706,182   |
| Change in NPO                              | (15,863)   | 104,975   | 89,112    |
| NPO - Beginning of Year                    | 15,863     | 548,448   | 564,311   |
| NPO - End of Year                          | 0          | 653,423   | 653,423   |

The City's annual pension cost for the current year and related information for each plan is as follows:

|                                 | Illinois<br>Municipal<br>Retirement | Police<br>Pension    |
|---------------------------------|-------------------------------------|----------------------|
| Contribution Rates              | 9.64%                               | 20.23%               |
| Employer Employee               | * . *                               | 20.23%<br>9.91%      |
| Actuarial Valuation Date        |                                     | 4/30/2012            |
| Actuarial Cost Method           | Entry Age                           | Entry Age            |
| Amortization Method             | Normal<br>Level % of                | Normal<br>Level % of |
|                                 | Projected Payroll                   | Projected Payroll    |
| Domaining Amountination Dominal | Open Basis                          | Closed Basis         |
| Remaining Amortization Period   |                                     | 29 Years<br>Market   |
| Asset valuation riethod         | Smoothed Market                     | riai ket             |
| Actuarial Assumptions           |                                     |                      |
| Investment Rate of Return       | 7.50%                               | 7.50%                |
|                                 | Compounded                          | Compounded           |
|                                 | Annually                            | Annually             |
| Projected Salary Increases      |                                     | 5.50%                |
| Inflation Rate Included         |                                     | 3.00%<br>3.00%       |
| COST OF LIVING AUGUSTICITIES    | 0.00%                               | 3.00%                |

### Trend Information(1)

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.

| Annual Pension Cost    | Fiscal<br><u>Year</u><br>2011<br>2012<br>2013 | Illinois<br>Retirement<br><u>Municipal</u><br>\$310,933<br>253,636<br>251,608 | Police<br><u>Pension</u><br>\$489,523<br>510,479<br>543,686 |
|------------------------|---|---|---|
| Actual Contributions   | 2011  | 295,402   | 336,075   |
|                        | 2012  | 253,304   | 360,356   |
|                        | 2013  | 267,471   | 438.711   |
| Percentage of APC      | 2011  | 95.01%  | 68.65%  |
|                        | 2012  | 99.87%  | 70.59%  |
|                        | 2013  | 106.30%   | 80.69%  |
| Net Pension Obligation | 2011  | 15,531  | 398,325   |
|                        | 2012  | 15,863  | 548,448   |
|                        | 2013  | 0   | 653,423   |

### **Funded Status and Funding Progress(1)**

The City's funded status for the current year and related information for each plan is as follows:

|                                 | Illinois      |               |
|---------------------------------|---------------|---------------|
|                                 | Municipal     | Police        |
|                                 | Retirement    | Pension       |
| Actuarial Valuation Date        | 12/31/2012    | 4/30/2012     |
| Percent Funded                  | 80.33%        | 42.80%        |
| Actuarial Accrued Liability     |               |               |
| for Benefits                    | \$5,247,562   | \$10,463,737  |
| Actuarial Value of Assets       | \$4,215,113   | \$4,481,601   |
| Over (Under) Funded Actuarial   |               |               |
| Accrued Liability (UAAL)        | (\$1,032,449) | (\$5,982,136) |
| Covered Payroll (Annual Payroll |               |               |
| of Active Employees Covered     |               |               |
| by the Plan)                    | \$2,518,404   | \$1,694,445   |
| Ratio of UAAL to Covered        |               |               |
| Payroll                         |               | 353.04%       |

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.

### Plan Descriptions, Provisions, and Funding Policies(1)

In addition to providing the pension benefits described, the City offers post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan.

The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund.

The City offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Current elected officials are eligible if they were elected/appointed prior to April, 2013.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan, with the exception of two previous employees for which the City has agreed to pay portions of their post-employment health, dental and vision insurance. For the fiscal year ending April 30, 2013, retirees contributed \$57,824 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2013, membership consisted of:

| Benefits and Terminated Employees Entitled |   |
|--|---|
| to Benefits but not yet Receiving Them     | 8 |
| Active Employees.                          |   |
| Participating Employers                    | 1 |

The City does not currently have a funding policy.

### Annual OPEB Costs and Net OPEB Obligation(1)

The net OPEB obligation (NOPEBO) as of April 30, 2013, was calculated as follows:

| Annual Required Contribution            | .\$36,363  |
|---|------------|
| Interest on the Net OPEB Obligation     | . 473      |
| Adjustment to the ARC                   | . (316)    |
| Annual OPEB Cost                        | .\$36,520  |
| Actual Contribution                     | . 38,046   |
| Increase in the net OPEB Obligation     | .\$(1,526) |
| Net OPEB Obligation - Beginning of Year | .\$ 9,453  |
| Net OPEB Obligation - End of Year       | . \$ 7,927 |

### **Trend Information**(1)

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

|        | Annua1   |               | Percentage       | Net        |
|--------|----------|---------------|------------------|------------|
| Fiscal | OPEB     | Actual        | of OPEB          | Obligation |
| Year   | Cost     | Contributions | Cost Contributed | OPEB       |
| 2011   | \$ 4,145 | \$ 1,814      | 43.76%           | \$7,007    |
| 2012   | 4,260    | 1,814         | 42.58%           | 9,453      |
| 2013   | 36 250   | 38 046        | 104 18%          | 7 927      |

### Funded Status and Funding Progress(1)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The funded status of the plan as of April 30, 2012, the date of the latest actuarial valuation, was as follows:

| Actuarial Accrued Liability (AAL)\$               | 566,488   |
|---|-----------|
| Actuarial Value of Plan Assets                    | -         |
| Unfunded Actuarial Accrued Liability (UAAL)       | 566,488   |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00%     |
| Covered Payroll (Active Plan Members)             | 4,553,600 |
| UAAL as a Percentage of Covered Payroll           | 12.44%    |

### Actuarial Methods and Assumptions(1)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was 30 years.

### Funding Progress(1)

|           |           | (2)         |                | (4)<br>Unfunded |                 | (6)<br>Unfunded<br>(Overfunded)<br>Actuarial<br>Accrued |
|-----------|-----------|-------------|----------------|-----------------|-----------------|---|
|           | (1)       | Actuarial   |                | (Overfunded)    |                 | Liability as a  |
| Actuarial | Actuarial | Accrued     | (3)            | Actuarial       | (5)             | Percentage  |
| Valuation | Value     | Liability   | Funded         | Accrued         | Annua 1         | of Covered  |
| Date      | of Plan   | (AAL)       | Ratio          | Liability       | Covered         | Payroll   |
| Apr, 30,  | Assets    | - Entry Age | $(1) \div (2)$ | (2) - (1)       | Payroll Payroll | $(4) \div (5)$  |
| 2008      | \$N/A     | \$ N/A      | N/A            | \$ N/A          | \$ N/A          | N/A   |
| 2009      |           | 46,747      | 0.00%          | 46,747          | 5,483,409       | 0.85%   |
| 2010      | N/A       | N/A         | N/A            | N/A             | N/A             | N/A   |
| 2011      | N/A       | N/A         | N/A            | N/A             | N/A             | N/A   |
| 2012      |           | 566,488     | 0.00%          | 566,488         | 4,553,600       | 12.44%  |

### **Employer Contributions**(1)

|        |               | Annua I      |             |
|--------|---------------|--------------|-------------|
| Fiscal | Employer      | Required     | Percent     |
| Year_  | Contributions | Contribution | Contributed |
| 2008   | \$ N/A        | \$ N/A       | N/A         |
| 2009   | 1,814         | 4,159        | 43.62%      |
| 2010   | 1,814         | 4,145        | 43.76%      |
| 2011   | 1,814         | 4,145        | 43.76%      |
| 2012   | 1,814         | 4,144        | 43.77%      |
| 2013   | 38,046        | 36,363       | 104.63%     |
|        |               |              |             |

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009, and had a subsequent actuarial valuation performed for the fiscal year ended April 30, 2012. Information for prior years is not available. The City is required to have an actuarial valuation performed triennially.

See **APPENDIX D** herein for a discussion of the City's employee retirement and other postemployment benefits obligations.

### REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the 15<sup>th</sup> day of the month next preceding any interest payment date on such Bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

### TAX MATTERS

In the opinion of Shanahan & Shanahan LLP, Bond Counsel, based on existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, as described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, but is included in adjusted current earnings in determining federal alternative minimum taxable income of corporations. A copy of the proposed form of the opinion of Shanahan & Shanahan LLP, as Bond Counsel, is set forth in **APPENDIX C**.

Interest on the Bonds is not exempt from present Illinois income taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has covenanted to comply with certain restrictions and requirements designed to assure that the interest on the Bonds will not be included in gross income for federal income tax purposes. Failure to comply with these covenants may result in such interest being included in gross income for federal income tax purposes, possibly from the original issuance date of the Bonds. The opinion of Shanahan & Shanahan LLP, as Bond Counsel, assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the issuance of the Bonds may adversely affect the tax status of the interest on the Bonds.

The opinion of Bond Counsel relies on factual representations made by the City and other persons. Bond Counsel has not verified these representations by independent investigation. Bond Counsel does not purport to be an expert in asset valuation and appraisal, financial analysis, financial projections or similar disciplines. Failure of any of these factual representations to be correct may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the original issuance date of the Bonds.

Certain requirements and procedures contained or referred to in the Bond Ordinance, the Tax Certificate relating to the Bonds and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Shanahan & Shanahan LLP.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences except as expressly provided in the opinion of Bond Counsel.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the owners from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The opinion of Bond Counsel is based on current legal authorities, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment regarding the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts, and it is not a guarantee of result. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of changes to the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the applicable requirements of the Code.

Bond Counsel is not obligated to defend the City regarding the tax-exempt status of the Bonds in the event of an examination by the IRS. Under current IRS procedures, the owners and other parties other than the City would have little, if any, right to participate in an IRS examination of the Bonds. Moreover, because obtaining judicial review in connection with an IRS examination of tax-exempt obligations is difficult, obtaining independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for examination, or the course or result of such an examination, or an examination of Bonds presenting similar tax issues may affect the market price, or the marketability, of the Bonds, and may cause the City or the owners to incur significant expense.

### **Original Issue Discount**

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant rate compounded on periodic compounding (with straight-line interpolations between compounding dates). In general, the length of the interval between periodic compounding dates cannot exceed the interval between debt service payments on such Bonds and must begin or end on the date of such payments. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult with their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds are sold to the public.

### **Premium**

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

Subject to the City's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

### **CONTINUING DISCLOSURE**

The City will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "THE UNDERTAKING."

The City has represented that it has not failed to comply in all material respects with each and every undertaking previously entered into by it pursuant to the Rule. However, the City failed to file its audited financial statements for 2008 and 2010 fiscal years within the time periods specified in prior continuing disclosure undertakings. As of the date of this Final Official Statement, the City has filed such audited financial statements. The City has established procedures to ensure that such audited financial statements will be filed in a timely manner in the future. Also a certain material event disclosure pertaining to bond and certificate insurance rating change required in prior undertakings was not submitted within the time frame required in the prior undertakings. On April 5, 2013, this material event disclosure was filed with the MSRB through EMMA. A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "THE UNDERTAKING - Consequences of Failure of the City to Provide Information." The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

### THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

### **Annual Financial Information Disclosure**

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the City's fiscal year (currently on April 30). If Audited Financial Statements are not available when the Annual Financial Information is filed, the City will file unaudited financial statements. The City will submit Audited Financial Statements to MSRB's Electronic Municipal Market Access ("EMMA") system within 30 days after availability to the City. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

### "Annual Financial Information" means

- The table under the heading of **Retailers' Occupation**, **Service Occupation and Use Tax** within this Final Official Statement;
- All of the tables under the heading **PROPERTY ASSESSMENT AND TAX INFORMATION** within this Final Official Statement;
- All of the tables under the heading **DEBT INFORMATION** within this Final Official Statement; and
- All of the tables under the heading **FINANCIAL INFORMATION** within this Final Official Statement.

"Audited Financial Statements" means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

### **Reportable Events Disclosure**

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Reportable Events" are:

- 1. Principal and interest payment delinquencies
- 2. Non-payment related defaults, if material
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties
- 4. Unscheduled draws on credit enhancements reflecting financial difficulties
- 5. Substitution of credit or liquidity providers, or their failure to perform
- 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
- 7. Modifications to the rights of security holders, if material
- 8. Bond calls, if material, and tender offers
- 9. Defeasances
- 10. Release, substitution or sale of property securing repayment of the securities, if material
- 11. Rating changes
- 12. Bankruptcy, insolvency, receivership or similar event of the City\*
- 13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- 14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

<sup>\*</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

### **Consequences of Failure of the City to Provide Information**

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

### Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the City by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or
- (ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

### **Termination of Undertaking**

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

### **Additional Information**

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

### **Dissemination of Information; Dissemination Agent**

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

### **OPTIONAL REDEMPTION**

The Bonds are callable in whole or in part on any date on or after December 1, 2023, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

### **LITIGATION**

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof.

### FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

### **INVESTMENT RATING**

The Bonds have been rated "AA-" (Stable Outlook) from Standard & Poor's, a Division of the McGraw-Hill Companies. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agencies assigning such rating and an explanation of the significance of such rating may be obtained from such rating agencies. Generally, each rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Shanahan & Shanahan LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Shanahan & Shanahan LLP, Chicago, Illinois, has, at the request of the City reviewed only those sections of this Final Official Statement involving the description of the Bonds, the security for the Bonds and the description of the federal tax exemption of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed upon for the Underwriter by Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois.

### **DEFEASANCE**

The Bonds are subject to legal defeasance by the irrevocable deposit of full faith and credit obligations of the United States of America, obligations the timely payment of which are guaranteed by the United States Treasury, or certificates of participation in a trust comprised solely of full faith and credit obligations of the United States of America (collectively, the "Government Obligations") with a bank or trust company acting as escrow agent. Any such deposit must be of sufficient amount that the receipts from the Government Obligations plus any cash on deposit will be sufficient to pay debt service on the Bonds when due or as called for redemption.

### **UNDERWRITING**

Bernardi Securities, Inc., Chicago, Illinois (the "Underwriter") has agreed to purchase all but not less than all of the Bonds at a price of \$1,225,226.55 (reflecting the par amount of \$1,235,000, plus a reoffering premium of \$5,664.05, and an Underwriter's Discount of \$15,437.50). It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown on the cover page to this Final Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

### FINANCIAL ADVISOR

The City has engaged Speer Financial, Inc. as financial advisor (the "Financial Advisor") in connection with the issuance and sale of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in the Final Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Financial Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor is the Financial Advisor obligated by the City's continuing disclosure undertaking.

### CERTIFICATION

We have examined this Final Official Statement dated December 10, 2013, for the \$1,235,000 General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ GARY J. GOLINSKI

Mayor
UNITED CITY OF YORKVILLE
Kendall County, Illinois

/s/ ROB FREDRICKSON

Finance Director
UNITED CITY OF YORKVILLE
Kendall County, Illinois

### APPENDIX A

### UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

**EXCERPTS OF FISCAL YEAR 2013 AUDITED FINANCIAL STATEMENTS** 

Statement of Net Position April 30, 2013

|  | Governmental<br>Activities | Business-<br>Type<br>Activities | Totals                      |
|--|----------------------------|---------------------------------|-----------------------------|
| ASSETS   |                            |                                 |                             |
| Current Assets<br>Cash and Investments           | \$ 7,752,435               | 3,414,866                       | 11,167,301                  |
| Receivables - Net                                | 7,364,633                  | 777,287                         | 8,141,920                   |
| Prepaids   | 174,571                    | 56,633                          | 231,204                     |
| Internal Balances                                | (259,447)                  | 259,447                         |                             |
| Due from Other Governments                       | 15                         |                                 | 15                          |
| Total Current Assets                             | 15,032,207                 | 4,508,233                       | 19,540,440                  |
| Noncurrent Assets<br>Capital Assets              |                            |                                 |                             |
| Nondepreciable Capital Assets                    | 31,020,430                 | 1,557,227                       | 32,577,657                  |
| Depreciable Capital Assets                       | 66,528,719                 | 68,432,916                      | 134,961,635                 |
| Accumulated Depreciation<br>Total Capital Assets | (21,705,810)               | (10,840,046)<br>59,150,097      | (32,545,856)<br>134,993,436 |
| Other Assets<br>Assets Held for Others           |                            | 11,091,000                      | 11,091,000                  |
| Total Noncurrent Assets                          | 75,843,339                 | 70,241,097                      | 146,084,436                 |
| Total Assets                                     | 90,875,546                 | 74,749,330                      | 165,624,876                 |
| DEFERRED OUTFLOWS OF RESOURCES                   |                            |                                 |                             |
| Unamortized Loss on Refunding                    |                            | 395,225                         | 395,225                     |
| Total Assets and Deferred Outflows of Resources  | 90,875,546                 | 75,144,555                      | 166,020,101                 |

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

|   | Governmental<br>Activities | Business-<br>Type<br>Activities | Totals      |
|---|----------------------------|---------------------------------|-------------|
|   |                            |                                 |             |
| LIABILITIES   |                            |                                 |             |
| Current Liabilities                                 |                            |                                 |             |
| Accounts Payable                                    | 819,023                    | 91,285                          | 910,308     |
| Deposits Payable                                    | 289,418                    | 17,953                          | 307,371     |
| Accrued Payroll                                     | 137,178                    | 19,603                          | 156,781     |
| Accrued Interest Payable                            | 199,038                    | 365,113                         | 564,151     |
| Other Liabilities                                   | 288,139                    | ,                               | 288,139     |
| Other Payables                                      | 87,015                     | 1,836                           | 88,851      |
| Current Portion of Long-Term Debt                   | 928,122                    | 2,024,704                       | 2,952,826   |
| Total Current Liabilities                           | 2,747,933                  | 2,520,494                       | 5,268,427   |
| Noncurrent Liabilities                              |                            |                                 |             |
| Compensated Absences Payable                        | 244,440                    | 35,166                          | 279,606     |
| Net Pension Obligation Payable                      | 653,423                    |                                 | 653,423     |
| Net Other Post-Employment Benefit Payable           | 7,927                      | •                               | 7,927       |
| Notes Payable                                       | 823,589                    | •                               | 823,589     |
| IEPA Loans Payable                                  | •                          | 1,880,084                       | 1,880,084   |
| General Obligation Bonds Payable                    | 12,190,000                 | 16,855,000                      | 29,045,000  |
| Debt Certificates Payable                           | •                          | 6,680,000                       | 6,680,000   |
| Other Liabilities                                   | 1,890                      | 1,952,534                       | 1,954,424   |
| Total Noncurrent Liabilities                        | 13,921,269                 | 27,402,784                      | 41,324,053  |
| Total Liabilities                                   | 16,669,202                 | 29,923,278                      | 46,592,480  |
| DEFERRED INFLOWS OF RESOURCES                       |                            |                                 |             |
| Property and State Taxes                            | 5,364,612                  | -                               | 5,364,612   |
| Total Liabilities and Deferred Inflows of Resources | 22,033,814                 | 29,923,278                      | 51,957,092  |
| NET POSITION  |                            |                                 |             |
| Net Investment in Capital Assets                    | 61,962,738                 | 31,719,100                      | 93,681,838  |
| Restricted  |                            |                                 |             |
| Library Operations                                  | 453,630                    | ,                               | 453,630     |
| Special Service Areas                               | 22,864                     | ,                               | 22,864      |
| Motor Fuel Tax                                      | 1,152,348                  | ,                               | 1,152,348   |
| Land Cash   | 121,420                    | ,                               | 121,420     |
| Tax Increment Financing Districts                   | 1,787,605                  | ,                               | 1,787,605   |
| Unrestricted  | 3,341,127                  | 13,502,177                      | 16,843,304  |
| Total Net Position                                  | 68,841,732                 | 45,221,277                      | 114,063,009 |

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Activities Year Ended April 30, 2013

|                                |              |           | Program Revenues |               |
|--------------------------------|--------------|-----------|------------------|---------------|
|                                |              | Charges   | Operating        | Capital       |
|                                |              | for       | Grants/          | Grants/       |
| •                              | Expenses     | Services  | Contributions    | Contributions |
| Governmental Activities        |              |           |                  |               |
| General Government             | \$ 3,121,857 | 1,751,309 | 61,635           | •             |
| Library                        | 932,748      | 58,794    | 24,123           | •             |
| Parks and Recreation           | 1,812,483    | 265,614   | 74,337           | 400,000       |
| Public Safety                  | 3,750,318    |           |                  |               |
| Community Development          | 356,689      |           |                  | •             |
| Public Works                   | 2,983,200    |           | 535,963          | 2,917,256     |
| Interest on Long-Term Debt     | 691,551      |           |                  | •             |
| Total Governmental Activities  | 13,648,846   | 2,075,717 | 696,058          | 3,317,256     |
| Business-Type Activities       |              |           |                  |               |
| Sewer                          | 1,630,023    | 1,358,420 | ,                | 3,343,351     |
| Water                          | 2,638,252    | 2,823,357 | •                | 1,486,140     |
| Recreation Center              | 592,707      | 493,617   | •                |               |
| Total Business-Type Activities | 4,860,982    | 4,675,394 |                  | 4,829,491     |
|                                |              |           |                  |               |
|                                | 0000000      |           | 0 10 0           |               |

(1,308,913) (849,831) (1,072,532) (3,750,318) (356,689) 470,019

(1,308,913) (849,831) (1,072,532) (3,750,318) (356,689) 470,019

Totals

Type Activities

Governmental

Activities

Net Expense/Revenue Primary Government Business

(691,551)

(691,551) (7,559,815)

3,071,748 1,671,245 (99,090) 4,643,903

3,071,748 1,671,245 (99,090) 4,643,903 (2.915.912)

4,643,903

(7,559,815)

8,146,747 Intergovernmental - Unrestricted Sales Taxes Property Taxes Utility Taxes Other Taxes Income Taxes General Revenues Interest Income 696,058 Miscellaneous 6,751,111 18,509,828

