

NOTICE OF ANNUAL MEETING OF JOINT REVIEW BOARD

Kendall Township
9513 Walker Road
Yorkville, Illinois 60560

Waubonsee Community College Dist. #516
Route 47 at Waubonsee Drive
Sugar Grove, Illinois 60554

Bristol-Kendall Fire Protection District
103 East Beaver Street
Yorkville, Illinois 60560

Bristol Township
9075 Corneils
Bristol, Illinois 60512

Kendall County
111 West Fox Street
Yorkville, Illinois 60560

Yorkville School District #115
602 Center Parkway, #A
Yorkville, Illinois 60560

United City of Yorkville
800 Game Farm Road
Yorkville, Illinois 60560

Kendall County Forest Preserve
110 W Madison Street
Yorkville, Illinois 60560

YOU ARE HEREBY NOTIFIED that a meeting of the annual Joint Review Board(s) to review the annual reports for the US Route 34/IL Route 47 Countryside Shopping Center and Downtown Tax Increment Financing Redevelopment Project Areas will be convened November 22, 2016 at 3:00 p.m. at the United City of Yorkville, City Hall, 800 Game Farm Road, Yorkville, Illinois 60560.

PLEASE BE ADVISED that the Joint Review Board(s) shall elect or re-elect a public member as well as a chairperson. In accordance with the provisions of the *Tax Increment Allocation Redevelopment Act* (the "Act") (65 ILCS 5/11-74.1-1, et seq.), the Joint Review Board(s) shall review the annual report(s) for the US Route 34/IL Route 47 Countryside Shopping Center and Downtown Redevelopment Project Areas.

/s/ Beth Warren, City Clerk

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AGENDA

ANNUAL JOINT REVIEW BOARD OF THE UNITED CITY OF YORKVILLE US RTE 34 & IL RTE 47 COUNTRYSIDE AND DOWNTOWN REDEVELOPMENT PROJECT AREAS

November 22, 2016

United City of Yorkville, City Hall

3:00 p.m.

800 Game Farm Road, Yorkville, Illinois

1. Roll Call
 - United City of Yorkville
 - Kendall Township
 - Kendall County
 - Kendall County Forest Preserve
 - Waubonsee Community College Dist. #516
 - Yorkville School Dist #115
 - Bristol-Kendall Fire Protection District
 - Bristol Township
2. Call Meeting To Order
3. Motion to elect or re-elect Public Member
4. Motion to elect or re-elect Chairperson
5. Minutes for Approval
6. Review of Annual Report for US Rte 34 & IL Rte 47 Countryside and Downtown Redevelopment Project Areas
7. Discussion
8. Adjournment

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Fiscal Year 2015 Annual Joint Review Board for TIF Districts
Tuesday, November 24, 2015
3:00 p.m.
Yorkville City Hall Conference Room
800 Game Farm Road, Yorkville, Illinois 60560

Committee Members in Attendance:

Tom Lindblom, Deputy Chief – Bristol Kendall Fire Protection District

City Officials in Attendance:

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

Other Attendees:

No other attendees

Elect Chair Person

Rob Fredrickson was nominated; seconded by Bart Olson; unanimously carried viva voce.

Ms. Orr took roll and called the meeting to order at 3:02pm. Mr. Fredrickson opened the annual meeting by asking for approval of the minutes from the November 25, 2014 meeting as presented. Mr. Olson made a motion to approve; motion was unanimously carried viva voce.

**Annual Reports for U.S. Route 34 & IL Route 47 Countryside and the Downtown
Redevelopment Project Areas:**

Mr. Fredrickson asked everyone to turn to page six for an overview. The US Route 34 & IL Route 47 redevelopment area– commonly referred to as the Countryside TIF – had a negative beginning Fund Balance of \$534,087. Revenues for the fiscal year ended 2015 are \$9,295, which consisted primarily of property tax. The Fund had expenditures of \$80,028, resulting in an ending Fund Balance of negative \$604,820.

Mr. Fredrickson then gave a brief summary of the Activities Statement, as presented on page 19 of the report, stating that the movie theater (NCG Cinemas) opened in November 2013 and then further discussed the developer incentives associated with the theater. As for Fiscal Year 2015 activities, a new day care center, called Lighthouse Academy, opened in the Countryside TIF District, and currently there are six remaining out lots for future development. Mr. Fredrickson then went on to talk about the 2014 Refunding Bond, which refunded a portion of the 2005 Countryside bonds.

Mr. Olson then presented a layperson's explanation of the Countryside bond issuances for the record. Over the course of the last ten years, the City sold the bonds for the project; tore down the Countryside Shopping Center; and then recently partnered with developers to build a movie theatre and day care center, which are now generating property taxes. Mr. Olson went on to say that the City does expect incremental property taxes from these developments will be sufficient to meet bond repayments over the next couple of years. This is good because we've only got approximately fifteen years left on the actual TIF. Mr. Olson finished by saying that the TIF is on track; and if a couple more out-lots are built out, then once the TIF expires the taxing districts should see a significant bump in assessed value.

Mr. Lindblom asked if there were any immediate prospects regarding the remaining outlots. Mr. Olson stated nothing has been finalized; however, the City has been meeting with potential developers.

Mr. Fredrickson then moved on to the Downtown TIF on page 29 of the report. The TIF started the year with a beginning Fund Balance of \$231,529. Revenues for the year totaled 60,218, again consisting mostly of property tax revenues. Total expenditures for the year were \$52,651, resulting in a fiscal year ending Fund Balance of \$239,096.

As reported on the Activities Statement on page 42, a new restaurant called the Barley Fork opened in the Downtown TIF this year. In addition, the portion of the IL Route 47 project applicable to the downtown was completed in FY 2015 and will be paid back over the next nine years to the State. Also, in September of 2014, the City began the first phase of its Comprehensive Plan, which will evaluate the downtown area as a potential overlay district.

Mr. Olson stated there are a couple of other things planned for Downtown TIF. The City will probably do a few aesthetic improvements Downtown and obviously, if anybody else comes to the City in the next few years that's looking for a new Development Agreement or TIF project, then we would consider it. The one thing with this – we might have talked about it as part of a past project – if we ever get to the point where we have a concrete project in front of us we would probably come back to the taxing entities at the time. The City is kind of mid-way through this TIF and its generated some increment but it really hasn't taken off like we expected it to because the first few years were part of the recession. So, there has been some request from time-to-time, even by the current developer that's down there, to think about extending the TIF or creating a new one near-by. Extending it would require an act of the State Legislature, and usually the State Legislature would require the City to ask all of the taxing bodies if they would allow it to be extended. So then it becomes like a new TIF and we would have to pitch it to you individually. That's something that if someone said, "Hey, I really want to do a mixed-use development but I can't do it unless this happens" we may have to come to the taxing bodies individually and say, "You get some involvement out at this time because the ten-year payback just isn't going to cut it – it has got to be another twenty years." If we don't want it, then you let the TIF expire and the project doesn't happen.

Mr. Fredrickson said that was it for the TIF reports and asked if there was any other topic for discussion concerning the TIFs. No one did so he asked for a motion to adjourn the meeting.

Mr. Olson made the motion; Mr. Lindblom seconded it and motion was unanimously carried viva voce and the meeting was adjourned at 3:14 p.m.

Minutes respectfully submitted by:

Bonnie Olsem
Administrative Secretary

Countryside TIF District

STATE OF ILLINOIS
COMPTROLLER
LESLIE GEISSLER MUNGER

2016
4/30/2016

TIF Administrator Contact Information

First Name:	Rob	Last Name:	Fredrickson
Address:	800 Game Farm Road	Title:	Finance Director
Telephone:	630-553-8534	City:	Yorkville
		Zip:	60560
Mobile	815-274-9223	E-mail-required	rfredrickson@yorkville.il.us
Mobile Provider	Verizon	Best way to contact	<input checked="" type="checkbox"/> X Email <input type="checkbox"/> Mobile
			<input type="checkbox"/> Phone <input type="checkbox"/> Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of _____

Is complete and accurate at the end of this reporting Fiscal year under 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.]

11/4/2016
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 DISTRICT[illegible]

*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 each redevelopment project area listed in Section 1.]

FY 2016

Name of Redevelopment Project Area:	US Rte 34 & IL Rte 47 - 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 Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> _____	Industrial Jobs Recovery 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	x	
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		x
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		x
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	x	
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	x	
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	x	
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		x
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		x
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		x
Cumulatively, have deposits from any source 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 taxes 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 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, not actual agreements labeled Attachment M	x	

* 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 2016

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

Fund Balance at Beginning of Reporting Period

\$ (604,820)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 143,784	\$ 186,298	3%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 5	\$ 378,778	5%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ -	\$ 3,506,099	51%
Transfers from Municipal Sources			0%
Private Sources			0%
Bond Refunding Issuance	\$ 1,597,288	\$ 2,832,288	41%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 1,741,077

Cumulative Total Revenues/Cash Receipts

\$ 6,903,463 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 1,686,203

Distribution of Surplus

Total Expenditures/Disbursements

\$ 1,686,203

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 54,874

FUND BALANCE, END OF REPORTING PERIOD*

\$ (549,946)

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

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

\$ (4,491,080)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2016

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

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	371	
Auditing Services - TIF Compliance Report	260	
JRB Packet Postage	7	
		\$ 638
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. 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)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs 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)		
		\$ -
8.Financing costs related to obligations issued by the municipality. Subsection (q) (6) and (o)(8)		
Refunding Bond Issuance Costs	15,304	
Paying Agent Fees	535	
Interest	87,742	
Bond Refunding - Payment to Escrow Agent	1,581,983	
		\$ 1,685,565
9. Approved taxing district's capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
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)		
		\$ -
12.Payments in lieu of taxes as defined in Subsections 11-74.43(m) and 11-74.6-10(k). Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -
		\$