Change in Net Position

4,409,926 1,587,324 25,910 755,465 14,154,355

9,542 102,859

4,409,926 1,587,324 16,368

652,606

13,885,955

11,238,443 102,824,566 114,063,009

4,912,303 268,400

> 6,326,140 62,515,592 68,841,732

40,308,974

45,221,277

4,899,598 1,553,693 922,439

155,999

4,743,599 1,553,693 922,439

Net Position - Beginning as Restated

Net Position - Ending

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

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

UNITED CITY OF YORKVILLE, ILLINOIS

Balance Sheet - Governmental Funds April 30, 2013

| Nonmajor                           |        | 3,973,451  | 328,179        | 44,704<br>29,100     | 39,036   | 11,825   | 4,426,295    |             | 174,919          |                                    | 284,075           | 598,315                              | 1,057,309         |                               | 328,179                  | 1,385,488   |               | 11,825       | 3,096,283  | 1         | 504,314  | (3/1,613)                            | 5,040,807           | 4.426.295  | 2.1.01     |
|------------------------------------|--------|--|----------------|----------------------|--|----------|--------------|-------------|------------------|------------------------------------|-------------------|--------------------------------------|-------------------|-------------------------------|--------------------------|---|---------------|--------------|------------|-----------|----------|--------------------------------------|---------------------|--|------------|
| Revenue<br>Parks and<br>Recreation |        | 148,761  | , oo           | 00C,C                | 317,280  | 14,566   | 486,107      |             | 36,397           | 16,033<br>24,272                   |                   | 87,015                               | 165,737           |                               | ,                        | 165,737   |               | 14,566       | 1          | 305,804   | •        |                                      | 320,370             | 486.107  | 10000      |
| Special Revenue<br>Library         |        | 490,468  | 1,471,763      | 1,056                | 1 1  | 8,195    | 1,971,482    |             | 20,949           | 12,881                             | 4,064             |                                      | 37,894            |                               | 1,471,763                | 1,509,657   |               | 8,195        | 453,630    |           |          | 161 035                              | 401,823             | 1.971.482  | 10.60.060  |
| General                            |        | \$ 3,139,755   | 2,950,692      | 2,328,040            | - 15   | 139,985  | 8,764,086    |             | 586,758          | 271,503<br>100,025                 |                   | 17,448                               | 975,596           |                               | 3,564,670                | 4,540,266   |               | 139,985      |            | 1         |          | 4,083,833                            | 4,223,820           | 8.764.086  | 2224, 2.45 |
|                                    | ASSETS | Cash and Investments Receivables - Net of Allowances | Property Taxes | Accounts Other Taxes | Due from Other Governments<br>Due from Other Funds | Prepaids | Total Assets | LIABILITIES | Accounts Payable | Deposit rayante<br>Accrued Payroll | Other Liabilities | Due to Other Funds<br>Other Payables | Total Liabilities | DEFERRED INFLOWS OF RESOURCES | Property and State Taxes | Total Liabilities and Deferred Inflows of Resources | FUND BALANCES | Nonspendable | Restricted | Committed | Assigned | Unassigned<br>Total Francia Polomoss | Total Fund Balances | Total Liabilities, Deferred Inflows of Resources and Find Balances |            |

819,023 289,418 137,178 288,139 615,763 87,015 2,236,536

4,750,634 255,803 2,358,196 15 356,316 174,571

15,647,970

7,752,435

Totals

174,571 3,549,913 305,804 504,314 3,512,220 8,046,822

15,647,970

5,364,612 7,601,148

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

### Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

**April 30, 2013** 

| Total Governmental Fund Balances   | \$<br>8,046,822  |
|--|--|
| 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.   | 75,843,339   |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.  Accrued Interest Payable Compensated Absences Payable Net Pension Obligation Payable Net Other Post-Employment Benefit Obligation Payable Notes Payable General Obligation Bonds Payable Other Obligations Payable | (199,038)<br>(305,550)<br>(653,423)<br>(7,927)<br>(855,601)<br>(13,025,000)<br>(1,890) |
| Net Position of Governmental Activities  | 68,841,732   |

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2013

|   |              | Special Revenue |                                   |   |
|---|--------------|-----------------|-----------------------------------|---|
|   | General      | Library         | Parks and<br>Recreation           | Nonmajor  |
|   |              |                 |                                   |   |
| Revenues  |              |                 |                                   |   |
| Taxes   | \$ 9,317,383 | 1,483,545       | •                                 | 376,059   |
| Intergovernmental   | 2,060,738    | 24,123          | 1                                 | 976,854   |
| Licenses, Permits and Fees  | 168,831      | 35,200          | 1                                 | 196,687   |
| Charges for Services  | 1,199,908    | 14,190          | 265,614                           |   |
| Fines and Forfeits  | 169,144      | 9,404           | ı                                 | 16,739  |
| Grants and Donations  |              |                 | 5,569                             | 68,768  |
| Interest  | 7,287        | 1,465           | 244                               | 7,372   |
| Miscellaneous   | 391,519      | 21,885          | 211,246                           | 27,956  |
| Total Revenues  | 13,314,810   | 1,589,812       | 482,673                           | 1,670,435   |
| Expenditures  |              |                 |                                   |   |
| Current   |              |                 |                                   |   |
| General Government  | 3,296,379    | •               | 1                                 | 201,725   |
| Library   |              | 752,373         |                                   |   |
| Parks and Recreation  |              |                 | 1,398,254                         | 52,570  |
| Public Safety   | 3,550,955    | 1               |                                   | 17,710  |
| Community Development   | 365,188      | 1               |                                   |   |
| Public Works  | 1,647,589    |                 | ,                                 | 194,206   |
| Capital Outlay  |              |                 | 1                                 | 572,022   |
| Debt Service  |              |                 |                                   |   |
| Principal Retirement  |              | 440,000         |                                   | 585,0/4   |
| Interest and Fiscal Charges   |              | 356,237         | 1 6                               | 307,258   |
| Total Expenditures  | 8,860,111    | 1,548,610       | 1,398,254                         | 1,930,565   |
| Excess (Deficiency) of Revenues   |              |                 |                                   |   |
| Over (Under) Expenditures   | 4,454,699    | 41,202          | (915,581)                         | (260,130)   |
| Other Financing Sources (Uses)  |              |                 |                                   |   |
| Disposal of Capital Assets  | ,            |                 |                                   | 5,200   |
| Debt Issuance   | ı            | 1               | ı                                 | 37,850  |
| Transfers In  |              | 26,819          | 955,886                           | 521,297   |
| Transfers Out   | (1,501,502)  | 1               | 1                                 | (2,500)   |
|   | (1,501,502)  | 26,819          | 955,886                           | 561,847   |
| Net Change in Fund Balances   | 2,953,197    | 68,021          | 40,305                            | 301,717   |
| Fund Balances - Beginning   | 1,270,623    | 393,804         | 280,065                           | 2,739,090   |
| Fund Balances - Ending  | 4,223,820    | 461,825         | 320,370                           | 3,040,807   |
| The notes to the financial statements are an integral part of this statement. |              |                 | notes to the financial statements | The notes to the financial statements are an integral part of this statement. |
|   |              |                 |                                   |   |

3,061,715 400,718 400,718 1,479,712 195,287 74,337 16,368 652,606

Totals

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

5,200 37,850 1,504,002 (1,504,002) 43,050

3,363,240

4,683,582 8,046,822

1,025,074 663,495 13,737,540

3,320,190

3,498,104 752,373 1,450,824 3,568,665 365,188 1,841,795 572,022

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

Year Ended April 30, 2013

| Net Change in Fund Balances - Total Governmental Funds  | \$<br>3,363,240  |
|---|--|
| 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  Depreciation Expense  Disposals - Net of Accumulated Depreciation  | 3,896,935<br>(1,865,192)   |
| 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.  Amortization of Bond Issuance Costs Issuance of Notes Payable Deductions to Compensated Absences Payable Additions to Net Pension Obligation Payable Deductions to Net Other Post-Employment Benefit Obligation Payable Retirement of Debt | (42,893)<br>(37,850)<br>59,575<br>(89,112)<br>1,526<br>1,025,074 |
| 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.  | <br>14,837   |
| Changes in Net Position of Governmental Activities  | <br>6,326,140  |

Statement of Net Position - Proprietary Funds April 30, 2013

|  | Bus         | Business-Type Activities - Enterprise | ities - Enterpr                  | ise          |                           |
|--|-------------|---------------------------------------|----------------------------------|--------------|---------------------------|
|  | Sewer       | Water                                 | Nonmajor<br>Recreation<br>Center | Totals       |                           |
|  |             |                                       |                                  |              |                           |
| ASSETS   |             |                                       |                                  |              |                           |
| Current Assets                                       | 0000        |                                       |                                  |              | Current Liabilitie        |
| Cash and Investments Receivables - Net of Allowances | 2,308,451   | 1,106,415                             |                                  | 3,414,866    | Accounts Fay Deposits Pay |
| Property Taxes                                       | 114,940     | 43,027                                | ,                                | 157,967      | Accrued Payr              |
| Accounts   | 122,890     | 495,980                               | 450                              | 619,320      | Accrued Inter             |
| Due from Other Funds                                 | 568,315     |                                       |                                  | 568,315      | Due to Other              |
| Prepaids   | 13,081      | 24,552                                | 19,000                           | 56,633       | Other Payable             |
| Total Current Assets                                 | 3,127,677   | 1,669,974                             | 19,450                           | 4,817,101    | Current Porti             |
| Noncurrent Assets Canital Assets                     |             |                                       |                                  |              | Total Curr                |
| Nondepreciable                                       | 38,951      | 1,518,276                             | ,                                | 1,557,227    | Noncurrent Liab           |
| Depreciable  | 28,236,945  | 40,195,971                            | ,                                | 68,432,916   | Compensated               |
| Accumulated Depreciation                             | (2,538,774) | (8,301,272)                           | -                                | (10,840,046) | IEPA Loans 1              |
|  | 25,737,122  | 33,412,975                            | •                                | 59,150,097   | General Oblig             |
| Other Assets   |             |                                       |                                  |              | Other Liabilit            |
| Assets Held for Others                               | 11,091,000  | . 00                                  |                                  | 11,091,000   | N Istoff                  |
| I otal Noncurrent Assets                             | 56,828,122  | 55,412,975                            |                                  | /0,241,09/   | I Otal Inoli              |
| Total Assets   | 39,955,799  | 35,082,949                            | 19,450                           | 75,058,198   | Total Liab                |
| DEFERRED OUTFLOWS OF RESOURCES                       | 80          |                                       |                                  |              | Z                         |
| Unamortized Loss on Refunding                        | 41,121      | 354,104                               |                                  | 395,225      | Net Investment in         |
| Total Accate and Deferred Outflowe                   |             |                                       |                                  |              | Onresurcied               |
| of Resources   | 39,996,920  | 35,437,053                            | 19,450                           | 75,453,423   | Total Net Pos             |

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

91,285 17,953 19,603 365,113 308,868 1,836 2,024,704 35,166 1,880,084 16,855,000 6,680,000 1,952,534 31,719,100 13,502,177 27,402,784 30,232,146 45,221,277 2,829,362 Totals Business-Type Activities - Enterprise Nonmajor Recreation (301,624) (301,624) 6,728 444 3,830 308,868 320,110 321,074 964 964 22,544 1,335,152 4,295,000 5,330,000 839,802 21,747,862 901,784 1,836 710,597 75,761 12,509 10,162 154,044 12,787,407 22,649,646 964,909 11,822,498 Water 11,658 544,932 12,560,000 1,350,000 1,112,732 9,971,238 12,902,017 22,873,255 17,123,665 8,796 5,000 5,611 211,069 1,313,867 1,544,343 15,579,322 Sewer iabilities
nted Absences Payable
ns Payable
obligation Bonds Payable
ificates Payable tion of Long-Term Debt oncurrent Liabilities NET POSITION in Capital Assets LIABILITHES rrent Liabilities ayroll terest Payable abilities r Funds ities ayable ayable Total Net Position

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds Year Ended April 30, 2013

|  |  | Nonmaior  | Nonmaior             |   |
|--|--|---|----------------------|---|
|  | Sewer  | Water   | Recreation<br>Center | Totals  |
| Operating Revenues<br>Charges for Services   | \$ 744,820   | 2,679,547   | 493,617              | 3,917,984   |
| Operating Expenses Operations Depreciation and Amortization Total Operating Expenses           | 425,287<br>496,077<br>921,364                      | 1,239,702<br>876,368<br>2,116,070                     | 592,707              | 2,257,696<br>1,372,445<br>3,630,141                     |
| Operating Income (Loss)  | (176,544)  | 563,477   | (96),660)            | 287,843   |
| Nonoperating Revenues (Expenses) Interest Income Connection Fees Other Income Interest Expense | 7,339<br>613,600<br>135,326<br>(708,659)<br>47,606 | 2,203<br>143,810<br>106,065<br>(522,182)<br>(270,104) | 17,467               | 9,542<br>757,410<br>258,858<br>(1,230,841)<br>(205,031) |
| Income (Loss) Before Contributions and Transfers   | (128,938)  | 293,373   | (81,623)             | 82,812  |
| Capital Contributions<br>Transfers In<br>Transfers Out   | 3,343,351  | 1,486,140<br>82,288<br>-                              |                      | 4,829,491<br>82,288<br>(82,288)                         |
| Change in Net Position   | 3,132,125  | 1,861,801   | (81,623)             | 4,912,303   |
| Net Position - Beginning as Restated   | 19,741,130   | 20,787,845  | (220,001)            | 40,308,974  |
| Net Position - Ending  | 22,873,255   | 22,649,646  | (301,624)            | 45,221,277  |

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

Statement of Cash Flows - Proprietary Funds Year Ended April 30, 2013

|  |              | Busine      | Business-Type Activities - Enterprise | ities - Enterpi      | ise         |
|--|--------------|-------------|---------------------------------------|----------------------|-------------|
|  |              |             |                                       | Nonmajor             |             |
|  |              | Sewer       | Water                                 | Recreation<br>Center | Totals      |
|  |              |             |                                       |                      |             |
| Cash Flows from Operating Activities Receints from Customers and Users                 | ¥            | 2 435 827   | 3 0 18 102                            | 510 341              | 5 964 270   |
| Payments to Employees  | <del>)</del> | (173,474)   | (310.125)                             | (170.858)            | (654 457)   |
| Payments to Suppliers  | _            | (1.082.973) | (1,087,440)                           | (339.483)            | (2.509,896) |
|  |              | 1,179,380   | 1,620,537                             | -                    | 2,799,917   |
| Cash Flows from Noncapital Financing Activities  |              |             |                                       |                      |             |
| Transfers In (Out)   |              | (82,288)    | 82,288                                |                      | - 000       |
| Change in internand  |              | 007,100     |                                       |                      | 007,100     |
|  |              | 719,818     | 82,288                                |                      | 802,106     |
| Cash Flows from Capital and Related Financing Activities<br>Purchase of Capital Assets |              | (13.898)    | (50.251)                              |                      | (64,149)    |
| Debt Repayment   |              | (571,568)   | (907,753)                             | ,                    | (1,479,321) |
| Interest Payments  |              | (708,659)   | (522,182)                             |                      | (1,230,841) |
|  |              | (1,294,125) | (1,480,186)                           |                      | (2,774,311) |
| Cash Flows from Investing Activities<br>Interest Received                              |              | 7.339       | 2.203                                 |                      | 9.542       |
|  |              |             | î                                     |                      |             |
| Net Change in Cash and Cash Equivalents  |              | 612,412     | 224,842                               | ı                    | 837,254     |
| Cash and Cash Equivalents - Beginning  |              | 1,696,039   | 881,573                               | ,                    | 2,577,612   |
| Cash and Cash Equivalents - Ending   |              | 2,308,451   | 1,106,415                             |                      | 3,414,866   |
| Reconciliation of Operating Income to Net Cash Provided                                |              |             |                                       |                      |             |
| (Used) by Operating Activities   |              | (176 544)   | 562 477                               | (000 00)             | 207 043     |
| Operating income (Loss) Adjustments to Reconcile Operating Income to Net Income        |              | (1/0,244)   | 774,500                               | (060,66)             | 701,043     |
| to Net Cash Provided by (Used in) Operating Activities:                                |              | 496 077     | 876 368                               | ,                    | 1 372 445   |
| Connection Fees/Other Income   |              | 748.926     | 249.875                               | 17.467               | 1.016.268   |
| (Increase) Decrease in Current Assets  |              | 942,081     | 88,680                                | (743)                | 1,030,018   |
| Increase (Decrease) in Current Liabilities   |              | (831,160)   | (157,863)                             | 82,366               | (906,657)   |
| Net Cash Provided by Operating Activities  |              | 1,179,380   | 1,620,537                             |                      | 2,799,917   |
| Noncash Activity - Capital Contributions   |              | 3,343,351   | 1,486,140                             |                      | 4,829,491   |
|  |              |             |                                       |                      | •           |

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Net Position - Fiduciary Funds April 30, 2013

Statement of Changes in Net Position - Fiduciary Fund Year Ended April 30, 2013

UNITED CITY OF YORKVILLE, ILLINOIS

|                            | Additions | Contributions - Employer Contributions - Plan Members Total Contributions | Investment Income                                 | interest Earned<br>Net Change in Fair Value | Less Investment Expenses | Net Investment Income<br>Total Additions | Deductions       | Administration<br>Benefits and Schuds<br>Total Debustions | Total Deductions | Change in Net Position | Net Position Held in Trust for Pension Benefits<br>Net Position - Beginning | Net Position - Ending |              |                                    |
|----------------------------|-----------|---|---|---|--------------------------|--|------------------|---|------------------|------------------------|---|-----------------------|--------------|------------------------------------|
| Agency                     |           | 395,834   | ,   |   |                          | 556,249                                  |                  | 952,083   |                  | ,                      | 952,083   | 952,083               |              |                                    |
| Police<br>Pension<br>Trust |           | \$ 431,733  | 2,016,325   | 2,271,589                                   | 311,922                  | 1  | 21,518           | 5,053,087   |                  | 1,648                  |   | 1,648                 |              | 5,051,439                          |
|                            | ASSETS    | Cash and Cash Equivalents   | Investments U.S. Government and Agency Securities | Mutual Funds                                | Corporate Bonds          | Receivables - Net of Allowances          | Accrued Interest | Total Assets  | LIABILITIES      | Accounts Payable       | Other Liabilities   | Total Liabilities     | NET POSITION | Held in Trust for Pension Benefits |

127,779 235,550 363,329 (20,761) 342,568 961,674

14,193 378,075 392,268

569,406

4,482,033 5,051,439

\$ 438,711 180,395 619,106

Police Pension Trust

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

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

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The United City of Yorkville (City) is an Illinois unit of local government. The financial statements include all functions, programs and activities under control of the City Council. The City's major operations include public safety, public works, library, parks and recreation, community development, water and sewer services, and general administration. The City Council has oversight responsibility for the City, the Public Library and the Park and Recreation Board. Oversight responsibility includes designation of management and all other control over operations of these entities.

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 City's accounting policies established in GAAP and used by the City are described below.

### REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government: United City of Yorkville

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary City because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### BASIS OF PRESENTATION

### Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, parks and recreation, planning and zoning, and general administrative services are classified as governmental activities. The City's sewer, water, and recreation center services are classified as business-type activities.

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 City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

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

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## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**BASIS OF PRESENTATION** – Continued

### **Fund Financial Statements**

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

Nommajor funds by category are summarized into a single column. 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 City electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City 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 City:

### **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 City:

General fund is the general operating fund of the City. 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 City maintains nine special revenue funds. The Library Fund, a major fund, is used to account for the activity relating to the Yorkville Public Library. The Parks and Recreation Fund, also a major fund, is used to account for the revenues and expenditures associated with Yorkville's Parks and Recreation departments.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**BASIS OF PRESENTATION** – Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains one debt service fund.

**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 City maintains five capital projects 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 funds of the City:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) 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 City maintains three enterprise funds. The Sewer Fund, a major fund, is used to account for the operation and sewer infrastructure maintenance of the City-owned sewer system, as well as the construction of new sewer systems within City limits. Revenues are generated through a user maintenance fee. The Water Fund, also a major fund, is used to account for the operation and water infrastructure maintenance of the City-owned water distribution system, as well as the construction of new water systems. Revenues are generated through charges based on water consumption and user maintenance fees.

### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the City for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity by the City for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy.

Notes to the Financial Statements April 30, 2013

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds - Continued

**Agency funds** are used to account for assets held by the City in a purely custodial capacity. The Developer Deposit Fund is used to account for developer deposits that are used to reimburse the City for all expenses incurred as a result of processing developer applications and requests. The Escrow Deposit Fund is used to account for various funds collected on behalf of other governmental agencies.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

## 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

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

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 and pension trust 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 and pension trust fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

# MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

### 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 City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A sixty day availability is generally used for revenue recognition for all other governmental fund revenues. Income tax will exceed the sixty day recognition period due to the State of Illinois and the long delay with releasing these funds. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest 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, state and utility taxes, franchise taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency 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 City's enterprise funds are charges to customers for sales and services. 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.

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

# 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, and 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.

## 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. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables balances for governmental activities include property taxes, state and utility taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

### Prepaids

Prepaids 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.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 to \$75,000 (see below chart) or more are reported at historical cost or estimated historical cost. Contributed assets are reported at estimated 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 City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. 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.

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

|   |   |             | Estimated     |
|---|---|-------------|---------------|
|   | Ű | Capitalized | Useful        |
| Capital Asset                           | T | Threshold   | Life          |
| Land                                    | ↔ | 25,000      | N/A           |
| Land Improvements                       |   | 25,000      | N/A           |
| Buildings                               |   | 35,000      | 10 - 50 Years |
| Building Improvements                   |   | 25,000      | 10 - 20 Years |
| Machinery and Equipment                 |   | 5,000       | 5 - 75 Years  |
| Vehicles                                |   | 5,000       | 5 - 15 Years  |
| Software                                |   | 25,000      | 2 - 5 Years   |
| Infrastructure - Street and Storm Sewer |   | 50,000      | 10 - 75 Years |
| Infrastructure - Water and Sewer        |   | 75,000      | 10 - 75 Years |

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

### Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### Assets Held for Others

In June of 2004, the City entered into an intergovernmental agreement with Yorkville-Bristol Sanitary District for design and construction of the Rob Roy Creek Interceptor. At the date of completion, the Yorkville-Bristrol Sanitary District owns and maintains the Interceptor. All costs associated with the construction of the infrastructure asset are recorded as Assets Held for Others in the City's financial statements. As of April 30, 2013, the balance of this project was \$11,091,000 reported in the Sewer Fund. In connection with this project, the City issued General Obligation Alternate Revenue Source Bonds of 2005D in the fiscal year 2006 for \$11,300,000, which were refunded in 2008 and again in 2011. At April 30, 2013, the outstanding balance of the 2011 refunding bonds is \$11,150,000. See Note 3 for more information on this long-term debt issue.

### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures/expenses at the time of issuance.

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

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

# NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

### 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."

# NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds. All annual appropriations lapse at fiscal year end. During the year, several supplementary appropriations were necessary. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior the May 1, the Mayor submits to the City Council the proposed budget for the fiscal year commencing the following May1. The operating budget includes proposed expenditures and the means of financing them.
  - Public hearings are conducted at the City offices to obtain taxpayer comments.
- Prior to May 1, the budget is legally adopted by a vote of the City Council through passage of an ordinance.
  - The budget officer is authorized to transfer budgeted amounts between departments within any
    fund; however, any revisions that alter the total expenditures of any fund must be approved by
    the City Council.

### DEFICIT FUND EQUITY

The Recreation and Municipal Building Funds had deficit fund equity of \$301,624 and \$571,615, respectively, as of April 30, 2013.

Notes to the Financial Statements April 30, 2013

## NOTE 3 – DETAIL NOTES ON ALL FUNDS

### DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust fund. 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 City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the City 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, Illinois Funds and the Illinois Metropolitan Investment Fund (IMET).

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the savings and loan associations chartered by the United States of America or by the State of Illinois, to anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that 1953 and are diversified, open-ended management investment companies, provided the portfolio is the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or common and preferred stocks that meet specific restrictions. Illinois Funds and IMET are investment pools 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 and IMET operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds and IMET are valued at the share price, the price for which the investment could be sold.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

## **DEPOSITS AND INVESTMENTS** – Continued

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

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$1,236,296 and the bank balances totaled \$1,366,437. Additionally, the City has \$2,147,597 invested in the Illinois Fund and \$7,783,408 invested in IMET at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy states that a variety of financial instruments and maturities, properly balanced, will help to insure liquidity and reduce risk or interest rate volatility and loss of principal. The policy does not state specific limits in investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year-end, the City's investment in the Illinois Funds and IMET have an average 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. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in management of their own affairs, no for speculation, but for investment, considering the safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the 'prudent person' standard and shall be applied in the context of managing an overall portfolio. At year-end, the City's investment in the Illinois Funds is rated AAAm by Standard & Poor's and the City's investment in the IMET Convenience Fund is rated AAAf by Standard and Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that all amounts in excess of any insurance limits be collateralized by approved securities or surety bonds issued by top-rated insurers, having a value of at least 110% of the deposits. Collateral is required as security whenever deposits exceed the insurance limits of the FDIC. Repurchase agreements must also be collateralized in the amount of 105% of the market value of principal and accrued interest. Collateral shall be held at an independent, third party institution in the name of the City. The third party institution is the name of the City. The third party institution is the name of the City. At year end, all deposits are collateralized.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the City's investment in the Illinois Fund and IMET are noncategorizable.

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

## DEPOSITS AND INVESTMENTS – Continued

# City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy states that a variety of financial instruments and maturities, properly balanced, will help to insure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying instruments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The City shall diversify to the best of its ability based on the type of funds invested and the cash flow needs of those funds. The City places no limit on the amount the City may invest in any one issuer. At yearend, the City's investment in Illinois Funds and in IMET represent more than 5 percent of the total cash and investment portfolio.

## Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$431,733 and the bank balances totaled \$431,733.

Investments. At year-end, the Fund has the following investments and maturities:

|                                     |   |           | Investment 1 | Investment Maturities (in Years) | Years)            |           |
|-------------------------------------|---|-----------|--------------|----------------------------------|-------------------|-----------|
|                                     |   | Fair      | Less Than    |                                  |                   | More Than |
| Investment Type                     |   | Value     | 1            | 1 to 5                           | 6 to 10           | 10        |
| U.S. Treasury Notes                 | ↔ | 724,551   | •            | 404,796                          | 319,755           | ,         |
| U.S. Treasury Strips                |   | 161,320   | 79,919       |                                  | 81,401            |           |
| U.S. Treasury Bonds                 |   | 106,547   | ,            | ı                                | 106,547           | ,         |
| Federal Home Loan Mortgage Corp.    |   | 224,755   | ,            | 100,099                          | 124,656           |           |
| Federal Farm Credit Bureau          |   | 110,002   | •            | 110,002                          | •                 | ,         |
| Federal National Mortgage Assoc.    |   | 659,021   | 161,817      |                                  | 340,306           | 156,898   |
| Government National Mortgage Assoc. |   | 30,129    | •            | •                                | •                 | 30,129    |
| Corporate Bonds                     |   | 311,922   | •            | 282,793                          | 29,129            | ,         |
|                                     |   | 2,328,247 | 241,736      | 897,690                          | 897,690 1,001,794 | 187,027   |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

## **DEPOSITS AND INVESTMENTS** – Continued

# Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

Interest Rate Risk. The Fund's investment policy states that no more than 5% of plan assets shall be invested in Iiquid, long-term investments. Such investment may include certificates of deposit and guaranteed insurance contracts. Any other plan holding which would have a noticeable impact on market price in whole or in part is also defined as liquid.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in the securities of the United States Government agencies were all rated Triple A or Double A by Standard & Poor's and by Moody's Investor Services. The Fund's policy prescribe to the "prudent person" rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well s the second objective of the attainment of market rates of return.

Custodial Credit Risk. The Fund's investment policy does not address custodial credit risk.

Concentration Risk. The Fund's investment policy does not address concentration risk. In addition to the securities and fair values previously listed, the Fund also has \$2,271,589 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Schwab S&P 500 Index Fund (\$590,541).

### PROPERTY TAXES

Property taxes for 2012 attach as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2013, and September 1, 2013. The County collects such taxes and remits them periodically.

Notes to the Financial Statements April 30, 2013

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| Ending<br>Balances    | 30,266,179<br>754,251<br>31,020,430                               | 14,573,556<br>6,253,852<br>2,425,099<br>43,276,212<br>66,528,719       | 2,669,649<br>3,707,429<br>2,312,619<br>13,016,113<br>21,705,810           | 44,822,909   |
|-----------------------|---|--|---|--|
| Decreases             | -<br>101,517<br>101,517   | 8,500  | 8,500   | 101,517  |
| Increases             | 333,000<br>564,655<br>897,655                                     | 453,251<br>60,290<br>2,587,256   | 291,471<br>421,635<br>98,908<br>1,053,178<br>1,865,192                    | 1,235,605  |
| Beginning<br>Balances | \$ 29,933,179<br>291,113<br>30,224,292                            | 14,573,556<br>5,809,101<br>2,364,809<br>40,688,956<br>63,436,422       | 2,378,178<br>3,294,294<br>2,213,711<br>11,962,935<br>19,849,118           | 43,587,304   |
| ·                     | Nondepreciable Capital Assets<br>Land<br>Construction in Progress | Depreciable Capital Assets Buildings Equipment Vehicles Infrastructure | Less Accumulated Depreciation Buildings Equipment Vehicles Infrastructure | Total Net Depreciable Capital Assets  Total Net Capital Assets |

Depreciation expense was charged to governmental activities as follows:

| \$ 58,191          | 179,525 | 402,229              | 67,250        | 1,157,997    | 1 865 102 |
|--------------------|---------|----------------------|---------------|--------------|-----------|
| General Government | Library | Parks and Recreation | Public Safety | Public Works |           |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013 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:

| Ending Increases Decreases Balances | - 615,376<br>114,256 50,108 941,851<br>114,256 50,108 1,557,227   | - 18,891,299<br>4,829,492 - 49,541,617<br>4,829,492 - 68,432,916 | 432,103 - 5,219,966<br>862,744 - 5,620,080<br>1,294,847 - 10,840,046 | 3,534,645 - 57,592,870               | 3 648 901 50 108 59 150 097 |
|-------------------------------------|---|--|--|--------------------------------------|-----------------------------|
| Beginning<br>Balances               | \$ 615,376<br>877,703<br>1,493,079                                | 18,891,299<br>44,712,125<br>63,603,424                           | 4,787,863<br>4,757,336<br>9,545,199                                  | 54,058,225                           | 55 551 304                  |
|                                     | Nondepreciable Capital Assets<br>Land<br>Construction in Progress | Depreciable Capital Assets<br>Equipment<br>Infrastructure        | Less Accumulated Depreciation<br>Equipment<br>Infrastructure         | Total Net Depreciable Capital Assets | Total Net Capital Assets    |

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

| 489,837 | 805,010 | 1,294,847 |
|---------|---------|-----------|
| 8       | l       |           |
|         |         |           |
|         |         |           |
| Sewer   | Vater   |           |
| Š       | =       |           |

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

# INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

### Interfund Balances

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

| Receivable Fund       | Payable Fund           | Amount   |
|-----------------------|------------------------|----------|
| Parks and Recreation  | General                | \$ 8,412 |
| Parks and Recreation  | Nonmajor Business-Type | 308,868  |
| Nonmajor Governmental | General                | 9,036    |
| Nonmajor Governmental | Nonmajor Governmental  | 30,000   |
| Sewer                 | Nonmajor Governmental  | 568,315  |
|                       |                        | 924,631  |

The purposes of the significant interfund receivables/payables are as follows:

- \$308,868 due from the Recreation Center Fund (nonmajor business-type fund) to the Parks and Recreation Fund representing cash borrowings which occurred during the year.
- \$30,000 due from the Motor Fuel Tax Fund (nonnajor governmental fund) to the Citywide Capital Fund (nonnajor governmental fund) representing cash borrowings which occurred during the year.
- \$568,315 due from Municipal Building Fund (nonmajor governmental fund) to Sewer Fund representing cash borrowings which occurred during the year.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

# INTERFUND RECEIVABLES, PAYABLES AD TRANSFERS - Continued

### Interfund Transfers

Interfund transfers for the year consisted of the following:

| Library               | General               | 26,819     |
|-----------------------|-----------------------|------------|
| Parks and Recreation  | General               | 955,886    |
| Nonmajor Governmental | General               | \$ 518,797 |
| Nonmajor Governmental | Nonmajor Governmental | 2,500      |
| Water                 | Sewer                 | 82,288     |

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.

### LONG-TERM DEBT

### Notes Payable

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

| Issue  | Fund Debt<br>Retired by | m m | Beginning<br>Balances | Issuances | Beginning Balances Issuances Retirements | Ending<br>Balances |
|--|-------------------------|-----|-----------------------|-----------|--|--------------------|
| Betzwiser Development, LLC Adjustable Rate Note Payable of 2008, due in monthly installments of \$6858 plus interest at 6.26% to 5 year T-Bill rate plus 3% through Public Works | Public Works            | €   |                       |           | 5  |                    |

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Notes Payable - Continued

|                                   | Fund Debt  | Beginning |           |                                | Ending   |
|-----------------------------------|------------|-----------|-----------|--------------------------------|----------|
| Issue                             | Retired by | Balances  | Issuances | Balances Issuances Retirements | Balances |
|                                   |            |           |           |                                |          |
| Kendall County River Road Bridge  |            |           |           |                                |          |
| Loan Payable of 2013, payable in  |            |           |           |                                |          |
| annual installments equal to one- |            |           |           |                                |          |
| sixth of the amount borrowed      | Citywide   |           |           |                                |          |
| through October 31, 2018.         | Capital    | ·<br>*    | 37,850    | ,                              | 37,850   |

## Illinois Environmental Protection Agency (IEPA) Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for sewer and water improvements. IEPA loans currently outstanding are as follows:

| Issue   | Fund Debt<br>Retired by | Beginning<br>Balances | Issuances | Issuances Retirements | Ending<br>Balances |
|---|-------------------------|-----------------------|-----------|-----------------------|--------------------|
| IEPA (L.17-013000) Loan Payable of<br>1993, due in semi-annual<br>installments of \$7,478 to \$19,147<br>including interest at 3.58% through<br>January 25, 2013. | Sewer                   | \$ 37,958             |           | 37,958                | •                  |
| IEPA (L.17-115300) Loan Payable of 2000, due in seim-annual installments of \$37,166 to \$52,832 including interest at 2.625% through September 6, 2019.          | Sewer                   | 724,494               | •         | 88,610                | 635,884            |
| IEPA (L.17-1156300) Loan Payable of 2007, due in seim-annual installments of \$28,263 to \$61,744 including interest at 2.50% through August 9, 2026.             | Water                   | 1,512,866             | '         | 87,753                | 1,425,113          |
|   |                         | 2,275,318             | •         | 214,321               | 2,060,997          |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

### General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General obligation bonds currently outstanding are as follows:

855,601

30,074

37,850

847,825

| Ending<br>Balances      | ,   | 2,350,000  | 2,835,000   | 2,705,000  |
|-------------------------|---|--|---|--|
| Retirements             | 75,000  | 170,000  | 180,000   | 205,000  |
| Issuances               | •   | •  | •   |  |
| Beginning<br>Balances   | \$ 75,000   | 2,520,000  | 3,015,000   | 2,910,000  |
| Fund Debt<br>Retired by | Fox<br>Industrial<br>TIF  | Sewer  | Countryside<br>TIF  | Debt<br>Service  |
| Issue                   | General Obligation Alternate<br>Revenue Source Bonds of 2002, due<br>in annual installments of \$50,000 to<br>\$75,000 plus interest at 3.00% to<br>4.75% through December 1, 2012. | General Obligation Alternate<br>Revenue Source Bonds of 2004B,<br>due in annual installments of<br>\$120,000 to \$455,000 plus interest at<br>2.50% to 4.00% through December<br>30, 2018. | General Obligation Alternate<br>Revenue Source Bonds of 2005, due<br>in annual installments of \$165,000 to<br>\$300,000 plus interest at 3.50% to<br>4.35% through December I, 2024. | General Obligation Alternate<br>Revenue Source Bonds of 2005A,<br>due in annual installments of<br>\$30,000 to \$335,000 plus interest at<br>4.00% to 4.375% through December<br>30, 2022. |

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

| Ending<br>Balances      | 6,660,000   | 1,465,000   | 825,000  | 2,940,000  | 11,150,000  |
|-------------------------|---|---|--|--|---|
| Retirements             | 290,000   | 90,000  | 150,000  | 10,000   |   |
| Issuances               | •   | •   | 1  | •  | ,   |
| Beginning<br>Balances   | 0,950,000   | \$ 1,555,000  | 975,000  | 2,950,000  | 11,150,000  |
| Fund Debt<br>Retired by | Library   | Water   | Library  | Water  | Sewer   |
| Issue                   | General Obligation Library Bonds of 2005B, due in annual installments of \$25,000 to \$760,000 plus interest at 4,00% to 4.75% through December 30, 2024. | General Obligation Alternate<br>Revenue Source Bonds of 2005C,<br>due in annual installments of<br>\$35,000 to \$150,000 plus interest at<br>3,50% to 5,50% through December<br>30, 2024. | General Obligation Library Bonds of 2006, due in annual installments of \$50,000 to \$100,000 plus interest at 4,75% to 4.80% through December 30, 2024. | General Obligation Refunding Alternate Revenue Source Bonds of 2007A, due in annual installments of \$10,000 to \$750,000 plus interest at 4,00% to 4.25% through December 30, 2022. | General Obligation Refunding<br>Alternate Revenue Source Bonds of<br>2011, due in annual installments of<br>\$660,000 to \$1,100,000 plus interest<br>at 4.280% through December 30,<br>2025. |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT - Continued

### Debt Certificates

The City issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for both governmental and business-type activities. Debt Certificates issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. Debt certificates currently outstanding are as follows:

| Issue   | Fund Debt<br>Retired by | Beginning<br>Balances | Issuances | Retirements | Ending<br>Balances |
|---|-------------------------|-----------------------|-----------|-------------|--------------------|
| Capital Appreciation Debt<br>Certificates of 2002, due in annual<br>installments of \$35,000 to \$365,000<br>plus interest at 2.50% to 4.50%<br>through May 1, 2012.          | Water                   | \$ 365,000            |           | 365,000     | •                  |
| Illinois Rural Bond Bank Debt<br>Certificates of 2003, due in annual<br>installments of \$80,000 to \$155,000<br>plus interest at 1,60% to 5.20%<br>through February 1, 2023. | Sewer                   | 1,360,000             |           | 100,000     | 1,260,000          |
| Debt Certificates of 2003, due in annual installments of \$100,000 to \$300,000 plus interest at 3.80% to 5.00% through December 15, 2018.                                    | Water                   | 800,000               |           | •           | 800,000            |
| Debt Certificates of 2004A, due in annual installments of \$135,000 to \$190,000 plus interest at 1.40% to 3.60% through December 30, 2014.                                   | Sewer                   | 545,000               | •         | 175,000     | 370,000            |
| Debt Certificates of 2004C, due in annual installments of \$50,000 to \$95,000 plus interest at 5.00% through December 30, 2012.  | Debt<br>Service         | 95,000                |           | 95,000      |                    |
| Refunding Debt Certificates of 2006A, due in annual installments of \$5,000 to \$850,000 plus interest at 4.00% to 4.20% through December 30, 2022.                           | Water                   | 5,390,000             | ,         | 355,000     | 5,035,000          |

7,465,000

1,090,000

8,555,000

30,930,000

1,170,000

32,100,000

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Other Obligations

Other Obligations currently outstanding are as follows:

| Ending<br>Balances                          | 1,890  |
|---|--|
| Beginning<br>Balances Issuances Retirements | ,  |
| Issuances                                   |  |
| Beginning<br>Balances                       | \$ 1,890   |
| Fund Debt<br>Retired by                     | Governmental<br>Activities   |
| Issue                                       | Conover Sewer Recapture owed to John Conover as reimbursement for sewer extension, due in one lump sum payment of \$1,890 in fiscal year 2023. |

### Long-Term Liability Activity

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

|                           | Beginning  |           |                      | Ending     | Due within |
|---------------------------|------------|-----------|----------------------|------------|------------|
| Type of Debt              | Balances   | Additions | Additions Deductions | Balances   | One Year   |
|                           |            |           |                      |            |            |
| Governmental Activities   |            |           |                      |            |            |
| Compensated Absences      | \$ 365,125 | 59,575    | 119,149              | 305,550    | 61,110     |
| Net Pension Obligation    | 564,311    | 89,112    | ,                    | 653,423    | ,          |
| Net Other Post-Employment |            |           |                      |            |            |
| Benefit Obligation        | 9,453      | •         | 1,526                | 7,927      | ,          |
| Notes Payable             | 847,825    | 37,850    | 30,074               | 855,601    | 32,012     |
| General Obligation Bonds  | 13,925,000 | ,         | 900,000              | 13,025,000 | 835,000    |
| Debt Certificates         | 95,000     | ,         | 95,000               | •          | ,          |
| Other Obligations         | 1,890      |           |                      | 1,890      |            |
|                           | 15.808.604 | 186.537   | 1.145.749            | 14.849.391 | 928.122    |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity - Continued

|                          |            |           |                      |            | Amounts    |
|--------------------------|------------|-----------|----------------------|------------|------------|
|                          | Beginning  |           |                      | Ending     | Due within |
| Type of Debt             | Balances   | Additions | Additions Deductions | Balances   | One Year   |
|                          |            |           |                      |            |            |
| Business-Type Activities |            |           |                      |            |            |
| Compensated Absences     | \$ 94,081  | 50,124    | 100,247              | 43,957     | 8,791      |
| IEPA Loans Payable       | 2,275,318  | •         | 214,321              | 2,060,997  | 180,913    |
| General Obligation Bonds | 18,175,000 | •         | 270,000              | 17,905,000 | 1,050,000  |
| Plus: Unamortized Item   |            |           |                      |            |            |
| Loss on Refunding        | 472,823    | ,         | 77,598               | 395,225    | ,          |
| Debt Certificates        | 8,460,000  | ,         | 995,000              | 7,465,000  | 785,000    |
| Developer Agreements     | 2,065,958  |           | 113,424              | 1,952,534  | -          |
|                          |            |           |                      |            |            |
|                          | 31,543,180 | 50,124    | 1,770,590            | 29,822,713 | 2,024,704  |

For the governmental activities, the compensated absences, the net pension obligation, and the net other post-employment benefit obligation are generally liquidated by the General Fund. The Public Works Capital Fund makes payment on the notes payable. General obligation bonds are being liquidated by the Library, Countryside TIF and Debt Service Funds. Additionally, the Debt Service Fund is making payment on the debt certificate.

For the business-type activities, the Sewer, Water, and Recreation Center Funds liquidate compensated absences. The Sewer and Water Funds are making payments on the IEPA loans payable, general obligation bonds, debt certificates and developer agreements.

Notes to the Financial Statements April 30, 2013

## 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:

| bligation  | spu     | Interest  | 567,682   | 533,714 | 498,538 | 461,364 | 422,188   | 380,954   | 332,740   | 281,578   | 226,620   | 168,072   | 105,394   | 53,950    | ٠      | •      | ٠      |        |
|--|---------|-----------|-----------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|--------|--------|--------|
| d Activities<br>General Obligation               | Bonds   | Principal | 835,000   | 870,000 | 920,000 | 970,000 | 1,015,000 | 1,090,000 | 1,150,000 | 1,225,000 | 1,305,000 | 1,375,000 | 1,110,000 | 1,160,000 | •      | •      | •      |        |
| Governmental Activities  Governmental Activities | le      | Interest  | 50,283    | 48,221  | 46,025  | 43,689  | 41,201    | 38,554    | 35,735    | 32,736    | 29,543    | 26,144    | 22,526    | 18,676    | 14,577 | 10,214 | 5,570  | 986    |
| Notes  | Payable | Principal | \$ 32,012 | 34,074  | 36,270  | 38,607  | 41,094    | 43,741    | 46,560    | 49,559    | 52,752    | 56,151    | 59,769    | 63,619    | 67,718 | 72,081 | 76,725 | 47.019 |
| 1  | Fiscal  | Year      | 2014      | 2015    | 2016    | 2017    | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | 2026   | 2027   | 2028   | 2029   |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

## Debt Service Requirements to Maturity - Continued

|        |            |              |          | Business-Type Activities | e Activities |                     |           |
|--------|------------|--------------|----------|--------------------------|--------------|---------------------|-----------|
|        |            | IEPA         |          | General Obligation       | digation     | Debt                | 1         |
| Fiscal | Loa        | Loan Payable | able     | Bonds                    | ls           | Certificates        | ates      |
| Year   | Principal  | ľ            | Interest | Principal                | Interest     | Principal           | Interest  |
|        |            |              |          |                          |              |                     |           |
| 2014   | \$ 180,913 | 13           | 51,168   | 1,050,000                | 759,988      | 785,000             | 313,854   |
| 2015   | 185,580    | 80           | 46,501   | 1,175,000                | 717,520      | 815,000             | 283,244   |
| 2016   | 190,365    | 65           | 41,714   | 1,230,000                | 670,448      | 645,000             | 250,926   |
| 2017   | 195,275    | 75           | 36,805   | 1,280,000                | 621,190      | 675,000             | 224,412   |
| 2018   | 200,313    | 13           | 31,767   | 1,340,000                | 567,868      | 695,000             | 196,398   |
| 2019   | 205,480    | 80           | 26,601   | 1,400,000                | 512,046      | 925,000             | 167,088   |
| 2020   | 157,255    | 55           | 21,300   | 1,645,000                | 453,740      | 985,000             | 127,674   |
| 2021   | 107,049    | 49           | 17,981   | 1,710,000                | 382,074      | 000,066             | 85,156    |
| 2022   | 109,742    | 42           | 15,288   | 1,780,000                | 307,508      | 540,000             | 42,316    |
| 2023   | 112,503    | 03           | 12,527   | 1,850,000                | 229,894      | 410,000             | 18,580    |
| 2024   | 115,334    | 34           | 6,697    | 1,150,000                | 151,106      | ,                   | ,         |
| 2025   | 118,235    | 35           | 6,795    | 1,195,000                | 100,056      | •                   | ,         |
| 2026   | 121,209    | 60           | 3,821    | 1,100,000                | 47,080       | •                   | ,         |
| 2027   | 61,744     | 4            | 772      | -                        | -            | -                   |           |
|        |            |              |          |                          |              |                     |           |
| Total  | 2,060,997  | 25           | 322,737  | 17,905,000               | 5,520,518    | 7,465,000 1,709,648 | 1,709,648 |

### Non-Commitment Debt

464,680 13,025,000 4,032,794

817,751

Total

Special service area bonds outstanding as of the date of this report totaled \$77,943,000, Kendall Marketplace business district bonds totaled \$6,940,000 and Kendall Marketplace sales tax bonds totaled \$6,580,000. These bonds are not an obligation of the government and are secured by the levy of an annual tax on the real property within the special service area, business district taxes, and sales taxes, respectively. The government is in no way liable for repayment but is only acting as agent for the property owners in levying/assessing and collecting the tax, and forwarding the collections to bondholders.

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

### Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

|       | \$ 443,122,808            | 38,219,342                                  |                                    | 22,945,000               | 15,274,342        |
|-------|---------------------------|---|------------------------------------|--------------------------|-------------------|
| 9/9." | Assessed Valuation - 2012 | Legal Debt Limit - 8.625% of Assessed Value | Amount of Debt Applicable to Limit | General Obligation Bonds | Legal Debt Margin |

### **Bond Defeasances**

During prior years, the City defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Since the requirements which normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. Defeased bonds in the amount of \$14,513,116 are still outstanding as of the date of this report.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

## NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2013:

| Governmental Activities<br>Capital Assets - Net of Accumulated Depreciation  | \$ 75,843,339  |
|--|--|
| Less Capital Related Debt: Notes Payable of 2008 Loan Payable of 2013 General Obligation Alternate Revenue Source Bonds of 2005 General Obligation Alternate Revenue Source Bonds of 2005 General Obligation Alternate Alternate Revenue Source Bonds of 2005A | (817,751)<br>(37,850)<br>(2,835,000)<br>(2,705,000)<br>(6,660,000) |
| General Obligation Library Bonds of 2006<br>Net Investment in Capital Assets   | (825,000)  |
| Business-Type Activities<br>Capital Assets - Net of Accumulated Depreciation   | 59,150,097   |
| Less Capital Related Debt: IEPA (L17-115300) Loan Payable of 2000 IEPA (L17-1156300) Loan Payable of 2007 General Obligation Alternate Revenue Source Bonds of 2004B   | (635,884)<br>(1,425,113)<br>(2,350,000)                            |
| General Obligation Attentiae Revenue Source Bonds of 2005C. General Obligation Refunding ARS Bonds of 2007A General Obligation Refunding ARS Bonds of 2011 Illinois Rural Bond Bank Debt Certificates of 2003  | (1,465,000)<br>(2,940,000)<br>(11,150,000)<br>(1,260,000)          |
| Debt Certificates of 2003  Debt Certificates of 2004A  Refunding Debt Certificates of 2006A  | (800,000)<br>(370,000)<br>(5,035,000)                              |
| Net Investment in Capital Assets   | 31,719,100   |

Notes to the Financial Statements April 30, 2013

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### NET POSITION RESTATEMENTS

Beginning net position in the Sewer and Water Funds was restated due to elimination of bond issuance costs through implementation of GASB 63/65. The following is a summary of the net position as originally reported and as restated:

| Increase     | (Declease)    | (325,550)     | (96,493)   |
|--------------|---------------|---------------|------------|
| A Doctoted   | As Nestated   | 19,741,130    | 20,787,845 |
| Domoseo A    | nanoday sv    | \$ 20,066,680 | 20,884,338 |
| Mot Besition | IVEL FOSIUOII | Sewer         | Water      |

## FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City 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 City 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 City reports assigned fund balance in the Police Capital (nonmajor). Public Works Capital (nonmajor), Parks and Recreation Capital (nonmajor) and in the Citywide Capital (nonmajor) Funds. The City's Council/management has assigned these three funds to future library, police, public works and parks and recreation improvement projects and equipment and vehicle purchases based on approved Council/management expenditures as determined through the annual budger process.

Committed Fund Balance. The City reports committed fund balance in the Parks and Recreation Capital Fund, a major fund. Formal City Council action, through the passage of an ordinance, is required to establish, modify or rescind a fund balance commitment. The City's Council, through formal board action as part of the annual budget process, has committed these funds to future recreation programs, facilities and improvements.

Minimum Fund Balance Policy. The City's policy states that the General fund should maintain a minimum unrestricted fund balance of no less than 15% of the annual appropriations budget. Balances in excess of 50% of the appropriations budget can be transferred to other funds or to capital projects at the discretion of the Council.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

## FUND BALANCE CLASSIFICATIONS - Continued

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

|   |            |     | Special Revenue | Revenue                 |                   |           |
|---|------------|-----|-----------------|-------------------------|-------------------|-----------|
|   | General    | al  | Library         | Parks and<br>Recreation | Nonmajor          | Totals    |
| Fund Balances<br>Nonspendable<br>Prepaids | \$ 139,985 | 586 | 8,195           | 14,566                  | 11,825            | 174,571   |
| Restricted<br>Library Operations          |            | ,   | 453,630         | •                       |                   | 453,630   |
| Special Service Areas                     |            |     | . 1             | 1                       | 22,864            | 22,864    |
| Motor Fuel Tax                            |            |     | ,               | ,                       | 1,152,348         | 1,152,348 |
| Land Cash                                 |            | ,   | ,               | ,                       | 121,420           | 121,420   |
| Tax Increment Financing Districts         |            |     |                 | ,                       | 1,787,605         | 1,787,605 |
| Debt Service                              |            |     | ,               | •                       | 12,046            | 12,046    |
|   |            |     | 453,630         |                         | 3,096,283         | 3,549,913 |
| Committed<br>Parks and Recreation         |            |     | ,               | 305,804                 |                   | 305,804   |
| Assigned<br>Capital Projects              |            |     | 1               |                         | 504,314           | 504,314   |
| Unassigned                                | 4,083,835  | 835 |                 |                         | (571,615)         | 3,512,220 |
| Total Fund Balances                       | 4,223,820  | 820 | 461,825         | 320,370                 | 320,370 3,040,807 | 8,046,822 |

## NOTE 4 – OTHER INFORMATION

### RISK MANAGEMENT

The City 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 City's employees. The City 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.

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

### CONTINGENT LIABILITIES

### Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

### 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 City expects such amounts, if any, to be immaterial.

### COMMITTIMENTS

## Agreements with Developers - Governmental Activities

Under a Development/Economic Initiative Agreement entered into in March of 2000, the City agreed to reimburse eligible costs associated with a development located at Route 47 and Route 34. Eligible costs of \$2,074,833 and accrued interest at 5% are to be reimbursed from 50% of the sales tax generated in the development, limited to a period of eighteen years. Through April 30, 2013, the City has reimbursed \$1,720,811, including \$133,441 in the current year. All payments have been recorded as an expenditure of the General Fund.

Under a Development and Annexation Agreement entered into in July of 2000, amended in October of 2001, the City agreed to reimburse eligible costs associated with a development located at Route 47 and Kennedy Road. Eligible costs of \$8,639,334 are to be reimbursed from 50% of the sales tax generated in the development, limited to a period of ten years. Through April 30, 2013, the City has reimbursed \$1,604,136, including \$182,764 in the current year. All payments have been recorded as an expenditure of the General Fund.

Under a Development/Economic Initiative Agreement entered into in June of 2002, the City agreed to reimburse eligible costs associated with a development located at Route 34 and Cannonball Trail. Eligible costs of \$166,055 are to be reimbursed from 50% of the sales tax generated in the development, limited to a period of fifteen years. Through April 30, 2013, the City has reimbursed \$125,373, including \$17,481 in the current year. All payments have been recorded as an expenditure of the General Fund.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

COMMITTIMENTS - Continued

# Agreements with Developers - Governmental Activities - Continued

Under an Annexation Agreement entered into in April of 2006, the City agreed to reimburse eligible costs associated with a development located at Route 47 between Base Line Road and Corneils Road. Eligible costs are to be reimbursed from 55% of City Admissions Taxes collected, limited to a period of ten years. Through April 30, 2013, the City has reimbursed \$204,804, including \$119.198 in the current year. All payments have been recorded as an expenditure of the General Fund. The agreement was amended in August of 2011 to rebate 100% of admissions tax received by the City from the developer for a period of ten years, and the admissions tax rate was decreased from 5% to 2,75%. The 100% rebate went into effect beginning with the current fiscal year.

Under a Development/Economic Initiative Agreement entered into in January of 2007, the City agreed to reimburse eligible costs associated with a development located at Route 47 and Comeils Road. Eligible costs of \$287,392 are to be reimbursed from 50% of the sales tax generated in the development, limited to a period of twenty years. Through April 30, 2013, the City has reimbursed \$23,404, including \$0 in the current year. All payments have been recorded as an expenditure of the General Fund.

Under a Development Agreement entered into in June of 2007, the City agreed to create a business district in the area around Route 34 and Cannonball Trail. Under the agreement, 50% of sales tax and 100% of the business district tax generated in the district are remitted by the City to an escrow agent to pay the debt service on the Revenue Bonds of 2007. The bonds are secured solely by the pledged revenues and are not obligations of the City and are therefore not recorded on the City's books. All payments have been recorded as an expenditure of the General Fund. Expenditures in the current year were \$401,483 for sales taxes and \$314,385 in business district taxes.

In February of 2011, the City amended a Development/Economic Initiative Agreement dated April 2007. Under the original agreement, the City agreed to reimburse 20% of eligible costs associated with a development located at Route 47 and Fountainview Drive from 50% of the sales tax generated in the development, limited to a period of twenty years. Under the amended agreement, the City will hold the sales tax rebates in an escrow account until certain land improvements has been completed. Through April 30, 2013, the City is holding \$3,164 in escrow. No reimbursements have yet been made.

Under a Developmen/Economic Initiative Agreement entered into on December 22, 2011the City agreed to reimburse eligible costs associated with a development located west of Route 47 and north of Cannonball Trail on Boombah Boulevard. Eligible costs of \$287,392 are to be reimbursed from 50% of the sales tax generated in the development, limited to a period of ten years. Through April 30, 2013, the City has reimbursed \$7,856. All payments have been recorded as an expenditure of the General Fund.

Under a Development/Economic Initiative Agreement entered into on September 18, 2012 the City agreed to reimburse eligible costs associated with a development located at 704 East Veterans Parkway. Eligible costs of \$30,740 are to be reimbursed from 50% of the sales tax generated in the development, limited to a period of ten years. Through April 30, 2013, the City has reimbursed \$686. All payments have been recorded as an expenditure of the General Fund.

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

COMMITTIMENTS - Continued

## Agreements with Developers - Business-Type Activities

Under an agreement entered into in the fiscal year ending April 2003, the City and developer of the Windett Ridge subdivision agreed upon an advance of up to \$170,000 for sanitary sewer system improvements. The City is required to repay the advance to the developer within a ten year period of receipt of the loan. Under an amendment to the agreement signed in fiscal year ending April 2005, the City and the developer agreed to reduce the balance by the amount of outstanding lot fees due the City. Per the amendment, the new loan amount is \$114,600 which is due to the developer by October 21, 2013. This loan is recorded in the Sewer Fund and is to be paid with sewer connection fees.

Under an agreement entered into in December of 2002, the City and developer of the Raintree Village subdivision agreed to reimburse the costs of sanitary sewer over-sizing within the development. The amount of eligible expenses to be reimbursed by the City totals \$1,154,718, of which \$932,309 has been paid through April 30, 2013. The remaining balance, \$222,930, is subject to interest based on the twelve month LIBOR. Annual sewer charges assessed on the residents of the subdivision are earmarked to repay this obligation. The related sanitary sewer infrastructure was accepted by the City as an asset in December of 2007. This amount is recorded in the Sewer Fund.

Under a planned unit development agreement entered into in June of 2003, the City agreed to reimburse the developer of the Grand Reserve subdivision for regional water improvements required to support the subdivision and the surrounding area. In May of 2009, the two parties agreed upon the repayment of \$827,596 of eligible costs due in thirty-six monthly installment of \$22,989 beginning December 2009. As of April 30, 2013, the City has repaid \$827,596. Water connection fees generated with in specific water pressure zone have been earmarked to repay the developer. As of April 30, 2013, the City had not accepted the water infrastructure assets from the developer. This liability is recorded in the Water Fund. This commitment has been paid in full as of April 30, 2013.

Under a reimbursement agreement entered into in August of 2003, the City and the developer of the Fox Hill subdivision agreed to reimburse eligible costs associated with the construction and over-sizing of water and sewer infrastructure lines within the area. Eligible costs are to be paid to the developer within twenty years of the agreement. This agreement was amended in April 2006 to include additional costs. Total eligible costs remain as of April 30, 2013 are \$807,847, which accrues compounded interest of 5% annually. Interest for a portion of eligible costs was computed back to January 1, 1995. Total interest to date is \$657,009. The amount recorded as a liability, including interest, as of April 30, 2013 is \$1,615,004. 52% of this amount is recorded in the Water Fund. The remaining 48% of this amount is recorded in the Sewer Fund.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund, a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the City at 800 Game Farm Road, Yorkville, Illinois 60560. IMRF does issue 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 <a href="https://www.imf.org">www.imf.org</a>. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

## Plan Descriptions, Provisions and Funding Policies

## Illinois Municipal Retirement System (IMRF)

All employees (other than those covered by the Police Pension plan) 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. The monthly pension of a member hired before January 1, 2011, shall be increased annually by 3% of the original pension. Employees with at least 8 years of credited service may retire at or after age 55 and receive a reduced benefit.

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 amunally, 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  $^{1/2}$  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 City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. For the calendar year 2012 the employer annual required contribution rate was 9.64 percent.

Notes to the Financial Statements April 30, 2013

## NOTE 4 – OTHER INFORMATION – Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Plan Descriptions, Provisions and Funding Policies - Continued

### Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2012, the date of the most recent actuarial valuation, the Police Pension Plan membership consisted of:

|  | 9                                      |                   | 13     | 12        | 31 |
|--|--|-------------------|--------|-----------|----|
| Retirees and Beneficiaries Currently Receiving<br>Benefits and Terminated Employees Entitled | to Benefits but not yet Receiving Them | Current Employees | Vested | Nonvested |    |

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½5 of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year therafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually, thereafter. The monthly pension of a police officer 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 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

## Plan Descriptions, Provisions, and Funding Policies - Continued

### Police Pension Plan - Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

# Summary of Significant Accounting Policies and Plan Asset Matters

### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### Method Used to Value Investments

Investments are 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.

### Significant Investments

At year-end, the Police Pension Fund has over 5 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Schwab S&P 500 Index Fund (\$590,541). Information for IMRF is not available.

### Related Party Transactions

There are no securities of the employer or any other related parties included in net position.

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Annual Pension Cost and Net Pension Obligation

The pension liability for IMRF and the Police Pension Plan is as follows:

|  |          |          | Police   |          |
|--|----------|----------|----------|----------|
|  | ļ        | IMKF     | Pension  | Lotals   |
| Annual Required Contribution               | <b>↔</b> | 242,774  | 542,648  | 785,422  |
| Interest on Net Pension Obligation         |          | 1,190    | 42,369   | 43,559   |
| Adjustment to Annual Required Contribution |          | 7,644    | (41,331) | (33,687) |
| Annual Pension Cost                        |          | 251,608  | 543,686  | 795,294  |
| Actual Contribution                        |          | 267,471  | 438,711  | 706,182  |
| Change in NPO                              |          | (15,863) | 104,975  | 89,112   |
| NPO - Beginning of Year                    |          | 15,863   | 548,448  | 564,311  |
| NPO - End of Year                          |          |          | 653,423  | 653,423  |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued Annual Pension Cost and Net Pension Obligation – Continued

The City's annual pension cost for the current year and related information for each plan is as follows:

|                               | IMRF              | Police<br>Pension |
|-------------------------------|-------------------|-------------------|
| Contribution Rates            |                   | TOTAL             |
| Employer                      | 9.64%             | 20.23%            |
| Employee                      | 4.50%             | 9.91%             |
| Actuarial Valuation Date      | 12/31/2012        | 4/30/2012         |
|                               |                   |                   |
| Actuarial Cost Method         | Entry Age         | Entry Age         |
|                               | Normal            | Normal            |
| Amortization Method           | Level % of        | Level % of        |
|                               | Projected Payroll | Projected Payroll |
|                               | Open Basis        | Closed Basis      |
| Remaining Amortization Period | 30 Years          | 29 Years          |
| Asset Valuation Method        | 5-Year            | Market            |
|                               | Smoothed Market   |                   |
| Actuarial Assumptions         |                   |                   |
| Investment Rate of Return     | 7.50%             | 7.50%             |
|                               | Compounded        | Compounded        |
|                               | Annually          | Annually          |
| Projected Salary Increases    | .4 to 10.0%       | 5.50%             |
| Inflation Rate Included       | 4.00%             | 3.00%             |
| Cost-of-Living Adjustments    | 3.00%             | 3.00%             |

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

### 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.

|                        | Fiscal |            | Police     |
|------------------------|--------|------------|------------|
|                        | Year   | IMRF       | Pension    |
| Annual Pension Cost    | 2011   | \$ 310,933 | \$ 489,523 |
| (APC)                  | 2012   | 253,636    | 510,479    |
|                        | 2013   | 251,608    | 543,686    |
| Actual Contributions   | 2011   | 295,402    | 336,075    |
|                        | 2012   | 253,304    | 360,356    |
|                        | 2013   | 267,471    | 438,711    |
| Percentage of APC      | 2011   | 100.00%    | 68.65%     |
| Contributed            | 2012   | 99.87%     | 70.59%     |
|                        | 2013   | 106.30%    | 80.69%     |
| Net Pension Obligation | 2011   | 15,531     | 398,325    |
|                        | 2012   | 15,863     | 548,448    |
|                        | 2013   |            | 653,423    |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

### Funded Status and Funding Progress

The City's funded status for the current year and related information for each plan is as follows:

| Police<br>IMRF Pension | 12/31/2012 4/30/2012     | 80.33% 42.80%  | \$5,247,562 \$10,463,737                    | \$4,215,113 \$4,481,601   | (\$1,032,449) (\$5,982,136)                               | \$2,518,404 \$1,694,445  | 41.00% 353.04%                      |
|------------------------|--------------------------|----------------|---|---------------------------|---|--|-------------------------------------|
|                        | Actuarial Valuation Date | Percent Funded | Accuarial Accrued Liability<br>for Benefits | Actuarial Value of Assets | Over (Under) Funded Actuarial<br>Accrued Liability (UAAL) | Covered Payroll (Annual Payroll of Active Employees Covered by the Plan) | Ratio of UAAL to Covered<br>Payroll |

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.

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

## OTHER POST-EMPLOYMENT BENEFITS

## Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City offers post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund.