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)		
		\$ -
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		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,686,203

Section 3.2 B

FY 2016

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.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

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

FY 2016

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

FUND BALANCE, END OF REPORTING PERIOD \$ (549,946)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bonds Series 2005	\$ 3,525,000	\$ -
General Obligation Refunding Bonds Series 2014	\$ 1,235,000	\$ 1,849,583
General Obligation Refunding Bonds Series 2015A	\$ 1,475,000	\$ 2,091,551

Total Amount Designated for Obligations \$ 6,235,000 \$ 3,941,134

2. Description of Project Costs to be Paid

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 3,941,134

SURPLUS*/(DEFICIT) \$ (4,491,080)

* 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 2016

TIF NAME: US Rte 34 & 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 2016

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

*Page 1 is to be included with TIF Report. Pages 2-3 are to be included **ONLY** if projects are listed.**Box below must be filled in with either a check or number of projects, not both**Check if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____**ENTER** total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*. _____1_____

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 6,296,978	\$ -	\$ 6,296,798
Public Investment Undertaken	\$ 1,800,000	\$ -	\$ 1,800,000
Ratio of Private/Public Investment	3 1/2		3 1/2

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Kendall Crossing			
Private Investment Undertaken (See Instructions)	\$ 6,296,978	\$ -	\$ 6,296,798
Public Investment Undertaken	\$ 1,800,000	\$ -	\$ 1,800,000
Ratio of Private/Public Investment	3 1/2		3 1/2

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 2016

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 designated	Base EAV	Reporting Fiscal Year EAV
2/15/2005	\$ 1,528,166	\$ 2,413,144

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 project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

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

SECTION 8

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

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



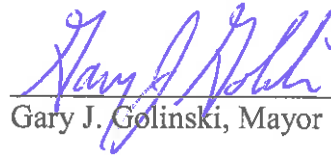
United City of Yorkville

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

Attachment B

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, 2016, in connection with the administration of the U.S. Route 34 and IL Route 47 (Countryside) Tax Increment Financing District.



Gary J. Golinski, 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 19, 2016

Leslie Geissler Munger, 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, 2016***

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, of which \$35,321 has been paid as of April 30, 2015. In addition, the developer will also receive a 50% rebate of amusement tax receipts for a period of ten years.

Fiscal year 2015 saw the opening of a new 10,450 square foot day care center, called Lighthouse Academy. Six outlots within the TIF District remain undeveloped at the end of the current fiscal and the City is actively pursuing commercial users for potential future development.

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. In July of 2015 (Fiscal Year 2016) the City refunded the remaining principal on the 2005 Countryside Bonds, which should result in net present value interest savings of approximately \$135,000. As of April 30, 2016, outstanding principal for the 2014 and 2015A (refunded the 2005 bonds) bonds was \$1.235 million and \$1.475 million, respectively. During the current fiscal year the TIF district paid \$87,742 in interest on the outstanding debt.

Official Statement

Attachment I

In the opinion of Ice Miller LLP, Bond Counsel, under existing statutes, judicial decisions, regulations and rulings, interest on the Bonds, as defined herein, is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), for federal income tax purposes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax, 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 income taxation in the State of Illinois. See "TAX EXEMPTION" herein. 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.



\$5,930,000*

UNITED CITY OF YORKVILLE

Kendall County, Illinois

General Obligation (Alternate Revenue Source) Bonds, Series 2015A

Dated Date of Delivery

Bank Qualified

Book-Entry

Due December 1, 2016-2034

The \$5,930,000* General Obligation (Alternate Revenue Source) Bonds, Series 2015A (the "Bonds"), is 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, 2016. 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 years and amounts as detailed below. Interest is calculated based on a 360-day year of twelve 30-day months.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS⁽¹⁾

Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number (1)	Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number (1)
\$135,000	2016	—%	—%	—	\$230,000	2026	—%	—%	—
185,000	2017	—%	—%	—	235,000	2027	—%	—%	—
190,000	2018	—%	—%	—	245,000	2028	—%	—%	—
445,000	2019	—%	—%	—	255,000	2029	—%	—%	—
450,000	2020	—%	—%	—	260,000	2030	—%	—%	—
465,000	2021	—%	—%	—	270,000	2031	—%	—%	—
475,000	2022	—%	—%	—	280,000	2032	—%	—%	—
485,000	2023	—%	—%	—	295,000	2033	—%	—%	—
500,000	2024	—%	—%	—	305,000	2034	—%	—%	—
225,000	2025	—%	—%	—					

Any consecutive maturities may be aggregated into five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds due December 1, 2016-2025, inclusive, are non-callable. The Bonds due December 1, 2026-2034, inclusive, are callable in whole or in part on any date on or after December 1, 2025, 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

The Bond proceeds will be used to (i) finance the costs of certain capital projects within the City (the "Project"), (ii) to current refund the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the "Series 2005 Bonds") of the City and (iii) to pay the costs of issuance of the Bonds. See "THE PROJECT" and "PLAN OF FINANCING" herein.