The City offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Current elected officials are eligible if they were elected/appointed prior to April, 2013.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan, with the exception of two previous employees for which the City has agreed to pay portions of their post-employment health, dental and vision insurance. For the fiscal year ending April 30, 2013, retirees contributed \$57,824 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2013, membership consisted of:

|  | ∞                                      | 78               | 98    | -                       |
|--|--|------------------|-------|-------------------------|
| Retirees and Beneficiaries Currently Receiving<br>Benefits and Terminated Employees Entitled | to Benefits but not yet Receiving Them | Active Employees | Total | Participating Employers |

The City does not currently have a funding policy.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

## OTHER POST-EMPLOYMENT BENEFITS - Continued

## Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2013, was calculated as follows:

| 9,453     | Net OPEB Obligation - Beginning of Year<br>Net OPEB Obligation - End of Year |
|-----------|--|
| (1,526)   | Increase in the net OPEB Obligation  |
| 38,046    | Actual Contribution  |
| 36,520    | Annual OPEB Cost   |
| (316)     | Adjustment to the ARC  |
| 473       | Interest on the Net OPEB Obligation  |
| \$ 36,363 | Annual Required Contribution   |

### Trend Information

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

| Net        | OPEB    | Obligation       | 7,007             | 9,453  | 7,927   |
|------------|---------|------------------|-------------------|--------|---------|
|            |         | 0                | ↔                 |        |         |
| Percentage | of OPEB | Cost Contributed | 43.76%            | 42.58% | 104.18% |
|            | Actual  | Contributions    | 1,814             | 1,814  | 38,046  |
|            |         | Co               | ÷                 |        |         |
| Annual     | OPEB    | Cost             | 4,145             | 4,260  | 36,520  |
| 4          | Ĭ       |                  | <del>&gt;</del> > |        |         |
|            | Fiscal  | Year             | 2011              | 2012   | 2013    |
|            |         |                  |                   |        |         |

### **Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Notes to the Financial Statements April 30, 2013

### **NOTE 4 – OTHER INFORMATION – Continued**

### **OTHER POST-EMPLOYMENT BENEFITS** – Continued

### Funded Status and Funding Progress – Continued

The funded status of the plan as of April 30, 2012, the date of the latest actuarial valuation, was as follows:

| Actuarial Accrued Liability (AAL)                 | \$<br>566,488 |
|---|---------------|
| Actuarial Value of Plan Assets                    | -             |
| Unfunded Actuarial Accrued Liability (UAAL)       | 566,488       |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00%         |
| Covered Payroll (Active Plan Members)             | 4,553,600     |
| UAAL as a Percentage of Covered Payroll           | 12.44%        |

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was 30 years.

### SUBSEQUENT EVENT

On May 9, 2013, the City issued \$6,625,000 of General Obligation Library Refunding Bonds of 2013. The bonds bear interest at a rate of 2.00% to 4.00% and are due in annual installments of \$155,000 to \$730,000 through December 30, 2024.

In December of 2012, the City did not extend the Recreation Center lease for an additional five year period. As a result, the City ceased all Recreation Center activities as of June 30, 2013. The Recreation Center Fund will be closed out by an interfund transfer from the Parks and Recreation Fund in the subsequent fiscal year.

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### APPENDIX B DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

- 1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.
- DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
- 3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
- 4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

- 5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.
- 6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
- 7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
- Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
- 9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.
- 10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
- 11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
- 12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

### APPENDIX C PROPOSED FORM OF OPINION OF BOND COUNSEL

January 6, 2014

Bernardi Securities, Inc. Chicago, Illinois

Re: United City of Yorkville, Kendall County, Illinois

General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014

Total Issue: \$1,235,000

Original Date: January 6, 2014

### Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the United City of Yorkville, Kendall County, Illinois (the "Issuer"), of \$1,235,000 of its General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014, originally dated January 6, 2014 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Issuer's tax covenants and representations (the "Tax Representations"), and we have not undertaken to verify any facts by independent investigation. We have relied upon the legal opinion of Kathleen Field Orr and Associates, counsel to the Issuer, dated the date hereof, as to the matters stated therein. We have also relied upon a report of Stanley P. Stone & Associates, Inc., Financing Consultants, New York, New York, as to the accuracy of the mathematical computations of the yield on the Bonds and the yield on the direct obligations of the United States of America deposited on the date hereof with The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as escrow trustee (the "Escrow Trustee"), pursuant to the Escrow and Defeasance Agreement dated as of the date hereof between the Issuer and the Escrow Trustee.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

- 1. The Bonds are valid and binding general obligations of the Issuer.
- 2. The Bonds are payable from (i) the sales taxes received by the Issuer pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailer's Occupation Tax Act (the "Sales Taxes"); (ii) certain incremental property taxes to be derived from the US Route 34 & IL Route 47 (Countryside Shopping Center) Tax Increment Financing Redevelopment Project Area within the Issuer and received by the Issuer (the "TIF Revenue" and together with the Sales Taxes, the "Pledged Revenues"); and (iii) ad valorem taxes levied against all taxable property in the territory of the Issuer without limitation as to rate or amount. The Bonds are payable from the Pledged Revenues on a parity with the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005. The Issuer is required annually to levy and appropriate an amount sufficient to pay the principal and interest coming due on the

Bernardi Securities, Inc. January 6, 2014 Page 2

Bonds to the extent the Pledged Revenues are not sufficient to pay the principal and interest coming due on the Bonds.

3. Under federal statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"), is not a specific preference item for purposes of the alternative minimum tax imposed on corporations or other taxpayers, including individuals, but will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds, and we express no opinion thereon.

It is to be understood that the rights of the owner of the Bonds, and the enforceability thereof, may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity, and (ii) the valid exercise of the constitutional powers of the Issuer, the State of Illinois and the United States of America.

Very truly yours,

### APPENDIX D

### UNITED CITY OF YORKVILLE KENDALL COUNTY, ILLINOIS

EXCERPTS OF FISCAL YEAR 2013 AUDITED FINANCIAL STATEMENTS RELATING TO THE CITY'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund, a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the City at 800 Game Farm Road, Yorkville, Illinois 60560. IMRF does issue 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 <a href="https://www.imf.org">www.imf.org</a>. The benefit, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

## Plan Descriptions, Provisions and Funding Policies

## Illinois Municipal Retirement System (IMRF)

All employees (other than those covered by the Police Pension plan) 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. The monthly pension of a member hired before January 1, 2011, shall be increased annually by 3% of the original pension. Employees with at least 8 years of credited service may retire at or after age 55 and receive a reduced benefit.

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 City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. For the calendar year 2012 the employer annual required contribution rate was 9.64 percent.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

## Plan Descriptions, Provisions and Funding Policies – Continued

### Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all swom police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2012, the date of the most recent actuarial valuation, the Police Pension Plan membership consisted of:

| 3.1 |  |
|-----|--|
| 12  | Nonvested                                      |
| 13  | Vested   |
|     | Current Employees                              |
| 9   | to Benefits but not yet Receiving Them         |
|     | Benefits and Terminated Employees Entitled     |
|     | Retirees and Beneficiaries Currently Receiving |

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary. Covered employees hired on or after January 1. 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1. 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired before 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 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Notes to the Financial Statements April 30, 2013

## NOTE 4 – OTHER INFORMATION – Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

## Plan Descriptions, Provisions, and Funding Policies - Continued

### Police Pension Plan - Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

# Summary of Significant Accounting Policies and Plan Asset Matters

### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### Method Used to Value Investments

Investments are 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.

### Significant Investments

At year-end, the Police Pension Fund has over 5 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Schwab S&P 500 Index Fund (\$590,541). Information for IMRF is not available.

### Related Party Transactions

There are no securities of the employer or any other related parties included in net position.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

## Annual Pension Cost and Net Pension Obligation

The pension liability for IMRF and the Police Pension Plan is as follows:

|  |   | IMRF     | Police<br>Pension | Totals   |
|--|---|----------|-------------------|----------|
| Annual Required Contribution               | ↔ | 242,774  | 542,648           | 785,422  |
| Interest on Net Pension Obligation         |   | 1,190    | 42,369            | 43,559   |
| Adjustment to Annual Required Contribution |   | 7,644    | (41,331)          | (33,687) |
| Annual Pension Cost                        |   | 251,608  | 543,686           | 795,294  |
| Actual Contribution                        | l | 267,471  | 438,711           | 706,182  |
| Change in NPO                              |   | (15,863) | 104,975           | 89,112   |
| NPO - Beginning of Year                    |   | 15,863   | 548,448           | 564,311  |
| NPO - End of Year                          |   |          | 653,423           | 653,423  |

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

 $\mbox{\bf Annual Pension Cost and Net Pension Obligation} - \mbox{\bf Continued}$ 

The City's annual pension cost for the current year and related information for each plan is as follows:

| Police<br>Pension | 20.23%                                     | 4/30/2012                | Entry Age<br>Normal   | Level % of<br>Projected Payroll<br>Closed Basis | 29 Years                      | Market                    | 7.50%<br>Compounded<br>Annually                    | 5.50%                      | 3.00%                   | 3.00%                      |
|-------------------|--|--------------------------|-----------------------|---|-------------------------------|---------------------------|--|----------------------------|-------------------------|----------------------------|
| IMRF              | 9.64%                                      | 12/31/2012               | Entry Age<br>Normal   | Level % of<br>Projected Payroll<br>Open Basis   | 30 Years                      | 5-Year<br>Smoothed Market | 7.50%<br>Compounded<br>Annually                    | .4 to 10.0%                | 4.00%                   | 3.00%                      |
|                   | Contribution Rates<br>Employer<br>Employee | Actuarial Valuation Date | Actuarial Cost Method | Amortization Method                             | Remaining Amortization Period | Asset Valuation Method    | Actuarial Assumptions<br>Investment Rate of Return | Projected Salary Increases | Inflation Rate Included | Cost-of-Living Adjustments |

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

### 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.

|                        | Fiscal |            | Police     |
|------------------------|--------|------------|------------|
|                        | Year   | IMRF       | Pension    |
|                        |        |            |            |
| Annual Pension Cost    | 2011   | \$ 310,933 | \$ 489,523 |
| (APC)                  | 2012   | 253,636    | 510,479    |
|                        | 2013   | 251,608    | 543,686    |
|                        |        |            |            |
| Actual Contributions   | 2011   | 295,402    | 336,075    |
|                        | 2012   | 253,304    | 360,356    |
|                        | 2013   | 267,471    | 438,711    |
| Percentage of APC      | 2011   | 100.00%    | 88.65%     |
| Contributed            | 2012   | 99.87%     | 70.59%     |
|                        | 2013   | 106.30%    | 80.69%     |
| Net Pension Obligation | 2011   | 15,531     | 398,325    |
|                        | 2012   | 15,863     | 548,448    |
|                        | 2013   |            | 653,423    |

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

# EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

### **Funded Status and Funding Progress**

The City's funded status for the current year and related information for each plan is as follows:

| Police<br>IMRF Pension | 12/31/2012 4/30/2012     | 80.33% 42.80%  | \$5,247,562 \$10,463,737                    | \$4,215,113 \$4,481,601   | (\$1,032,449) (\$5,982,136)                               | \$2,518,404 \$1,694,445  | 41 CAO.                  |
|------------------------|--------------------------|----------------|---|---------------------------|---|--|--------------------------|
|                        | Actuarial Valuation Date | Percent Funded | Accuarial Accrued Liability<br>for Benefits | Actuarial Value of Assets | Over (Under) Funded Actuarial<br>Accrued Liability (UAAL) | Covered Payroll (Annual Payroll of Active Employees Covered by the Plan) | Ratio of UAAL to Covered |

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.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

## OTHER POST-EMPLOYMENT BENEFITS

## Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City offers post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund

The City offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Current elected officials are eligible if they were elected/appointed prior to April, 2013.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan, with the exception of two previous employees for which the City has agreed to pay portions of their post-employment health, dental and vision insurance. For the fiscal year ending April 30, 2013, retirees contributed \$57,824 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2013, membership consisted of:

| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them Active Employees  Total  Particinatine Fundovers | ving<br>ntitled 8  | 78               | 98    | 1                       |
|---|--|------------------|-------|-------------------------|
|   | Retirees and Beneficiaries Currently Recei<br>Benefits and Terminated Employees Er<br>to Benefits but not yet Receiving Them | Active Employees | Total | Participating Employers |

The City does not currently have a funding policy.

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

## OTHER POST-EMPLOYMENT BENEFITS - Continued

## Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2013, was calculated as follows:

| \$ 36,363<br>473<br>(316)  | 36,520<br>38,046                        | (1,526)                             | 9,453                                   | 7,927                             |
|--|---|-------------------------------------|---|-----------------------------------|
| Annual Required Contribution<br>Interest on the Net OPEB Obligation<br>Adjustment to the ARC | Annual OPEB Cost<br>Actual Contribution | Increase in the net OPEB Obligation | Net OPEB Obligation - Beginning of Year | Net OPEB Obligation - End of Year |

### **Trend Information**

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

| Net        | OPEB    | Obligation       | 7,007    | 9,453  | 7,927   |
|------------|---------|------------------|----------|--------|---------|
|            |         | 0                | ↔        |        |         |
| Percentage | of OPEB | Cost Contributed | 43.76%   | 42.58% | 104.18% |
|            | Actual  | Contributions    | 1,814    | 1,814  | 38,046  |
|            |         | Cor              | s        |        |         |
| Annual     | OPEB    | Cost             | 4,145    | 4,260  | 36,520  |
| 4          |         |                  | <b>↔</b> |        |         |
|            | Fiscal  | Year             | 2011     | 2012   | 2013    |

### **Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2013

## NOTE 4 - OTHER INFORMATION - Continued

## OTHER POST-EMPLOYMENT BENEFITS - Continued

## Funded Status and Funding Progress - Continued

The funded status of the plan as of April 30, 2012, the date of the latest actuarial valuation, was as follows:

| Actuarial Accrued Liability (AAL)                 | <b>∻</b> | 566,488   |
|---|----------|-----------|
| Actuarial Value of Plan Assets                    |          |           |
| Unfunded Actuarial Accrued Liability (UAAL)       |          | 566,488   |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) |          | 0.00%     |
| Covered Payroll (Active Plan Members)             |          | 4,553,600 |
| UAAL as a Percentage of Covered Payroll           |          | 12.44%    |

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was 30 years.

### SUBSEQUENT EVENT

On May 9, 2013, the City issued \$6,625,000 of General Obligation Library Refunding Bonds of 2013. The bonds bear interest at a rate of 2.00% to 4.00% and are due in annual installments of \$155,000 to \$730,000 through December 30, 2024.

In December of 2012, the City did not extend the Recreation Center lease for an additional five year period. As a result, the City ceased all Recreation Center activities as of June 30, 2013. The Recreation Center Fund will be closed out by an interfund transfer from the Parks and Recreation Fund in the subsequent fiscal year.

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Funding Progress and Employer Contributions

April 30, 2013

|     | Funding Progress | ogress.                |               |                |              |              | į  | Funding Progress | ogress                 |               |
|-----|------------------|------------------------|---------------|----------------|--------------|--------------|--|------------------|------------------------|---------------|
|     |                  |                        |               |                | (4)          |              | (6)<br>Unfunded<br>(Overfunded)<br>Actuarial |                  |                        |               |
|     |                  |                        | (2)           |                | Unfunded     |              | Accrued                                      |                  |                        | (2)           |
|     |                  | (1)                    | Actuarial     |                | (Overfunded) |              | Liability as a                               |                  | (1)                    | Actuarial     |
|     | Actuarial        | Actuarial              | Accrued       | (3)            | Actuarial    | (5)          | Percentage                                   | Actuarial        | Actuarial              | Accrued       |
|     | Valuation        | Value                  | Liability     | Funded         | Accrued      | Annual       | of Covered                                   | Valuation        | Value                  | Liability     |
|     | Date             | of Plan                | (AAL)         | Ratio          | Liability    | Covered      | Payroll                                      | Date             | of Plan                | (AAL)         |
|     | Dec. 31,         | Assets                 | - Entry Age   | $(1) \div (2)$ | (2) - (1)    | Payroll      | (4) ÷ (5)                                    | Apr. 30,         | Assets                 | - Entry Age   |
| D-( | 2007             | \$ 4,137,504           | \$ 4,104,243  | 100.81%        | \$ (33,261)  | \$ 3,271,273 | -1.02%                                       | 2007             | \$ 2,156,875           | \$ 5,728,722  |
| 6   | 2008             | 4,165,811              | 4,949,634     | 84.16%         | 783,823      |              | 21.22%                                       | 2008             | 2,631,594              | 7,382,023     |
|     | 2009             | 4,322,149              | 5,008,192     | 86.30%         | 686,043      |              | 18.85%                                       | 2009             | 2,759,119              | 8,272,076     |
|     | 2010             | 4,671,071              | 5,408,655     | 86.36%         | 737,584      | 3,235,515    | 22.80%                                       | 2010             | 3,643,355              | 9,509,795     |
|     | 2011             | 4,416,393              | 5,169,646     | 85.43%         | 753,253      | 2,663,554    | 28.28%                                       | 2011             | 4,216,855              | 10,393,520    |
|     | 2012             | 4,215,113              | 5,247,562     | 80.33%         | 1,032,449    | 2,518,404    | 41.00%                                       | 2012             | 4,481,601              | 10,463,737    |
|     |                  |                        |               |                |              |              |  |                  |                        |               |
|     | Employer (       | Employer Contributions |               |                | lound        |              |  | Employer C       | Employer Contributions |               |
|     | Fiscal           |                        | Employer      |                | Required     |              | Percent                                      | Fiscal           |                        | Employer      |
|     | Year             |                        | Contributions |                | Contribution |              | Contributed                                  | Year             |                        | Contributions |
|     | 2008             |                        | \$ 248,944    |                | \$ 248,944   |              | 100.00%                                      | 2008             |                        | \$ 275,144    |
|     | 2009             |                        | 287,422       |                | 287,422      |              | 100.00%                                      | 2009             |                        | 297,328       |
|     | 2010             |                        | 302,036       |                | 302,036      |              | 100.00%                                      | 2010             |                        | 323,291       |
|     | 2011             |                        | 310,933       |                | 295,402      |              | 95.01%                                       | 2011             |                        | 336,075       |
|     | 2012             |                        | 253,304       |                | 253,304      |              | 100.00%                                      | 2012             |                        | 360,356       |
|     | 2013             |                        | 267,471       |                | 242,774      |              | 110.17%                                      | 2013             |                        | 438,711       |

## UNITED CITY OF YORKVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Funding Progress and Employer Contributions

April 30, 2013

| (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage | of Covered Payroll $(4) \div (5)$ | 226.95%<br>265.53%<br>286.22%<br>322.34%<br>336.80%<br>353.04%                  | Percent<br>Contributed               | 81.15%<br>77.53%<br>75.26%<br>69.84%<br>72.51%<br>80.85%          |
|---|-----------------------------------|---|--------------------------------------|---|
| (3)   | Annual<br>Covered<br>Payroll      | \$ 1,573,832<br>1,789,042<br>1,926,125<br>1,819,957<br>1,890,046<br>1,694,445   |                                      |   |
| (4)<br>Unfunded<br>(Overfunded)<br>Actuarial                          | Accrued<br>Liability<br>(2) - (1) | \$ 3,571,847<br>4,750,429<br>5,512,957<br>5,866,440<br>6,176,665<br>5,982,136   | Annual<br>Required<br>Contribution   | \$ 339,071<br>383,502<br>429,562<br>481,207<br>496,952<br>542,648 |
| (3)   | Funded Ratio $(1) \div (2)$       | 37.65%<br>35.65%<br>33.35%<br>40.57%<br>42.83%                                  |                                      |   |
| (2)<br>Actuarial<br>Accrued   | Liability<br>(AAL)<br>- Entry Age | \$ 5,728,722<br>7,382,023<br>8,272,076<br>9,509,795<br>10,393,520<br>10,463,737 | Employer<br>Contributions            | \$ 275.144<br>297.328<br>323.291<br>336.075<br>360.356<br>438,711 |
| gress (1) Actuarial   | Value<br>of Plan<br>Assets        | \$ 2,156,875<br>2,631,594<br>2,759,119<br>3,643,355<br>4,216,855<br>4,481,601   | ntributions                          |   |
| Funding Progress Actuarial Ac   | Valuation<br>Date<br>Apr. 30,     | 2007<br>2008<br>2009<br>2010<br>2011<br>2011                                    | Employer Contributions  Fiscal  Year | 2008<br>2009<br>2010<br>2011<br>2012<br>2012                      |
| (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage | of Covered Payroll $(4) \div (5)$ | -1.02%<br>21.22%<br>18.85%<br>22.80%<br>28.28%<br>41.00%                        | Percent<br>Contributed               | 100.00%<br>100.00%<br>100.00%<br>95.01%<br>100.00%<br>110.17%     |
| (5)   | Annual<br>Covered<br>Payroll      | \$ 3,271,273<br>3,694,367<br>3,638,986<br>3,235,515<br>2,663,554<br>2,518,404   |                                      |   |
| (4)<br>Unfunded<br>(Overfunded)<br>Actuarial                          | Accrued<br>Liability<br>(2) - (1) | \$ (33,261)<br>783,823<br>686,043<br>737,584<br>753,253<br>1,032,449            | Annual<br>Required<br>Contribution   | \$ 248,944<br>287,422<br>302,036<br>295,402<br>253,304<br>242,774 |
| (3)   | Funded Ratio $(1) \div (2)$       | 100.81%<br>84.16%<br>86.30%<br>85.36%<br>85.43%<br>80.33%                       |                                      |   |

### **Other Post-Employment Benefit Plan**

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

**April 30, 2013** 

| Funding P         | rogress         |     |             |                |          |             |                                |                |
|-------------------|-----------------|-----|-------------|----------------|----------|-------------|--------------------------------|----------------|
|                   |                 |     |             |                |          |             |                                | (6)            |
|                   |                 |     |             |                |          |             |                                | Unfunded       |
|                   |                 |     |             |                |          |             |                                | (Overfunded)   |
|                   |                 |     |             |                |          | (4)         |                                | Actuarial      |
|                   |                 |     | (2)         |                |          | Infunded    |                                | Accrued        |
|                   | (1)             |     | Actuarial   |                | ,        | verfunded)  |                                | Liability as a |
| Actuarial         | Actuarial       |     | Accrued     | (3)            |          | Actuarial   | (5)                            | Percentage     |
| Valuation         | Value           | ]   | Liability   | Funded         |          | Accrued     | Annual                         | of Covered     |
| Date              | of Plan         |     | (AAL)       | Ratio          |          | Liability   | Covered                        | Payroll        |
| Apr. 30,          | Assets          | - l | Entry Age   | $(1) \div (2)$ |          | (2) - (1)   | Payroll                        | $(4) \div (5)$ |
| 2000              | <b>A.</b> N. A. | Φ.  | 37/4        | 37/4           | Ф        | NT/A        | <b>A N 1 1 1 1 1 1 1 1 1 1</b> | 27/4           |
| 2008              | \$ N/A          | \$  | N/A         | N/A            | \$       | N/A         | \$ N/A                         | N/A            |
| 2009              | -<br>> 7 / A    |     | 46,747      | 0.00%          |          | 46,747      | 5,483,409                      | 0.85%          |
| 2010              | N/A             |     | N/A         | N/A            |          | N/A         | N/A                            | N/A            |
| 2011              | N/A             |     | N/A         | N/A            |          | N/A         | N/A                            | N/A            |
| 2012              | -               |     | 566,488     | 0.00%          |          | 566,488     | 4,553,600                      | 12.44%         |
| 2013              | N/A             |     | N/A         | N/A            |          | N/A         | N/A                            | N/A            |
|                   |                 |     |             |                |          |             |                                |                |
| <b>Employer</b> ( | Contributions   |     |             |                |          |             |                                |                |
|                   |                 |     |             |                |          | Annual      |                                |                |
| Fiscal            |                 |     | Employer    |                |          | Required    |                                | Percent        |
| Year              |                 | Co  | ntributions |                | Co       | ontribution |                                | Contributed    |
| •                 |                 | Φ.  | 37/1        |                | <b>.</b> | <b></b>     |                                | 27/1           |
| 2008              |                 | \$  | N/A         |                | \$       | N/A         |                                | N/A            |
| 2009              |                 |     | 1,814       |                |          | 4,159       |                                | 43.62%         |
| 2010              |                 |     | 1,814       |                |          | 4,145       |                                | 43.76%         |
| 2011              |                 |     | 1,814       |                |          | 4,145       |                                | 43.76%         |
| 2012              |                 |     | 1,814       |                |          | 4,144       |                                | 43.77%         |
| 2013              |                 |     | 38,046      |                |          | 36,363      |                                | 104.63%        |

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009, and had a subsequent actuarial valuation performed for the fiscal year ended April 30, 2012. Information for prior years is not available. The City is required to have an actuarial valuation performed triennially.

KEVIN W. McCANNA

DAVID F. PHILLIPS SR. VICE PRESIDENT LARRY P. BURGER VICE PRESIDENT DANIEL D. FORBES VICE PRESIDENT BARBARA L. CHEVALIER VICE PRESIDENT RAPHALIATA T. McKENZIE VICE PRESIDENT

Attachment J

December 10, 2013

Mayor and City Council United City of Yorkville 800 Game Farm Road Yorkville, Illinois 60560

Attention: Mr. Rob Fredrickson, Finance Director

Re: Coverage Analysis for \$1,235,000 General Obligation Bonds (Alternate Revenue Source)
Refunding Bonds, Series 2014

Dear Members of the City Council:

As you requested, Speer Financial, Inc. has prepared the report attached hereto as Exhibit A. This report is based upon information supplied by the United City of Yorkville (the "City") as to the revenues from the sales taxes received by the City pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailer's Occupation Tax Act (the "Pledged Revenues"). Based solely upon such information and such assumptions, the report demonstrates the sufficiency of the City's Pledged Revenues to provide an amount not less than 1.25 times debt service of the above-referenced bonds (the "Bonds") as required by the Local Government Debt Reform Act, P.A. 85-1419, as amended (the "Act").

Speer Financial, Inc. is not a legal or accounting firm, and accordingly does not express any legal or accounting interpretations or conclusions in this report. This report is not a guarantee of the sufficiency of the Pledged Revenues to pay debt service on the Bonds.

Speer Financial, Inc. hereby certifies that it is a feasibility analyst having a national reputation for expertise in such matters within the meaning of the Act. Speer Financial, Inc. is a nationally recognized firm of employee-owned municipal finance consultants. Since our founding in 1954, we have participated in the sale of over \$20.0 billion in taxable and tax-exempt securities as general obligation bonds, revenue bonds, refunding bonds, tax increment bonds and special service area bonds. Attached hereto as Exhibit B is a list of the bond issues completed by Speer Financial, Inc. in the calendar year 2012.

Sincerely,

SPEER FINANCIAL, INC.

Kevin W. M Cannaga

Kevin W. McCanna

President

Enclosures

Copy to: James A. Shanahan, Esq., Shanahan & Shanahan LLP

Kathleen Field Orr, Esq., Kathleen Field Orr & Associates

Darryl R. Davidson, Esq., Miller, Canfield, Paddock and Stone, P.L.C.

### United City of Yorkville, Kendall County, Illinois

\$1,235,000 General Obligation (ARS) Bonds, Series 2014 Partial Refunding of Series 2005 FINAL

### **Debt Service Schedule**

| Date  | Principal  | Coupon   | Interest   | Total P+I                                 |
|---|--|--|--|---|
| 12/01/2014  | -  | -  | 45,784.38  | 45,784.38                                 |
| 12/01/2015  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2016  | •  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2017  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2018  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2019  |  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2020  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2021  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2022  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2023  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2024  | -  | -  | 50,715.00  | 50,715.00                                 |
| 12/01/2025  | 230,000.00   | 4.000%   | 50,715.00  | 280,715.00                                |
| 12/01/2026  | 235,000.00   | 4.000%   | 41,515.00  | 276,515.00                                |
| 12/01/2027  | 245,000.00   | 4.050%   | 32,115.00  | 277,115.00                                |
| 12/01/2028  | 255,000.00   | 4.150%   | 22,192.50  | 277,192.50                                |
| 12/01/2029  | 270,000.00   | 4.300%   | 11,610.00  | 281,610.00                                |
| Total   | \$1,235,000.00   | -  | \$711,081.88   | \$1,946,081.88                            |
| Yield Statistics  Bond Year Dollars  Average Life  Average Coupon |  |  |  | \$17,269.93<br>13.984 Years<br>4.1174565% |
| Average Coupon  | TO ADMINISTRAÇÃO AND | entere considéración de Acosto Majorcopaque en estado estada entere por estado en estado en estado en estado e | enter en en enter en en en enteren en en enteren en enteren en enteren en enteren en en en en en en en en en e |   |
| Net Interest Cost (NIC  | ()   |  |  | 4.1740488%                                |
| True Interest Cost (TIC   | C)   |  |  | 4.1903833%                                |
| Bond Yield for Arbitra  | age Purposes   |  |  | 4.0714888%                                |
| All Inclusive Cost (Al  | C)   |  |  | 4.5153406%                                |
| IRS Form 8038   |  |  |  |   |
| Net Interest Cost   |  |  |  | 4.0683285%                                |

Series 2014 FINAL | SINGLE PURPOSE | 12/10/2013 | 11:08 AM

Weighted Average Maturity

13.976 Years

|           | 2029      | 2028      | 2027      | 2026      | 2025      | 2024      | 2023      | 2022      | 2021      | 2020        | 2019      | 2018      | 2017      | 2016      | 2015      | 2014          | <u>Year</u>                                     |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|---------------|---|
|           | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | . 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | 2,490,503 | \$ 2,490,503  | Revenue<br>Available<br>for Debt<br>Service (1) |
| ↔         |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           | <del>()</del> | ,   |
| 2,190,828 | ı         | ı         | ı         | ı         | 1         | 313,050   | 310,305   | 311,923   | 307,913   | 303,203     | 303,073   | 68,073    | 68,073    | 68,073    | 69,073    | 68,073        | Series<br>2005(2)                               |
| ↔         |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           | ↔             |   |
| 1,946,082 | 281,610   | 277,193   | 277,115   | 276,515   | 280,715   | 50,715    | 50,715    | 50,715    | 50,715    | 50,715      | 50,715    | 50,715    | 50,715    | 50,715    | 50,715    | 45,784        | The<br>Bonds                                    |
|           |           |           |           |           |           |           |           |           |           |             |           |           |           |           |           | <del>69</del> |   |
|           | 281,610   | 277,193   | 277,115   | 276,515   | 280,715   | 363,765   | 361,020   | 362,638   | 358,628   | 353,918     | 353,788   | 118,788   | 118,788   | 118,788   | 119,788   | 113,857       | Total   |
|           | 8.84 ×    | 8.98 x    | 8.99 x    | 9.01 x    | 8.87 x    | 6.85 x    | 6.90 x    | 6.87 x    | 6.94 x    | 7.04 x      | 7.04 x    | 20.97 x   | 20.97 x   | 20.97 x   | 20.79 x   | 21.87 x       | Debt<br>Service<br>Coverage                     |
|           | 352,013   | 346,491   | 346,394   | 345,644   | 350,894   | 454,706   | 451,275   | 453,297   | 448,284   | 442,397     | 442,234   | 148,484   | 148,484   | 148,484   | 149,734   | \$ 142,321    | Mandatory<br>Coverage<br>Amounts(3)             |

Notes:

- (1) Based on the City's 2013 fiscal year report.(2) Does not include defeased bonds.(3) Equal to the mandatory 125% rate covenant.

**General Fund** 

### Schedule of Revenues - Budget and Actual Year Ended April 30, 2013

|                                     | Budg         | get       |           |
|-------------------------------------|--------------|-----------|-----------|
|                                     | Original     | Final     | Actual    |
| Taxes                               |              |           |           |
| Property Tax                        | \$ 2,721,487 | 2,721,487 | 2,715,518 |
| Sales Tax                           | 2,325,000    | 2,325,000 | 2,490,503 |
| Non-Home Rule Sales Tax             | 1,500,000    | 1,500,000 | 1,919,423 |
| Municipal Utility Tax               | 899,946      | 899,946   | 835,972   |
| Cable TV Franchise Tax              | 230,000      | 230,000   | 218,091   |
| Telecommunications Tax              | 513,500      | 513,500   | 499,630   |
| Hotel Tax                           | 50,000       | 50,000    | 53,859    |
| Admissions and Amusement Tax        | 238,500      | 238,500   | 260,055   |
| Auto Rental Tax                     | 10,000       | 10,000    | 9,633     |
| Business District Tax               | 300,000      | 300,000   | 314,385   |
| Para-Mutuel Tax                     |              | -         | 314       |
|                                     | 8,788,433    | 8,788,433 | 9,317,383 |
| Intergovernmental                   |              |           |           |
| State Income Taxes                  | 1,320,000    | 1,320,000 | 1,587,324 |
| State Use Tax                       | 242,400      | 242,400   | 268,285   |
| Township Road and Bridge Tax        | 170,000      | 170,000   | 168,477   |
| Personal Property Replacement Tax   | 16,000       | 16,000    | 15,908    |
| Federal Grants                      | 9,200        | 9,200     | 17,131    |
| Miscellaneous                       | 2,000        | 2,000     | 3,613     |
|                                     | 1,759,600    | 1,759,600 | 2,060,738 |
| Licenses, Permits and Fees          |              |           |           |
| Liquor Licenses                     | 40,000       | 40,000    | 39,895    |
| Other Licenses                      | 2,700        | 2,700     | 2,336     |
| Building Permits                    | 126,600      | 126,600   | 126,600   |
| Ç                                   | 169,300      | 169,300   | 168,831   |
| Charges for Services                |              |           |           |
| Garbage Surcharge                   | 1,021,784    | 1,021,784 | 1,049,385 |
| Collection Fees - Sanitary District | 151,500      | 151,500   | 150,423   |
| Police Special Detail               | 5,000        | 5,000     | 100       |
| •                                   | 1,178,284    | 1,178,284 | 1,199,908 |

SPEER FINANCIAL, INC.

CLIENT SALES OF SECURITIES

2012

10/14/2013

| 36 Moline, IL            | 35 Moline, IL            | 34 Moline, IL                             | 33 Moline, IL                             | 32 Moline, IL                             | 31 Willow Springs, IL      | 30 Willow Springs, IL          | 29 Willow Springs, IL              | 28 Elgin, IL             | 27 Kankakee, IL         | 26 Elkhart CSD, IL                          | 25 Wood Dale, IL          | 24 Des Plaines PD, IL            | 23 River Trails PD, IL         | 22 Springfield PD, IL            | 21 Prospect Heights, IL | 20 Kingsbury PD, IL            | 19 Darien PD, IL               | 18 Vernon Hills, IL  | 17 Vernon Hills, IL  | 16 Schaumburg, IL        | 15 Batavia, IL          | 14 Geneva, IL  | 13 Geneva, IL            | 12 Clarendon Hills, IL                     | 11 Decatur PD, IL         | 10 Decatur PD, IL          | 9 Waukegan,IL             | 8 Joliet, IL                                  | 7 Minooka, IL                 | 6 Clarendon Hills PD, IL         | 5 Western Springs, IL | 4 Murphysboro PD, IL           | 3 Arlington Heights, IL  | 2 Fulton, IL                   | 1 Farley, IA | <u>Issuer</u>   |                        |
|--------------------------|--------------------------|---|---|---|----------------------------|--------------------------------|------------------------------------|--------------------------|-------------------------|---|---------------------------|----------------------------------|--------------------------------|----------------------------------|-------------------------|--------------------------------|--------------------------------|----------------------|----------------------|--------------------------|-------------------------|--|--------------------------|--|---------------------------|----------------------------|---------------------------|---|-------------------------------|----------------------------------|-----------------------|--------------------------------|--------------------------|--------------------------------|--------------|-----------------|------------------------|
| Aa2                      | Aa2                      | Aa2                                       | Aa2                                       | Aa2                                       | ₽                          | ₽                              | ₽                                  | AA+                      | ≻                       | Aa3/Aa2                                     | Å                         | N/R                              | N/R                            | A1                               | Aa3                     | N/R                            | N/R                            | Aaa                  | Aaa                  | Aaa/AA+                  | Aa1                     | Aa2  | Aa2                      | AA+  | AA-                       | AA-                        | A2                        | AA-   | AA-                           | AA-                              | Aa2                   | N/R                            | Aa1                      | N/R                            | N/R          | Rating          | Investment             |
| 5,930,000 G.O. Ref 2012E | 3,220,000 G.O. Ref 2012D | 7,350,000 Taxable G.O. Corp Purpose 2012C | 1,400,000 Taxable G.O. Corp Purpose 2012B | 3,010,000 Taxable G.O. Corp Purpose 2012A | 160,825 G.O. Ltd Tax 2012C | 1,765,000 G.O. Ref (Alt) 2012B | 1,100,000 Taxable G.O. (Alt) 2012A | 15,215,000 G.O. Ref 2012 | 2,645,000 G.O. Ref 2012 | 13,675,000 First Mortgage Multipurpose 2012 | 9,995,000 G.O. (Alt) 2012 | 1,060,370 G.O. Ltd Tax Park 2012 | 741,650 G.O. Ltd Tax Park 2012 | 1,600,000 G.O. Ltd Tax Park 2012 | 5,000,000 G.O. 2012     | 265,000 G.O. Ltd Tax Park 2012 | 889,030 G.O. Ltd Tax Park 2012 | 1,625,000 G.O. 2012B | 7,850,000 G.O. 2012A | 13,025,000 G.O. Ref 2012 | 1,530,000 G.O. Ref 2012 | 5,250,000 G.O. Ref (Waterworks & Sewerage Alt) 2012B | 2,355,000 G.O. Ref 2012A | 2,360,000 Refunding Debt Certificates 2012 | 3,500,000 G.O. Park 2012B | 400,000 G.O. Airport 2012A | 23,490,000 G.O. Ref 2012A | 13,160,000 Waterworks & Sewerage Rev Ref 2012 | 2,750,000 G.O. Ref (Alt) 2012 | 1,700,000 G.O. Ltd Tax Park 2012 | 3,250,000 G.O. 2012   | 144,820 G.O. Ltd Tax Park 2012 | 9,670,000 G.O. Ref 2012A | 1,365,000 G.O. Ref (Alt) 2012B | 8            |                 | Issue Type of          |
| 28-Feb                   | 28-Feb                   | 28-Feb                                    | 28-Feb                                    | 28-Feb                                    | 23-Feb                     | 23-Feb                         | 23-Feb                             | 22-Feb                   | 21-Feb                  | 16-Feb                                      | 16-Feb                    | 16-Feb                           | 15-Feb                         | 15-Feb                           | 13-Feb                  | 6-Feb                          | 9-Feb                          | 7-Feb                | 7-Feb                | 7-Feb                    | 6-Feb                   | 6-Feb  | 6-Feb                    | 6-Feb                                      | 31-Jan                    | 31-Jan                     | 26-Jan                    | 25-Jan  | 24-Jan                        | 23-Jan                           | 23-Jan                | 18-Jan                         | 17-Jan                   | 16-Jan                         | 16-Jan       | of Sale         | Date                   |
| Neg.                     | Neg.                     | Neg.                                      | Neg.                                      | Neg.                                      | Neg.                       | ω                              | 2                                  | Neg.                     | Neg.                    | Neg.  | 7                         | 4                                | 4                              | 4                                | 7                       | 2                              | 4                              | ω                    | 9                    | Neg.                     | Neg.                    | Neg.   | Neg.                     | 4  | 10                        | 2                          | Neg.                      | Neg.  | Neg.                          | 2                                | 5                     | 2                              | œ                        | Neg.                           | Neg.         | Bidders         | # of                   |
| 1.9012%                  | 1.2013%                  | 2.4535%                                   | 4.1978%                                   | 4.0593%                                   | 2.7500%                    | 2.8005%                        | 4.5780%                            | 1.9750%                  | 1.8987%                 | 2.4038%                                     | 2.5826%                   | 1.2500%                          | 1.3000%                        | 2.8908%                          | 2.1095%                 | 1.0596%                        | 1.2928%                        | 2.0631%              | 1.9288%              | 2.0728%                  | 2.1195%                 | 2.9214%  | 1.5389%                  | 2.0098%                                    | 0.6671%                   | 1.4638%                    | 2.9474%                   | 1.8992%                                       | 2.6464%                       | 2.6105%                          | 2.2366%               | 1.9709%                        | 1.6835%                  | 3.1201%                        | 91%          | Low Bid H       | Net/True Interest Rate |
|                          |                          |   |   |   |                            | 3.7863%                        | 5.3805%                            |                          |                         |   | 2.7537%                   | 2.1742%                          | 2.5000%                        | 3.1213%                          | 2.4062%                 | 4.3441%                        | 3.3000%                        | 2.1123%              | 2.2913%              |                          |                         |  |                          | 2.8885%                                    | 1.2271%                   | 2.3168%                    |                           |   |                               | 2.8956%                          | 2.4685%               | 3.2574%                        | 1.8500%                  |                                |              | High Bid        | est Rate               |
| 2021                     | 2016                     | 2020                                      | 2031                                      | 2031                                      | 2012                       | 2022                           | 2031                               | 2023                     | 2019                    | 2024  | 2032                      | 2013                             | 2012                           | 2024                             | 2026                    | 2013                           | 2012                           | 2026                 | 2026                 | 2024                     | 2025                    | 2030   | 2018                     | 2025                                       | 2013                      | 2012                       | 2022                      | 2017  | 2025                          | 2025                             | 2025                  | 2016                           | 2022                     | 2025                           | 2022         | <b>Maturity</b> | Last                   |

### Exhibit B

SPEER FINANCIAL, INC.