In the opinion of Ice Miller 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 General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014 (the "Series 2014 Bonds") and General Obligation (Alternate Revenue Source) Bonds, Series 2014A (the "Series 2014A Bonds") from (a) 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 from (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. The City will use cash on hand to cover debt service through June 1, 2016. See "DESCRIPTION OF THE BONDS" herein.

This Official Statement is dated June 15, 2015, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales - Competitive". Additional copies may be obtained from Mr. Bart Olson, City Administrator, United City of Yorkville, 800 Game Farm Road, Yorkville, Illinois 60560, or from the Independent Public Finance Consultants to the City.

Established 1954

Speer Financial, Inc.

INDEPENDENT PUBLIC FINANCE CONSULTANTS
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833

www.speerfinancial.com

*Subject to change.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

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 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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OFFICIAL BID FORM
OFFICIAL NOTICE OF SALE

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	United City of Yorkville, Kendall County, Illinois (the “City”).
Issue:	\$5,930,000* General Obligation (Alternate Revenue Source) Bonds, Series 2015A.
Dated Date:	Date of delivery (expected to be on or about July 8, 2015).
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.
Interest Due:	Each June 1 and December 1, commencing June 1, 2016.
Principal Due:	Serially each December 1, commencing December 1, 2016 through 2034, as detailed below.
Optional Redemption:	The Bonds maturing on or after December 1, 2026, are callable at the option of the City on any date on or after December 1, 2025, at a price of par plus accrued interest. See “ OPTIONAL REDEMPTION ” herein.
Security:	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 General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014 (the “Series 2014 Bonds”) and General Obligation (Alternate Revenue Source) Bonds, Series 2014A (the “Series 2014A Bonds”) from (a) 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 from (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. The City will use cash on hand to cover debt service through June 1, 2016. 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:	The Bond proceeds will be used to (i) finance the costs of certain capital projects within the City (the “Project”), (ii) to current refund the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the “Series 2005 Bonds”) of the City and (iii) to pay the costs of issuance of the Bonds. See “ THE PROJECT ” and “ PLAN OF FINANCING ” herein.
Tax Exemption:	Ice Miller LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds as discussed under “ TAX EXEMPTION ” in this 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:	Amalgamated Bank of Chicago, Chicago, Illinois.
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 July 8, 2015.
Denomination:	\$5,000 or integral multiples thereof.
Financial Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

UNITED CITY OF YORKVILLE
Kendall County, Illinois

Gary J. Golinski
Mayor

Aldermen

Carlo Colosimo
Joel Frieders
Chris Funkhouser

Ken Koch
Larry Kot

Jacquelyn Milschewski
Seaver Tarulis
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 2014 Bonds and Series 2014A Bonds from (a) 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 "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 0.10 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 to be adopted by the City on June 23, 2015 (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 hereinafter defined.

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, 2014, 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 1.10 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 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 1.10 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).

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, 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.**

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. These conditions will be met in connection with the issuance of the Bonds.

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 “Bond Fund”). 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 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 30 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 (323 employees), Super Target (180 employees), Menards Mega Store (140 employees), Jewel/Osco (130 employees) and Newlyweds Foods (115 employees).

Community Life

The City contains approximately 288 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, Waubensee 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)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Community Unit School District Number 115	Education	666
Raging Waves Water Park	Water Park	450
Kendall County	County Government	350
Wrigley Manufacturing Co., LLC	Sugar Confections, Bubble Gum, and Candy	323
Super Target	Retail Store	180
Menards Mega Store	Home Improvement Store	140
Jewel Osco	Grocery Store	130
United City of Yorkville	City Government	124
Newlyweds Foods	Food Seasonings, Cures and Binders	115
Kohl's	Retail Store	115
Hillside Health Care Center	Healthcare	90
Boombah, Inc.	Sports Equipment and Apparel	90
Home Depot	Home Improvement Store	85
Wheatland Title Guaranty Co.	Title Insurance	65
Marshall's	Retail Store	50
Brenart Eye Clinic	Ophthalmic Goods	50
C&J Insulation	Plastering, Drywall and Insulation	50

Note: (1) Source: 2015 Illinois Manufacturers Directory, 2015 Illinois Services Directory, Yorkville Economic Development Corporation and a selective telephone survey.

Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Business or Product</u>	<u>Approximate Employment</u>
Montgomery	Caterpillar, Inc.	Wheel Loaders and Excavators	2,300
Greater Fox Valley Area	Rush-Copley Medical Center (2)	Medical Center	2,000
Sugar Grove	Waubesa Community College #516	Education	1,460
Morris	Exelon Nuclear, Dresden Generating Station	Electric Service	900
Montgomery	PERFORMANCE Foodservice - Fox River	Wholesale Food	435
Montgomery	Eby-Brown Co.	Wholesale Tobacco and Confectionery	400
Morris	LyondellBassell Industries	Plastic Materials	400
Montgomery	Eby-Brown Co.	Wholesale Tobacco and Confectionery	400
Plano	Midwest Mfg., Inc.	Millwork	400
Montgomery	V V F Illinois Services	Soap and Detergents	350
Plainfield	CB&I, Inc.	Storage Tank Insulation Equipment	300
Plainfield	Diageo North American, Inc.	Gin and Vodka Distilling	300
Morris	Northfield Block Co.	Architectural Concrete Blocks	300
Montgomery	Lyons LLC	Steel Storage Equipment	300
Montgomery	Aurora Bearing Co.	Ball and Roller Bearings	250
Oswego	Coldwell Banker Honig-Bell	Residential Real Estate	225
Montgomery	Hormann Gadco LLC	Doors, Sash and Trim Metal	200
Plainfield	Plainfield Precision	Custom Metal and Plastic Components	200
Plainfield	Walsh Landscape	Landscape Construction and Maintenance	185
Plainfield	Veolia Water Solutions & Technologies	Water Treatment Facility Equipment	160
Oswego	Radiac Abrasives, Inc.	Diamond Grinding Wheels	150
Montgomery	Aurora Metals Div., L.L.C.	Copper foundries	150
Plano	Fox Valley Molding, Inc.	Compression Transfer and Injection Molding	150

Notes: (1) Source: 2015 Illinois Manufacturers Directory, 2015 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 (the “State”) as reported by the U.S. Census Bureau 2009-2013 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining.....	23	0.3%	361	0.6%	63,113	1.1%
Construction.....	428	4.8%	3,236	5.6%	310,368	5.2%
Manufacturing.....	1,339	15.1%	7,798	13.5%	756,029	12.6%
Wholesale Trade.....	293	3.3%	2,036	3.5%	184,209	3.1%
Retail Trade.....	1,115	12.6%	6,714	11.6%	655,654	10.9%
Transportation and Warehousing, and Utilities.....	342	3.9%	3,800	6.6%	348,569	5.8%
Information.....	224	2.5%	1,105	1.9%	126,311	2.1%
Finance and Insurance, and Real Estate% and Rental and Leasing.....	553	6.3%	5,181	9.0%	447,732	7.5
Professional, Scientific, and Management, Administrative, and Waste Management Services.....	758	8.6%	5,926	10.2%	666,163	11.1%
Educational Services and Health Care and Social Assistance...	2,292	25.9%	12,583	21.7%	1,379,821	23.0%
Arts, Entertainment and Recreation and Accommodation and Food Services.....	627	7.1%	4,472	7.7%	538,646	9.0%
Other Services, Except Public Administration.....	441	5.0%	2,237	3.9%	286,928	4.8%
Public Administration.....	409	4.6%	2,433	4.2%	234,777	3.9%
Total.....	8,844	100.0%	57,882	100.0%	5,998,320	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2009 to 2013.

Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science, and Art.....	3,611	40.8%	23,286	40.2%	2,183,077	36.4%
Service.....	1,646	18.6%	7,763	13.4%	1,036,503	17.3%
Sales and Office.....	2,074	23.5%	15,302	26.4%	1,509,578	25.2%
Natural Resources, Construction, and Maintenance.....	827	9.4%	4,948	8.5%	444,958	7.4%
Production, Transportation, and Material Moving.....	686	7.8%	6,583	11.4%	824,204	13.7%
Total.....	8,844	100.0%	57,882	100.0%	5,998,320	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2009 to 2013.

Annual Average Unemployment Rates(1)

Calendar Year	The City	The County	The State
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.....	8.2%	8.3%	9.2%
2014.....	6.4%	6.3%	7.1%
2015 (2).....	N/A	6.0%	6.5%

Notes: (1) Illinois Department of Employment Security.
(2) Preliminary rates for the month of February 2015.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$234,100. This compares to \$210,800 for the County and \$182,300 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2009-2013 American Community Survey.

Specified Owner-Occupied Units(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	144	3.3%	720	2.3%	235,268	7.3%
\$50,000 to \$99,999	139	3.2%	1,502	4.7%	493,044	15.3%
\$100,000 to \$149,999	517	11.9%	4,216	13.2%	504,066	15.7%
\$150,000 to \$199,999	805	18.5%	8,147	25.6%	538,003	16.7%
\$200,000 to \$299,999	1,915	43.9%	10,816	34.0%	692,499	21.5%
\$300,000 to \$499,999	774	17.8%	5,524	17.3%	513,968	16.0%
\$500,000 to \$999,999	66	1.5%	803	2.5%	196,905	6.1%
\$1,000,000 or more	0	0.0%	119	0.4%	46,285	1.4%
Total	4,360	100.0%	31,847	100.0%	3,220,038	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2009 to 2013.

Mortgage Status(1)

	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	3,674	84.3%	26,748	84.0%	2,190,976	68.0%
Housing Units Without a Mortgage ..	686	15.7%	5,099	16.0%	1,029,062	32.0%
Total	4,360	100.0%	31,847	100.0%	3,220,038	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2009 to 2013.