CLIENT SALES OF SECURITIES

2012

10/14/2013

| 71 Chicago Ridge PD, IL<br>72 Geneva PD, IL                      | 70 Hawkeye CC, IA   | 69 Hawkeye CC, IA   | 68 Western Springs, IL     | 67 Western Springs, IL                               | 66 Western Springs, IL                     | 65 Britt, IA                               | 64 Anamosa CSD, IA                                    | 63 Boone, IA  | 62 Tipton, IA          | 61 Urbana, IA                              | 60 Palo, IA                                | 59 Burr Ridge, IL                          | 58 Manchester, IA                                    | 57 Peoria, IL                 | 56 Lockport, IL           | 55 Waukegan,IL                             | 54 Anamosa CSD, IA   | 53 Woodridge, IL                 | 52 Woodridge, IL         | 51 Zion, IL                       | 50 Oak Park PD, IL             | 49 Gail Borden Public Lib, IL   | 48 Elgin CCD No. 509, IL | 47 La Porte City, IA                   | 46 Marshalltown, IA      | 45 Marshalltown, IA                    | 44 Hiawatha, IA                                   | 43 Hiawatha, IA                         | 42 Ottumwa, IA                          | 41 Black Hawk County, IA | 40 Eagle Grove, IA      | 39 Addison, IL          | 38 Tipton, IA               | 37 Moline, IL | lssuer                      |
|--|---|---|----------------------------|--|--|--|---|---|------------------------|--|--|--|--|-------------------------------|---------------------------|--|--|----------------------------------|--------------------------|-----------------------------------|--------------------------------|---------------------------------|--------------------------|--|--------------------------|--|---|---|---|--------------------------|-------------------------|-------------------------|-----------------------------|---------------|-----------------------------|
| AA+  | Aa2   | Aa2   | Aa4                        | Aa3  | Aa2  | N/R  | N/R   | N/R   | N/R                    | N/R  | N/R  | Aa2  | N/R  | Aa2/AA                        | AA                        | A2   | N/R  | Aa1/AAA                          | Aa1/AAA                  | N/R                               | Aa2                            | Aa2                             | Aaa                      | N/R                                    | Aa2                      | Aa2                                    | A1  | A1                                      | A1                                      | Aa2                      | N/R                     | AA+                     | N/R                         | Aa2           | Investment<br>Rating        |
| 3,615,000 G.O. Patk (Alt) 2012<br>2,765,000 G.O. Ref (Alt) 2012A | 1,855,000 Industrial New Jobs training Certificates, 2012-2 | 2,515,000 Industrial New Jobs training Certificates, 2012-1 | 650,000 G.O. Ltd Ref 2012C | 1,555,000 G.O. Ref (Waterworks & Sewerage Alt) 2012B | 1,770,000 G.O. Ref (Utility Tax Alt) 2012A | 1,277,100 G.O. Ref Capital Loan Notes 2012 | 2,290,000 School Infras. Sales Serv Use Tax Rev 2012B | 4,639,000 Sewer Rev Refunding Capital Loan Notes 2012 | 755,000 G.O. Ref 2012A | 800,000 G.O. Street Improvement & Ref 2012 | 1,796,850 G.O. Corporate Purpose Ref. 2012 | 5,935,000 Refunding Debt Certificates 2012 | 1,000,000 G. O. Corporate Purpose Bonds, Series 2012 | 31,655,000 Taxable G.O. 2012A | 9,750,000 G.O. (Alt) 2012 | 1,675,000 Taxable G.O. Tax Increment 2012B | 1,600,000 Taxable School Infras Sales Serv Use Tax Rev 2012A | 1,805,000 Taxable G.O. Ref 2012B | 1,530,000 G.O. Ref 2012A | 2,500,000 Taxable G.O. (Alt) 2012 | 9,995,000 G.O. Park (Alt) 2012 | 2,755,000 G.O. Library Ref 2012 | 8,040,000 G.O. Ref 2012  | 1,920,000 G.O. Capital Loan Notes 2012 | 3,080,000 G.O. Ref 2012B | 5,000,000 G.O. Corporate Purpose 2012A | 955,000 Taxable G.O. Ref Capital Loan Notes 2012B | 2,855,000 G.O. Capital Loan Notes 2012A | 4,120,000 G.O. Capital Loan Notes, 2012 | 1,540,000 G.O. 2012      | 1,827,473 G.O. Ref 2012 | 3,985,000 G.O. Ref 2012 | 2,720,000 Electric Rev 2012 | 8             | Issue Type of Size Security |
| 25-Apr<br>25-Apr   | 24-Apr  | 24-Apr  | 23-Apr                     | 23-Apr   | 23-Apr                                     | 17-Apr                                     | 16-Apr  | 16-Apr  | 16-Apr                 | 11-Apr                                     | 10-Apr                                     | 9-Apr                                      | 4-Apr  | 4-Apr                         | 4-Apr                     | 3-Apr                                      | 29-Mar   | 22-Mar                           | 22-Mar                   | 20-Mar                            | 15-Mar                         | 13-Mar                          | 13-Mar                   | 13-Mar                                 | 12-Mar                   | 12-Mar                                 | 7-Mar   | 7-Mar                                   | 6-Mar                                   | 6-Mar                    | 5-Mar                   | 5-Mar                   | 29-Feb                      | 28-Feb        | of Sale                     |
| Neg.<br>6  | œ   | 9   | Neg.                       | Neg.   | Neg.                                       | Neg.                                       | Neg.  | Neg.  | 4                      | ω  | Neg.                                       | ω  | თ  | 4                             | <b>Ω</b>                  | Neg.                                       | Neg.   | Neg.                             | Neg.                     | Neg.                              | 4                              | Neg.                            | Neg.                     | 4                                      | Neg.                     | Οī                                     | 6   | Çī                                      | Neg.                                    | 6                        | Neg.                    | Neg.                    | Neg.                        | Neg.          | # or<br>Bidders             |
| 3.4491%<br>0.9566%   | 1.0918%   | 1.9711%   | 1.3585%                    | 1.8828%  | 1.4992%                                    | 1.7738%                                    | 3.3100%   | 2.3994%   | 1.3952%                | 1.6144%                                    | 2.7646%                                    | 1.5015%                                    | 1.2727%  | 4.3777%                       | 1.6698%                   | 4.2067%                                    | 4.8500%  | 2.0701%                          | 1.3386%                  | 6.1818%                           | 3.0657%                        | 2.3942%                         | 2.1487%                  | 2.5329%                                | 1.5073%                  | 1.9524%                                | 2.4403%   | 1.3900%                                 | 1.8128%                                 | 0.7440%                  | 2.1929%                 | 1.4053%                 | 2.7901%                     | 30%           | Low Bid High Bid            |
| 1.2008%  | 1.2726%   | 2.2427%   |                            |  |  |  |   |   | 1.6665%                | 2.4057%                                    |  | 1.8870%                                    | 1.6184%  | 4.8273%                       | 2.2955%                   |  |  |                                  |                          |                                   | 3.2377%                        |                                 |                          | 2.6994%                                |                          | 2.2112%                                | 3.0057%   | 1.6886%                                 |   | 1.2341%                  |                         |                         |                             |               | High Bid                    |
| 2031   | 2017  | 2022  | 2016                       | 2020   | 2017                                       | 2022                                       | 2029  | 2022  | 2020                   | 2022                                       | 2027                                       | 2017                                       | 2020   | 2032                          | 2020                      | 2022                                       | 2027   | 2016                             | 2016                     | 2021                              | 2028                           | 2021                            | 2022                     | 2027                                   | 2023                     | 2027                                   | 2024  | 2024                                    | 2026                                    | 2017                     | 2026                    | 2019                    | 2027                        | 2024          | Maturity                    |

Exhibit B

10/14/2013

| 103 Waterloo, IA<br>104 Waterloo, IA<br>105 New Hartford, IA<br>106 Lake Bluff, IL<br>107 Peoria, IL<br>108 Elgin, IL   |  |  | 84 Western Iowa Tech CC, IA 85 Charleston, IL 86 Foss PD, IL 87 Holland, MI 88 Tripoli CSD, IA 89 Vinton, IA 90 Fairfax, IA  | 77 Will County, IL 78 Nashua-Plainfield CSD, IA 79 Evanston/Skokie SD 65, IL 80 Wheeling, IL 81 Wheeling, IL 82 Marshalltown, IA 83 Peoria County, IL | Issuer 73 Winnebago County, IL 74 Winnebago County, IL 75 Winnebago County, IL 76 Winnebago County, IL  |
|---|--|--|--|---|---|
| Aa2<br>Aa2<br>N/R<br>N/R<br>N/R<br>Aa2/VMIG1<br>AA+/AAA   | N/R<br>A2<br>N/R<br>N/R<br>AA-(Ins)/A+<br>AA-(Ins)/A+  | N/R AA-(Ins)/A+ AA-(Ins)/A+ AA-(Ins)/A+ AA-(Ins)/A+  | Aa2<br>AA-<br>N/R<br>Aa2/AA<br>A+<br>N/R   | Aa1/AA+<br>A<br>Aa1<br>AA/AAA<br>AA/AAA<br>Aa2<br>Aa2   | Investment Rating Aa2 Aa2 Aa2 Aa2 Aa3   |
| 5,470,000 G.O. Ref 2012B<br>5,205,000 G.O. Ref 2012C<br>315,000 G.O. Ref Capital Loan Notes 2012<br>1,685,000 G.O. Ref 2012<br>4,500,000 Taxable Variable Rate GO Capital Improvement<br>8,600,000 GO Corporate Purpose 2012A | 1,575,000 G.O. Park (Alt) 2012A 5,510,000 School Infras. Sales Serv Use Tax Rev 2012 6,090,000 G.O. Corp Purpose 2012 691,000 Debt Certificates 2012 6,000,000 G.O. School 2012A 1,110,000 Taxable G.O. School Ref 2012B | 755,000 Debt Certificates 2012<br>2,200,000 Taxable G.O. Ref Debt Certificates 2012D<br>1,730,000 G.O. Ref (Alt) 2012A<br>945,000 G.O. Ref (Alt) 2012B<br>1,400,000 G.O. Ref (Alt) 2012C | 2,740,000 Industrial New Jobs Training Certificates 2012-1 5,145,000 G.O. Ref 2012 1,983,703 G.O. Park (Alt) 2012A 9,740,000 Water Supply System Rev Ref 2012 3,100,000 G.O. School 2012 985,000 G.O. Street Improvement & Ref 2012 590,000 G.O. Fire Truck & Ref 2012 | 1.3   | Issue Type of Size Security 2,360,000 G.O. Debt Certificates 2012A 2,975,000 G.O. Alt Ref (911 surcharge) 2012B 3,285,000 G.O. Alt Ref (State Income Tax) 2012C 8,400,000 G.O. Alt Ref (Matching Tax Fuel Tax Alt 2012D |
| 5-Jun<br>5-Jun<br>6-Jun<br>8-Jun<br>12-Jun  | 24-way 31-May 31-May 4-Jun 4-Jun 4-Jun 4-Jun   | 22-May<br>22-May<br>23-May<br>23-May<br>23-May   | 14-May<br>15-May<br>16-May<br>16-May<br>21-May<br>21-May<br>22-May   | 1-May<br>2-May<br>7-May<br>7-May<br>7-May<br>7-May<br>10-May  | Date of Sale 26-Apr 26-Apr 26-Apr 26-Apr 26-Apr   |
| Neg.  | Neg.   | Neg.   | N eg.  | Neg.<br>7 3 3 3 4 4 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9   | vi  |
| 1.0371%<br>2.5388%<br>1.4117%<br>2.3500%<br>0.4100%<br>2.8275%  | 3.5455%<br>2.9631%<br>4.2502%<br>2.9907%<br>3.1569%<br>2.8859%<br>1.7710%  | 1.5000%<br>3.0097%<br>2.2426%<br>2.0806%<br>2.5065%  | 1.8401%<br>2.0148%<br>3.5427%<br>2.3401%<br>2.1848%<br>1.6805%<br>1.4410%  | 2.3953%<br>2.7761%<br>2.6839%<br>2.4027%<br>3.2303%<br>2.5800%<br>2.0703%   | Net/True Interest Rate           Low Bid         High Bid           2.0675%         2.1478           1.6974%         1.8907           2.4499%         2.6181           2.3304%         2.8664                           |
| 1.5155%<br>2.5536%<br>3.0552%   | 3.7357%<br>3.6921%<br>2.1840%  |  | 2.0323%<br>2.5459%<br>2.7267%<br>2.7267%<br>1.9023%<br>1.7632%   | 2.9005%<br>3.1778%<br>2.4854%<br>3.3939%<br>2.2690%   | High Bid<br>2.1478%<br>1.8907%<br>2.6181%<br>2.8664%  |
| 2020<br>2027<br>2027<br>2020<br>2020<br>2027<br>2028  | 2029<br>2029<br>2031<br>2021<br>2031<br>2021<br>2021   | 2026<br>2017<br>2021<br>2020<br>2022<br>2022   | 2022<br>2024<br>2027<br>2027<br>2024<br>2029<br>2029<br>2020   | 2024<br>2029<br>2031<br>2024<br>2022<br>2027<br>2027  | Last Maturity 2021 2019 2024 2022   |

Exhibit B

10/14/2013

| 144 Britt, IA  | 143 Monmouth, IL    | 142 Collinsville, IL    | 141 Hopkinton, IA                                 | 140 McHenry, IL     | 139 LaGrange, IL         | 138 Peoria, IL           | 137 Parkersburg, IA            | 136 Parkersburg, IA                   | 135 Orland Park, IL      | 134 Fulton, IL             | 133 Boone County, IL          | 132 Hinsdale, IL           | 131 Lena Community PD, IL      | 130 Buffalo Grove, IL | 129 Rockford, IL | 128 Rockford, IL                                 | 127 Rockford, IL         | 126 Winnebago County, IL               | 125 Moline, IL           | 124 Moline, IL           |                                  | 122 Channahon PD, IL            | 121 Channahon PD, IL                    | 120 Postville, IA                      | 119 Mason City, IA | 118 Mason City, IA | 117 Elmhurst, IL | 116 Lake Zurich, IL           | 115 Schaumburg, IL        | 114 Southeastern CC, IA                                   | 113 Batavia, IL          | 112 Warrenville PD, IL | 111 Warrenville PD, IL   | 110 Darien, IL                | 109 Elgin, IL | Issuer    |                        |
|--|---------------------|-------------------------|---|---------------------|--------------------------|--------------------------|--------------------------------|---------------------------------------|--------------------------|----------------------------|-------------------------------|----------------------------|--------------------------------|-----------------------|------------------|--|--------------------------|--|--------------------------|--------------------------|----------------------------------|---------------------------------|---|--|--------------------|--------------------|------------------|-------------------------------|---------------------------|---|--------------------------|------------------------|--------------------------|-------------------------------|---------------|-----------|------------------------|
| N/R  | <b>A</b> +          | Aa3                     | N/R   | Aa2                 | Aa2                      | Aa2/AA                   | N/R                            | N/R                                   | Aa1/AA+                  | ➤                          | Aa2                           | AAA/AAA                    | N/R                            | Aaa/AAA               | Aa3              | Aa3  | Aa3                      | Aa2                                    | Aa2                      | Aa2                      | Aa2                              | N/R                             | N/R                                     | N/R                                    | Aa2                | Aa2                | AA+              | A                             | Aaa/AA+                   | N/R   | Aa1                      | N/R                    | N/R                      | Aa2                           | AA+/AAA       | Rating    | Investment             |
| 222,000 Special Assessment Street Improv Capital Loan 2012 | 2,000,000 G.O. 2012 | 9,625,000 G.O. Ref 2012 | 610,000 G.O. Sewer Improvement and Refunding 2012 | 3,100,000 G.O. 2012 | 6,205,000 G.O. Ref 2012B | 9,995,000 G.O. Ref 2012B | 1,095,000 G.O. Refunding 2012B | 635,000 G.O. Street Improvement 2012A | 9,005,000 G.O. Ref 2012A | 2,353,000 G.O. (Alt) 2012C | 3,180,000 G.O. Ref (Alt) 2012 | 5,000,000 G.O. (Alt) 2012A | 235,000 G.O. Ltd Tax Park 2012 | G.O.                  | G.O.             | 1,470,000 G.O. Ref Waterworks System (Alt) 2012B | 5,925,000 G.O. Ref 2012A | 2,800,000 G.O. Debt Certificates 2012E | 3,440,000 G.O. Ref 2012I | 7,450,000 G.O. Ref 2012H | 3,120,000 G.O. Ref Taxable 2012G | 227,750 Debt Certificates 2012B | 187,750 Taxable Debt Certificates 2012A | 1,110,000 G.O. Capital Loan Notes 2012 |                    |                    |                  | 2,650,000 G.O. Ref (Alt) 2012 | 69,935,000 G.O. Ref 2012A | 365,000 Indsutrial New Jobes Training Certificates 2012-1 | 7,150,000 G.O. Ref 2012A |                        | 441,565 G.O. (Alt) 2012A | 2,810,000 G.O. Refunding 2012 | 8             |           | Issue Type of          |
| 5-Sep  | 4-Sep               | 29-Aug                  | 27-Aug  | 27-Aug              | 27-Aug                   | 23-Aug                   | 22-Aug                         | 22-Aug                                | 20-Aug                   | 20-Aug                     | 15-Aug                        | 14-Aug                     | 7-Aug                          | 6-Aug                 | 30-Jul           | 30-Jul   | 30-Jul                   | 26-Jul                                 | 26-Jul                   | 26-Jul                   | 26-Jul                           | 23-Jul                          | 23-Jul                                  | 23-Jul                                 | 17-Jul             | 17-Jul             | 16-Jul           | 16-Jul                        | 12-Jul                    | 9-Jul   | 9-Jul                    | 21-Jun                 | 21-Jun                   | 18-Jun                        | 13-Jun        | of Sale   | Date                   |
| Neg.   | 2                   | Neg.                    | ω   | တ                   | œ                        | Neg.                     | ω                              | ω                                     | œ                        | ω                          | 10                            | 9                          | 2                              | 9                     | ω                | ω  | 4                        | 2                                      | Neg.                     | Neg.                     | Neg.                             |                                 | _                                       | Neg.                                   | 4                  | 7                  | 10               | 9                             | Neg.                      | ω   | Neg.                     | _                      | 2                        | Neg.                          |               | Ŝ         | #<br>of                |
| 1.9106%  | 2.1295%             | 2.6567%                 | 1.6566%   | 2.2953%             | 1.7308%                  | 2.8967%                  | 1.6998%                        | 2.2623%                               | 1.7784%                  | 3.1792%                    | 0.9753%                       | 2.0954%                    | 1.2900%                        | 2.2113%               | 1.5596%          | 1.0647%  | 1.0454%                  | 1.8185%                                | 2.0324%                  | 2.3928%                  | 2.2469%                          | 2.9559%                         | 3.4533%                                 | 1.5632%                                | 1.1719%            | 1.2615%            | 2.2429%          | 1.5060%                       | 2.8399%                   | 2.4420%   | 2.4062%                  | 1.1131%                | 1.4268%                  | 2.4705%                       | 68%           | Low Bid H | Net/True Interest Rate |
|  | 2.1422%             |                         | 2.2374%   | 2.4496%             | 1.9079%                  |                          | 1.8654%                        | 2.7650%                               | 2.0611%                  | 3.7734%                    | 1.3034%                       | 2.2378%                    | 1.3500%                        | 2.5230%               | 1.6695%          | 1.2291%  | 1.1977%                  | 2.1914%                                |                          |                          |                                  |                                 |   |  | 1.4095%            | 1.6542%            | 2.5880%          | 1.9099%                       |                           | 2.5358%   |                          |                        | 2.8000%                  |                               |               | High Bid  | est Rate               |
| 2022   | 2018                | 2026                    | 2024  | 2032                | 2024                     | 2028                     | 2026                           | 2028                                  | 2025                     | 2032                       | 2018                          | 2031                       | 2013                           | 2030                  | 2021             | 2016   | 2016                     | 2022                                   | 2020                     | 2024                     | 2020                             | 2017                            | 2015                                    | 2017                                   | 2018               | 2022               | 2033             | 2021                          | 2029                      | 2022  | 2026                     | 2015                   | 2018                     | 2025                          | 2023          | Maturity  | Last                   |

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| 174 Dolton PD, IL<br>175 Oak Park, IL<br>176 Oak Park, IL<br>177 Sidney, IA<br>178 Sidney, IA<br>179 Carbondale PD, IL<br>180 Waukegan PD, IL  | 168 Bensenville, IL 169 Mt. Prospect PD, IL 170 Genoa Township PD, IL 171 Lynwood, IL 172 Clarendon Hills, IL 173 Waukegan,IL |   |  |   | Issuer  145 Mount Vernon, IA  146 Savanna PD, IL  147 Kane County FPD, IL  148 St. Charles PD, IL  149 Aurora, IL   |
|--|---|---|--|---|---|
| AA-/Aa2<br>AA-/Aa2<br>N/R<br>N/R<br>N/R<br>AA  |   | Aa3//A-<br>A+<br>AA+<br>AA1//AA+<br>Aa1//AA+  | AA+<br>A+<br>A<br>AA<br>AA<br>Aa3/AA-                          | AA+<br>AA+<br>AA<br>AA2<br>AA2  | Investment Rating N/R N/R AA+ AA AA+  |
| 198,480 G.O.Ltd Tax Park 2012<br>9,615,000 G.O. Corp Purpose Ref 2012A<br>1,310,000 Taxable G.O. Corp Purpose Ref 2012B<br>800,000 G.O. Corp. Purpose Notes, 2012<br>490,000 Water Revenue Notes 2012<br>619,045 G.O. Ltd Tax Park 2012<br>1,661,000 G.O. Ltd Ref Park 2012A |   | 1,775,000 G.O, Ref 2012B<br>16,500,000 G.O. School 2012<br>19,200,000 G.O. Library 2012A<br>4,605,000 Water Revenue Ref 2012A<br>39,400,000 Water Revenue Ref 2012B | G G G G G G G G G G G G G G G G G G G                          | G.O. Refu<br>G.O. G.O. G.O. Water   | Issue         Type of           Size         Security           570,000 G.O. Ref Capital Loan Notes 2012           60,000 G.O. Park 2012           65,200,000 G.O. Ref 2012           1,995,000 G.O. Ltd Park Ref 2012           6,905,000 G.O. Ref 2012B |
| 1-0ct<br>1-0ct<br>1-0ct<br>1-0ct<br>4-0ct  | 25-Sep<br>26-Sep<br>27-Sep<br>28-Sep<br>1-Oct<br>1-Oct  | 20-Sep<br>20-Sep<br>25-Sep<br>25-Sep<br>25-Sep  | 17-Sep<br>19-Sep<br>19-Sep<br>20-Sep<br>20-Sep<br>20-Sep       | 11-Sep<br>11-Sep<br>11-Sep<br>17-Sep<br>17-Sep<br>17-Sep<br>17-Sep        | Date of Sale 5-Sep 6-Sep 10-Sep 11-Sep 11-Sep   |
| N 9 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6  | Z   | 15 5 6 8 12   | Neg.<br>Veg.   | Neg. 2 11 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3                               | # of Bidders 5 3 16 7   |
| 2.2700%<br>1.6882%<br>0.8984%<br>1.6184%<br>2.0456%<br>1.9000%<br>0.8165%  | 2.3041%<br>0.6570%<br>0.9500%<br>3.1692%<br>2.4326%<br>3.1751%  | 1.2859%<br>3.0619%<br>3.4837%<br>1.5776%<br>1.8166%   | 0.8923%<br>2.4170%<br>2.4818%<br>0.5000%<br>1.4462%<br>1.6382% | 0.9095%<br>1.7483%<br>5.0000%<br>1.7820%<br>1.4700%<br>2.2625%<br>0.7461% | Net/True Interest Rate           Low Bid         High Bid           0.7237%         3.2477           1.0000%         1.3300           0.6562%         0.8010           1.0355%         1.2706           2.0565%         2.2722                            |
| 2.1314%<br>2.3789%<br>3.1792%<br>1.2500%   | 1.0247%<br>3.1250%<br>3.7396%   | 1.5826%<br>3.3888%<br>3.8074%<br>1.7746%<br>2.0788%   | 1.7722%<br>2.0024%   | 1.1110%<br>1.7503%<br>2.4044%<br>1.8965%<br>2.2969%<br>1.0449%            | erest Rate High Bid 3.2477% 1.3300% 0.8010% 1.2706% 2.2722%   |
| 2013<br>2026<br>2014<br>2022<br>2022<br>2022<br>2013   | 2013<br>2013<br>2013<br>2022<br>2028<br>2032  | 2017<br>2032<br>2041<br>2023<br>2023  | 2014<br>2023<br>2024<br>2013<br>2013<br>2023<br>2017           | 2017<br>2020<br>2015<br>2023<br>2012<br>2012<br>2023<br>2017              | Last Maturity 2016 2013 2017 2019 2024  |