Income

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

Rank		2009-2013
1	DuPage County	\$38,570
2	Lake County	38,018
3	McHenry County	32,341
4	Monroe County	31,758
5	Kendall County	31,276
6	Piatt County	31,190
7	Woodford County	30,926
8	McLean County	30,460
9	Will County	30,377
10	Cook County	30,183
11	Kane County	30,082

Note: (1) Source: U.S. Bureau of the Census. 2009-2013 American Community 5-Year Estimates.

The following shows a ranking of median family income for the Chicago metropolitan area from the 2009-2013 American Community Survey.

Ranking of Median Family Income(1)

Ill. County	Family Income	Ill. Rank
DuPage County	\$95,208	1
Lake County	92,116	2
Kendall County	91,368	3
McHenry County	87,760	4
Will County	86,747	5
Kane County	80,085	8
Cook County	66,187	24

Note: (1) Source: U. S. Bureau of the Census,
American Community Survey, 2009-2013
estimates.

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$90,089. This compares to \$91,368 for the County and \$70,344 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2009-2013 American Community Survey.

Median Family Income(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	0	0.0%	498	1.7%	137,093	4.4%
\$10,000 to \$14,999	54	1.2%	145	0.5%	84,866	2.7%
\$15,000 to \$24,999	280	6.3%	1,163	3.9%	225,548	7.2%
\$25,000 to \$34,999	153	3.5%	1,131	3.8%	257,251	8.2%
\$35,000 to \$49,999	529	12.0%	3,061	10.4%	381,248	12.2%
\$50,000 to \$74,999	673	15.3%	5,313	18.0%	583,037	18.6%
\$75,000 to \$99,999	781	17.7%	5,092	17.3%	470,717	15.0%
\$100,000 to \$149,999	1,331	30.2%	8,045	27.3%	553,739	17.7%
\$150,000 to \$199,999	332	7.5%	3,296	11.2%	222,115	7.1%
\$200,000 or more	280	6.3%	1,735	5.9%	220,748	7.0%
Total	4,413	100.0%	29,479	100.0%	3,136,362	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-year estimates 2009 to 2013.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$83,059. This compares to \$81,765 for the County and \$56,797 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2009-2013 American Community Survey.

Household Income(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	56	1.0%	947	2.5%	337,875	7.1%
\$10,000 to \$14,999	141	2.4%	598	1.6%	219,468	4.6%
\$15,000 to \$24,999	354	6.1%	1,711	4.5%	484,449	10.2%
\$25,000 to \$34,999	310	5.3%	2,055	5.4%	462,771	9.7%
\$35,000 to \$49,999	760	13.0%	4,082	10.7%	618,005	12.9%
\$50,000 to \$74,999	917	15.7%	7,761	20.4%	856,630	17.9%
\$75,000 to \$99,999	1,020	17.5%	6,696	17.6%	615,943	12.9%
\$100,000 to \$149,999	1,553	26.6%	8,792	23.1%	667,146	14.0%
\$150,000 to \$199,999	404	6.9%	3,519	9.2%	255,728	5.4%
\$200,000 or more	320	5.5%	1,914	5.0%	254,708	5.3%
Total	5,835	100.0%	38,075	100.0%	4,772,723	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2009 to 2013.

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 Ending June 30	State Sales Tax Distributions (2)	Annual Percent Change + (-)
2005.....	\$2,243,867	18.58% (3)
2006.....	2,548,784	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.....	2,552,483	(0.65%)
2013.....	2,490,503	(2.43%)
2014.....	2,586,460	3.85%
Growth from 2005 to 2014.....		15.27%

- Notes: (1) Source: Illinois Department of Revenue.
 (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 2005 percentage is based on a 2004 sales tax of \$1,892,287.

THE PROJECT and PLAN OF FINANCING

The Bond proceeds will be used to finance the costs of certain capital projects within the City, to current refund the Series 2005 Bonds (the “Refunded Bonds”) and to pay the costs of issuance of the Bonds. Capital projects consist of financing the acquisition, construction, rehabilitation and equipping of infrastructure improvements, including, but not limited to, water infrastructure improvements in the City’s Countryside subdivision.

Projected Debt Service Coverage Table Sales Tax Alternate Revenue Source Bonds

Year	Revenue Available for Debt Service (1)	Outstanding Debt Service				Debt Service Coverage	Mandatory Coverage Amounts (4)	Revenue Available for Additional Debt Service	Debt Service After the Sale of the Bonds			Revenue Available for Additional Debt Service (5)
		Series 2005 (2) (3)	Series 2014 (3)	Series 2014A	Total				The Bonds (5) (6)	Debt Service Coverage (5)	Mandatory Coverage Amounts (5) (7)	
2015....	\$2,586,460	\$0	\$ 50,715	\$330,937	\$381,652	6.78x	\$477,065	\$2,109,395	\$ 0	NA	NA	NA
2016....	2,586,460	0	50,715	329,138	379,853	6.81x	474,816	2,111,644	373,076	5.66x	\$410,384	\$1,701,261
2017....	2,586,460	0	50,715	328,588	379,303	6.82x	474,128	2,112,332	354,110	5.97x	389,521	1,722,811
2018....	2,586,460	0	50,715	322,888	373,603	6.92x	467,003	2,119,457	356,705	5.94x	392,376	1,727,081
2019....	2,586,460	0	50,715	322,188	372,903	6.94x	466,128	2,120,332	608,380	3.49x	669,218	1,451,114
2020....	2,586,460	0	50,715	321,338	372,053	6.95x	465,066	2,121,394	604,480	3.51x	664,928	1,456,466
2021....	2,586,460	0	50,715	315,338	366,053	7.07x	457,566	2,128,894	609,130	3.49x	670,043	1,458,851
2022....	2,586,460	0	50,715	319,338	370,053	6.99x	462,566	2,123,894	607,738	3.49x	668,511	1,455,383
2023....	2,586,460	0	50,715	313,038	363,753	7.11x	454,691	2,131,769	605,388	3.52x	665,926	1,465,843
2024....	2,586,460	0	50,715	316,738	367,453	7.04x	459,316	2,127,144	607,293	3.50x	668,022	1,459,123
2025....	2,586,460	0	280,715	315,138	595,853	4.34x	744,816	1,841,644	318,293	5.79x	350,122	1,491,523
2026....	2,586,460	0	276,515	313,388	589,903	4.38x	737,378	1,849,082	316,768	5.84x	348,444	1,500,638
2027....	2,586,460	0	277,115	321,200	598,315	4.32x	747,894	1,838,566	314,868	5.84x	346,354	1,492,212
2028....	2,586,460	0	277,193	316,400	593,593	4.36x	741,991	1,844,469	317,465	5.81x	349,212	1,495,258
2029....	2,586,460	0	281,610	321,400	603,010	4.29x	753,763	1,832,698	319,135	5.74x	351,049	1,481,649
2030....	2,586,460	0	0	320,800	320,800	8.06x	401,000	2,185,460	315,083	6.94x	346,591	1,838,869
2031....	2,586,460	0	0	314,800	314,800	8.22x	393,500	2,192,960	315,333	6.95x	346,866	1,846,094
2032....	2,586,460	0	0	313,600	313,600	8.25x	392,000	2,194,460	315,073	6.96x	346,580	1,847,880
2033....	2,586,460	0	0	312,000	312,000	8.29x	390,000	2,196,460	319,153	6.88x	351,068	1,845,392
2034....	2,586,460	0	0	0	0			2,586,460	317,353	8.15x	349,088	2,237,372

- Notes: (1) Based on the City’s 2014 Comprehensive Annual Financial Report (the “CAFR”).
(2) All maturities to be refunded by the Bonds.
(3) Additionally secured by certain incremental property taxes from the Countryside Shopping Center project area.
(4) Equal to the mandatory 125% rate covenant.
(5) Subject to change.
(6) Estimated at an average coupon of 3%.
(7) Equal to the mandatory 110% rate covenant.

Series 2005 Bonds

<u>Maturities</u>	<u>Outstanding Principal Amount</u>	<u>Principal Amount Refunded</u>	<u>Redemption Price</u>	<u>Redemption Date</u>
12/1/2019	\$ 235,000	\$ 235,000	100.00 %	8/18/2015
12/1/2020	245,000	245,000	100.00 %	8/18/2015
12/1/2021	260,000	260,000	100.00 %	8/18/2015
12/1/2022	275,000	275,000	100.00 %	8/18/2015
12/1/2023	285,000	285,000	100.00 %	8/18/2015
12/1/2024	300,000	300,000	100.00 %	8/18/2015
Total	\$1,600,000	\$1,600,000		

A portion of the Bond proceeds will be kept in cash: (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of and call premium, if any, on the Refunded Bonds on the redemption date.

The cash will be held in an escrow account created pursuant to an escrow agreement (the “Escrow Agreement”) between the City and Amalgamated Bank of Chicago, Chicago, Illinois, as Escrow Agent (the “Escrow Agent”).

All moneys deposited for the payment of Refunded Bonds, including interest thereon, are required to be applied solely and irrevocably to the payment of the Refunded Bonds.