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| 216 Hinsdale, IL<br>216 Homewood-Flossmoor PD, IL                            | 214 Gurnee PD, IL              | 213 Elk Grove Village, IL | 212 Orland Park, IL      | 211 Orland Park, IL          | 210 Orland Park, IL               | 209 Hawthorne PD, IL           | 208 Cary PD, IL                    | 207 Harper CCD 512, IL                   | 206 Wheaton PD, IL               | 205 Chicago Ridge PD, IL       | 204 Libertyville, IL                              | 203 Libertyville, IL | 202 Evanston/Skokie SD 65, IL                  | 201 Urbana PD, IL              | 200 Westchester PD, IL         | 199 Oak Forest PD, IL     | 198 Willow Springs, IL     | 197 Willow Springs, IL            | 196 Bensenville PD, IL         | 195 Winnebago County, IL   | 194 Winnebago County, IL   | 193 Pekin PD, IL               | 192 Norridge PD, IL            | 191 Sycamore PD, IL            | 190 Hanover Park PD, IL          | 189 Country Club Hills PD, IL          | 188 Country Club Hills PD, IL   | 187 Dundee Township PD, IL       | 186 New Lenox Comm PD, IL      | 185 Glen Ellyn PD, IL            | 184 Freeport PD, IL            | 183 Kankakee, IL                      | 182 Oxford Junction, IA            | 181 Waukegan PD, IL | <u>Issuer</u>   |                        |
|--|--------------------------------|---------------------------|--------------------------|------------------------------|-----------------------------------|--------------------------------|------------------------------------|--|----------------------------------|--------------------------------|---|----------------------|--|--------------------------------|--------------------------------|---------------------------|----------------------------|-----------------------------------|--------------------------------|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|----------------------------------|--|---------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|---------------------------------------|------------------------------------|---------------------|-----------------|------------------------|
| N/R  | N/R                            | Aaa                       | Aa1/AA+                  | Aa1/AA+                      | Aa1/AA+                           | N/R                            | N/R                                | N/R                                      | N/R                              | N/R                            | Aa2   | Aa2                  | N/R  | N/R                            | N/R                            | N/R                       | N/R                        | N/R                               | N/R                            | Aa2                        | Aa2                        | N/R                            | N/R                            | N/R                            | N/R                              | N/R                                    | N/R                             | AA-                              | N/R                            | Å                                | N/R                            | ➤                                     | N/R                                | A                   | Rating          | Investment             |
| 1,575,000 Special Service Area No.13 2012B<br>900,000 G.O. Ltd Tax Park 2012 | 911,385 G.O. Ltd Tax Park 2012 | 31,845,000 G.O. 2012      | 5,360,000 G.O. Ref 2012D | 2,000,000 Taxable G.O. 2012C | 18,000,000 Taxable G.O. Ref 2012B | 161,515 G.O. Ltd Tax Park 2012 | 658,240 G.O. Ltd Tax Ref Park 2012 | 4,885,000 Debt Certificates, Series 2012 | 1,371,575 G.O. Ltd Tax Park 2012 | 322,130 G.O. Ltd Tax Park 2012 | 4,200,000 G.O. (Waterworks & Sewerage System Alt) | 5,000,000 G.O. 2012A | 3,000,000 G.O. Ltd Tax Debt Certificates, 2012 | 810,000 G.O. Ltd Tax Park 2012 | 505,960 G.O. Ltd Tax Park 2012 | 840,785 G.O. Ltd Tax 2012 | 237,805 G.O. Ltd Tax 2012E | 60,780 G.O. Ltd Tax Pension 2012D | 300,000 G.O. Ltd Tax Park 2012 | 1,680,000 G.O. (Alt) 2012G | 4,320,000 G.O. (Alt) 2012F | 680,300 G.O. Ltd Tax Park 2012 | 217,510 G.O. Ltd Tax Park 2012 | 457,540 G.O. Ltd Tax Park 2012 | 1,015,000 G.O. Ltd Tax Park 2012 | 85,680 Taxable G.O. Ltd Tax Park 2012B | 457,480 G.O. Ltd Tax Park 2012A | 3,160,000 G.O. Ltd Tax Park 2012 | 877,000 G.O. Ltd Tax Park 2012 | 1,850,000 G.O. Ltd Tax Park 2012 | 950,000 G.O. Ltd Tax Park 2012 | 3,790,000 G.O. Corp Purpose Ref 2012B | 365,000 G.O. Corp Purpose Ref 2012 | 8                   |                 | Issue Type of          |
| 20-Nov<br>20-Nov   | 20-Nov                         | 20-Nov                    | 19-Nov                   | 19-Nov                       | 19-Nov                            | 15-Nov                         | 15-Nov                             | 14-Nov                                   | 14-Nov                           | 14-Nov                         | 13-Nov  | 13-Nov               | 12-Nov   | 8-Nov                          | 8-Nov                          | 8-Nov                     | 8-Nov                      | 8-Nov                             | 7-Nov                          | 25-Oct                     | 25-Oct                     | 24-Oct                         | 24-Oct                         | 23-Oct                         | 18-Oct                           | 18-Oct                                 | 18-Oct                          | 17-Oct                           | 17-Oct                         | 16-Oct                           | 15-Oct                         | 12-Oct                                | 9-Oct                              | 9-Oct               | of Sale         | Date                   |
| Neg.   | 5                              | Neg.                      | Ŋ                        | _                            | 7                                 | 2                              | 51                                 | Neg.                                     | ω                                | 4                              | 51  | 5                    | Neg.   | σı                             | ω                              | _                         | _                          |                                   | 4                              | 2                          | 4                          | 2                              | ω                              | ω                              | ω                                | Neg.                                   | Neg.                            | 51                               | 2                              | <b>∞</b>                         | ω                              | Neg.                                  | 2                                  | 10                  | Bidders         | # of                   |
| 2.6482%<br>1.2300%   | 0.9500%                        | 2.1627%                   | 0.8419%                  | 1.1681%                      | 2.1677%                           | 2.2500%                        | 0.4800%                            | 1.0900%                                  | 0.7400%                          | 1.4300%                        | 2.1144%   | 2.0274%              | 2.2500%  | 0.8112%                        | 0.7500%                        | 0.9000%                   | 2.6000%                    | 3.9000%                           | 0.7502%                        | 3.0601%                    | 2.9977%                    | 1.1500%                        | 1.4400%                        | 0.8900%                        | 0.9400%                          | 4.0000%                                | 2.7500%                         | 0.7239%                          | 1.2117%                        | 0.7132%                          | 0.9400%                        | 1.5890%                               | 1.9396%                            | 69%                 | Low Bid         | Net/True Interest Rate |
| 1.7492%  | 2.0375%                        |                           | 1.0584%                  |                              | 2.5221%                           | 2.3300%                        | 1.9861%                            |  | 1.7500%                          | 2.4128%                        | 2.1885%   | 2.2378%              |  | 1.7723%                        | 2.1250%                        |                           |                            |                                   | 2.4990%                        | 3.1700%                    | 3.3104%                    | 2.5000%                        | 3.0000%                        | 2.0700%                        | 1.6725%                          |  |                                 | 1.1835%                          | 1.3447%                        | 1.3974%                          | 1.4213%                        |                                       | 2.4345%                            | 1.2563%             | High Bid        | rest Rate              |
| 2014   | 2013                           | 2028                      | 2017                     | 2017                         | 2022                              | 2013                           | 2013                               | 2014                                     | 2013                             | 2013                           | 2032  | 2031                 | 2013   | 2014                           | 2013                           | 2013                      | 2013                       | 2013                              | 2014                           | 2031                       | 2031                       | 2014                           | 2013                           | 2013                           | 2014                             | 2013                                   | 2013                            | 2015                             | 2017                           | 2016                             | 2013                           | 2020                                  | 2025                               | 2017                | <b>Maturity</b> | Last                   |

## SPEER FINANCIAL, INC.

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CLIENT SALES OF SECURITIES
2012

Exhibit B

| 241 Zion, IL   | 240 Zion, IL   | 239 Zion, IL   | 238 Elkhart CSD, IN                        | 237 Crete PD, IL        | 236 Crete PD, IL                | 235 Aurora, IL                     | 234 Highland Park, IL   | 233 Olympia Fields, IL     | 232 Olympia Fields, IL     | 231 Rock Island, IL  | 230 Lake in the Hills, IL | 229 Hampshire, IL             | 228 Decatur, IL         | 227 Tinley Park PD, IL            | 226 South Holland, IL   | 225 Palatine, IL                | 224 Des Plaines, IL     | 223 Channahon PD, IL                | 222 Channahon PD, IL                   | 221 Paris, IL                               | 220 Gurnee, IL          | 219 Oakbrook Terrace, IL                       | 218 Oakbrook Terrace, IL | 217 Prospect Heights PD, IL    | Issuer          |                        |
|--|--|--|--|-------------------------|---------------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|----------------------|---------------------------|-------------------------------|-------------------------|-----------------------------------|-------------------------|---------------------------------|-------------------------|-------------------------------------|--|---|-------------------------|--|--------------------------|--------------------------------|-----------------|------------------------|
| N/R  | N/R  | N/R  | A/AA+                                      | N/R                     | N/R                             | <b>A</b> +                         | Aaa                     | AAA                        | AAA                        | Aa2                  | Aa2                       | ₽                             | Aa2                     | Aa2                               | Aa3                     | AA+                             | Aa2                     | N/R                                 | N/R                                    | ➤   | AA+                     | A  | AA                       | N/R                            | Rating          | Investment             |
| 1,460,000 G.O. Ref (Combined Zion Energy Motor Fuel Alt) 201 | 2,160,000 G.O. Ref (Combined Zion Energy Motor Fuel Alt) 201 | 2,215,000 G.O. Ref (Special Tax Allodation Fund Alt) 2012A | 29,915,000 G.O. Ref Pension (Taxable) 2012 | 300,000 G.O. Park 2012B | 219,415 G.O. Ltd Tax Park 2012A | 2,680,000 Golf Course Rev Ref 2012 | 9,295,000 G.O. Ref 2012 | 2,100,000 G.O. (Alt) 2012B | 1,670,000 G.O. (Alt) 2012A | 3,890,000 G.O. 2012A | 1,275,000 G.O. Ref 2012   | 2,555,000 G.O. Ref (Alt) 2012 | 8,030,000 G.O. Ref 2012 | 5,622,000 G.O. Ltd. Tax Parl 2012 | 9,950,000 G.O. Ref 2012 | 5,025,000 Taxable G.O. Ref 2012 | 3,765,000 G.O. Ref 2012 | 612,400 G.O. Ltd Tax Ref Park 2012B | 91,590 Taxable G.O. Ltd Tax Park 2012A | 2,890,000 G.O. Ref (Sales Tax Alt Rev) 2012 | 1,195,000 G.O. Ref 2012 | 1,100,000 G.O. Taxable Business District 2012B | 2,810,000 G.O. 2012A     | 545,380 G.O. Ltd Tax Park 2012 | Size Security   | Issue Type of          |
| 17-Dec   | 17-Dec   | 17-Dec   | 13-Dec                                     | 12-Dec                  | 12-Dec                          | 11-Dec                             | 10-Dec                  | 10-Dec                     | 10-Dec                     | 10-Dec               | 6-Dec                     | 6-Dec                         | 5-Dec                   | 5-Dec                             | 3-Dec                   | 3-Dec                           | 3-Dec                   | 27-Nov                              | 27-Nov                                 | 27-Nov                                      | 27-Nov                  | 27-Nov   | 27-Nov                   | 20-Nov                         | of Sale         | Date                   |
| Neg.   | Neg.   | Neg.   | Neg.                                       | _                       | 2                               | 2                                  | Neg.                    | ω                          | ω                          | 5                    | Neg.                      | Neg.                          | Neg.                    | 4                                 | 2                       | 5                               | 4                       | 2                                   | _                                      | Neg.  | Neg.                    | ω  | ω                        | ယ                              | <b>Bidders</b>  | # of                   |
| 2.7840%  | 2.7830%  | 2.4780%  | 2.8333%                                    | 1.9929%                 | 1.1000%                         | 2.6854%                            | 1.8856%                 | 2.9600%                    | 2.6977%                    | 2.2309%              | 1.5795%                   | 2.1500%                       | 1.7104%                 | 1.3644%                           | 2.1450%                 | 1.8200%                         | 1.2747%                 | 1.6560%                             | 5.5000%                                | 2.5471%                                     | 0.9799%                 | 3.0565%  | 2.1084%                  | 0.6000%                        | Low Bid High    | Net/True Interest Rate |
|  |  |  |  |                         | 1.6400%                         | 2.7061%                            |                         | 3.2248%                    | 2.7373%                    | 2.3936%              |                           |                               |                         | 1.8464%                           | 2.1748%                 | 2.0210%                         | 1.4241%                 | 2.3750%                             |  |   |                         | 3.8053%  | 2.7770%                  | 2.1158%                        | High Bid        | rest Rate              |
| 2018   | 2018   | 2016   | 2027                                       | 2017                    | 2013                            | 2019                               | 2031                    | 2038                       | 2032                       | 2032                 | 2023                      | 2023                          | 2025                    | 2020                              | 2025                    | 2022                            | 2020                    | 2013                                | 2013                                   | 2026  |                         |  |                          |                                | <b>Maturity</b> |                        |

Note: All interest rates are Net Interest Cost (NIC) except where True Interest Cost (TIC) is specified. The above listing is a full and complete record of Speer Financial's sales of municipal securities for the time period shown.

| SD = School District                           | PBC = Public Building Commission        | THSD = Township High School District |
|--|---|--------------------------------------|
| (Alt.) = G.O. (Alternate Revenue Source) Bonds | ICC = Installment Contract Certificates | Ref. = Refunding                     |

(lns.) = lnsured

PD = Park District

Within Each Non-Aaa Grade: 1, 2, 3 Grades: Aaa, Aa, A, Baa Moody's Rating Code:

High to Low

10/14/2013

| FOR PRIOR YEAR 2011:       Number         Type of Sale       of Issues         Negotiated       73         Competitive       135         Total Bond Sales In Calendar Yea       208 | Type of SaleNumber of IssuesNegotiated88Competitive153Total Bond Sales To Date In 201;241 | Investment Issuer Rating CCD = Community College District FPD = Forest Preserve District CUSD = Community Unit School District |
|---|---|--|
| %<br>35.10%<br><u>64.90%</u><br>100.00%   | sues<br>012 <u>%</u><br>36.51%<br>63.49%<br>100.00%                                       | nt Issue<br><u>Size</u>  |
| %<br>%  | %<br>%  | Type of Security DC = Debt Certificates  |
| Par<br>Amount<br>212,060,108<br>630,929,885<br>842,989,993  | Par Amount To Date in 2012 457,227,316 619,668,190 1,076,895,506                          |  |
| <u>%</u><br>25.15%<br><u>74.85%</u><br>100.00%  | <u>%</u> 42.46% 57.54% 100.00%  | Date<br>of Sale  |
| Number of Bidders<br>596 Bidders<br>4.415 Average   | Number of Bidders<br>664 Bidders<br>4.340 Average   | # of Net/True Interest Rate  Bidders Low Bid High Bid  N/R = Not Rated   |
|   |   | Last<br><u>Maturity</u>  |

#### UNITED CITY OF YORKVILLE, ILLINOIS

### COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

#### FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2014

## UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

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### INDEPENDENT AUDITORS' REPORT

PHONE 630.393.1483 • FAX 630.393.2516 www.lauterbachamen.com

#### **INDEPENDENT AUDITORS' REPORT**

August 20, 2014

The Honorable City Mayor Members of the City Council United City of Yorkville, Illinois

We have audited the accompanying basic financial statements of the governmental activities of the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois as of and for the year ended April 30, 2014, which collectively comprise the Countryside and Downtown Tax Incremental Financing Districts as listed in the table of contents. The basic financial statements are the responsibility of the United City of Yorkville, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

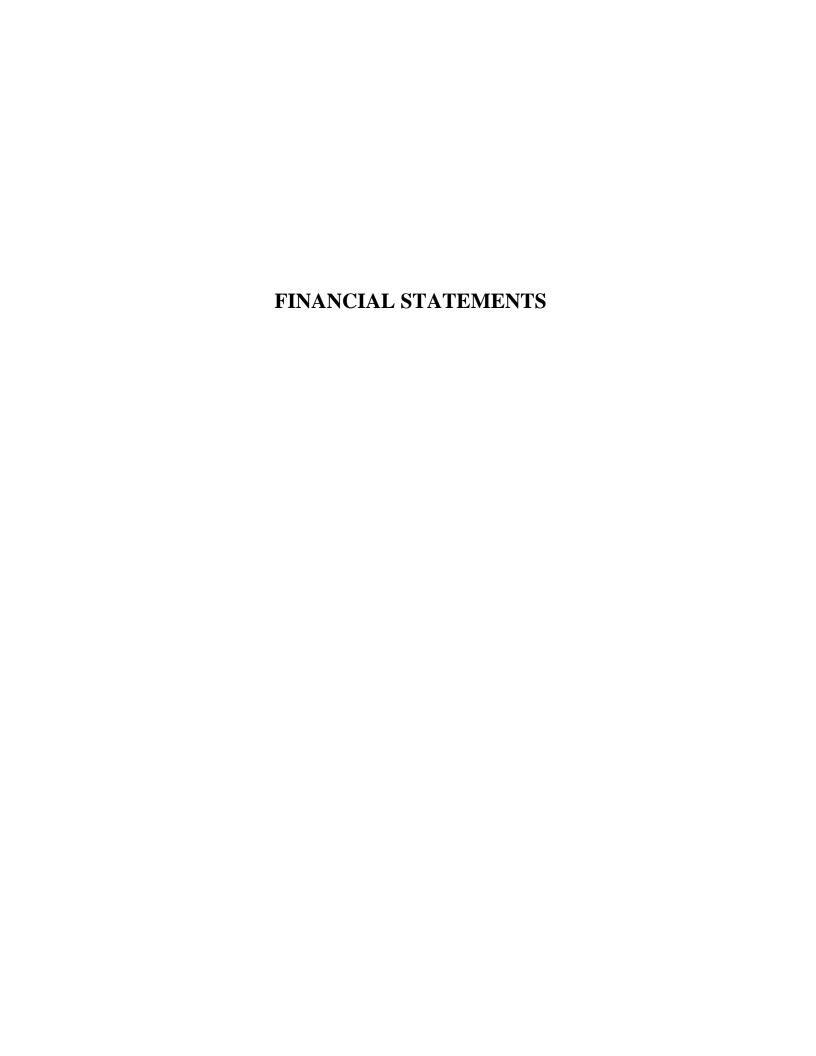
As described in Note 1 to the basic financial statements, the basic financial statements present only the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois, and are not intended to present fairly the financial position or results of operations of the United City of Yorkville, Illinois, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois as of April 30, 2014, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated August 20, 2014 on our consideration of the Countryside and Downtown Tax Incremental Financing Districts' compliance with laws, regulations, contracts and grants.

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#### UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

Balance Sheet April 30, 2014

|  | Countryside<br>TIF               | Downtown<br>TIF                      |
|--|----------------------------------|--------------------------------------|
| ASSETS   |                                  |                                      |
| Cash and Investments   | \$ -                             | 250,835                              |
| Receivables - Net of Allowances<br>Other Taxes   | 1,951                            | 2,834                                |
| Prepaids   |                                  | 618                                  |
| Total Assets   | 1,951                            | 254,287                              |
| LIABILITIES  |                                  |                                      |
| Liabilities Accounts Payable Deposits Payable Other Liabilities Due to Other Funds Total Liabilities | 2,043<br>-<br>533,384<br>535,427 | 12,315<br>-<br>10,443<br>-<br>22,758 |
| DEFERRED INFLOWS OF RESOURCES  |                                  |                                      |
| Property and State Taxes Total Liabilities and Deferred Inflows of Resources                         | 611<br>536,038                   | 22,758                               |
| Fund Balances Nonspendable Restricted Unassigned Total Fund Balances                                 | (534,087)<br>(534,087)           | 618<br>230,911<br>-<br>231,529       |
| Total Liabilities and Fund Balances  | 1,951                            | 254,287                              |

## UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

#### Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended April 30, 2014

|   | Countryside | Downtown |
|---|-------------|----------|
|   | TIF         | TIF      |
| Revenues  |             |          |
| Taxes   |             |          |
| Property Taxes  | \$ -        | 52,811   |
| Business District Taxes                                   | 2,043       | 9,458    |
| Interest  | 107         | 50       |
| Miscellaneous   | -           | 184      |
| Total Revenues  | 2,150       | 62,503   |
| Expenditures  |             |          |
| General Government  |             |          |
| Administration Fees                                       | 3,416       | 5,070    |
| TIF Incentive Payout                                      | 1,800,000   | 12,315   |
| Business District Rebate                                  | 2,043       | 9,458    |
| Capital Outlay  | _,,-<br>-   | 29,568   |
| Debt Service  |             | - ,      |
| Principal Retirement                                      | 185,000     | _        |
| Interest and Fiscal Charges                               | 161,116     | -        |
| Total Expenditures  | 2,151,575   | 56,411   |
| Excess (Deficiency) of Revenues                           |             |          |
| Over (Under) Expenditures                                 | (2,149,425) | 6,092    |
| Other Eineneing Sources (Uses)                            |             |          |
| Other Financing Sources (Uses) Disposal of Capital Assets |             | 8,500    |
| Debt Issuance   | 1,235,000   | 5,500    |
| Discount on Debt Issuance                                 | (9,773)     | -        |
| Payment to Escrow Agent                                   | (1,182,224) | _        |
| Tayment to Escrow Agent                                   | 43,003      | 8,500    |
|   |             | 0,500    |
| Net Change in Fund Balances                               | (2,106,422) | 14,592   |
| Fund Balances - Beginning                                 | 1,572,335   | 216,937  |
| Fund Balances - Ending                                    | (534,087)   | 231,529  |

#### UNITED CITY OF YORKVILLE, ILLINOIS COUNTRYSIDE AND DOWNTOWN TAX INCREMENTAL FINANCING DISTRICTS

Notes to the Financial Statements April 30, 2014

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The operations of Countryside and Downtown Tax Incremental Financing Districts are accounted for through special revenue funds of the United City of Yorkville, Illinois. It applies the following policies:

#### **Basis of Accounting**

The financial statements are prepared on the modified accrual basis of accounting under which revenue is recognized when it becomes both measurable and available, and expenditures generally are recognized when the liability is incurred.



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

August 20, 2014

The Honorable City Mayor Members of the City Council United City of Yorkville, Illinois

We have audited the accompanying basic financial statements of the governmental activities of the Countryside and Downtown Tax Incremental Financing Districts of the United City of Yorkville, Illinois, as of and for the year ended April 30, 2014, and have issued our report thereon dated August 20, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing Districts are the responsibility of the United City of Yorkville's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the City's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the City Council and management, and is not intended to be used and should not be used by anyone other then these specified parties.

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