DEBT INFORMATION

After issuance of the Bonds and the refunding of the Series 2005 Bonds, the City will have outstanding \$42,015,000 (subject to change) principal amount of general obligation and debt certificate debt. For the 2014 levy year, the City, partially abated the Series 2014B Bonds. Going forward the City expects to gradually eliminate this practice by fiscal year 2019. The City also has outstanding \$88,500,000 of special service area (SSA) debt and \$1,880,084 for the fiscal year ended April 30, 2014 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)

Calendar Year	Series 2003 Certificates	Series 2003A Certificates	Series 2004B (ARS) (2)	Series 2005 (ARS) (3)	Series 2006	Series 2006A Certificates	Series 2007A (ARS)	Series 2011 (ARS) (4)
2015.....	\$100,000	\$ 0	\$ 395,000	\$ 0	\$ 50,000	\$ 435,000	\$ 15,000	\$ 715,000
2016.....	100,000	110,000	410,000	0	50,000	460,000	15,000	745,000
2017.....	100,000	115,000	435,000	0	50,000	475,000	15,000	780,000
2018.....	300,000	120,000	455,000	0	50,000	495,000	15,000	810,000
2019.....	0	130,000	0	235,000	50,000	850,000	680,000	845,000
2020.....	0	135,000	0	245,000	75,000	850,000	695,000	885,000
2021.....	0	140,000	0	260,000	75,000	390,000	725,000	920,000
2022.....	0	150,000	0	275,000	75,000	255,000	750,000	960,000
2023.....	0	155,000	0	285,000	100,000	0	0	1,000,000
2024.....	0	0	0	300,000	100,000	0	0	1,045,000
2025.....	0	0	0	0	0	0	0	1,100,000
2026.....	0	0	0	0	0	0	0	0
2027.....	0	0	0	0	0	0	0	0
2028.....	0	0	0	0	0	0	0	0
2029.....	0	0	0	0	0	0	0	0
2030.....	0	0	0	0	0	0	0	0
2031.....	0	0	0	0	0	0	0	0
2032.....	0	0	0	0	0	0	0	0
2033.....	0	0	0	0	0	0	0	0
Total.....	\$600,000	\$1,055,000	\$1,695,000	\$1,600,000	\$675,000	\$4,210,000	\$2,910,000	\$9,805,000

Calendar Year	Series 2013	Series 2014 (ARS) (3)	Series 2014A (ARS) (3)	Series 2014B (ARS) (5)	Series 2014C (ARS) (2)	Outstanding Debt	Cumulative Principal Retired	
							Amount	Percent
2015.....	\$ 485,000	\$ 0	\$ 135,000	\$ 255,000	\$ 120,000	\$ 2,705,000	\$ 2,705,000	7.18%
2016.....	500,000	0	185,000	270,000	120,000	2,965,000	5,670,000	15.05%
2017.....	520,000	0	190,000	275,000	120,000	3,075,000	8,745,000	23.21%
2018.....	565,000	0	190,000	285,000	130,000	3,415,000	12,160,000	32.27%
2019.....	585,000	0	195,000	290,000	125,000	3,985,000	16,145,000	42.84%
2020.....	610,000	0	200,000	295,000	130,000	4,120,000	20,265,000	53.77%
2021.....	645,000	0	200,000	310,000	135,000	3,800,000	24,065,000	63.86%
2022.....	675,000	0	210,000	320,000	135,000	3,805,000	27,870,000	73.96%
2023.....	700,000	0	210,000	0	140,000	2,590,000	30,460,000	80.83%
2024.....	730,000	0	220,000	0	135,000	2,530,000	32,990,000	87.54%
2025.....	0	230,000	225,000	0	0	1,555,000	34,545,000	91.67%
2026.....	0	235,000	230,000	0	0	465,000	35,010,000	92.90%
2027.....	0	245,000	245,000	0	0	490,000	35,500,000	94.20%
2028.....	0	255,000	250,000	0	0	505,000	36,005,000	95.54%
2029.....	0	270,000	265,000	0	0	535,000	36,540,000	96.96%
2030.....	0	0	275,000	0	0	275,000	36,815,000	97.69%
2031.....	0	0	280,000	0	0	280,000	37,095,000	98.43%
2032.....	0	0	290,000	0	0	290,000	37,385,000	99.20%
2033.....	0	0	300,000	0	0	300,000	37,685,000	100.00%
Total.....	\$6,015,000	\$1,235,000	\$4,295,000	\$2,300,000	\$1,290,000	\$37,685,000		

- Notes: (1) Source: the City.
(2) Payable from revenues from the Water and Sewer System and State Income Taxes.
(3) Payable from revenues from Sales Taxes and the incremental taxes if any from the Countryside TIF. The 2014-2018 maturities were defeased/refunded by Series 2014.
(4) Payable from Special Sales Taxes.
(5) Partially paid from tax levies.

General Obligation and Debt Certificate Debt After Sale of the Bonds(1)
(Principal Only)

Calendar Year	Outstanding Debt	The Bonds (2) (3)	Less: Refunded Bonds (2) (3)	Total Debt (2)	Cumulative	
					Principal Retired (2)	
					Amount	Percent
2015.....	\$ 2,705,000	\$ 0	\$ 0	\$ 2,705,000	\$ 2,705,000	6.44%
2016.....	2,965,000	135,000	0	3,100,000	5,805,000	13.82%
2017.....	3,075,000	185,000	0	3,260,000	9,065,000	21.58%
2018.....	3,415,000	190,000	0	3,605,000	12,670,000	30.16%
2019.....	3,985,000	445,000	(235,000)	4,195,000	16,865,000	40.14%
2020.....	4,120,000	450,000	(245,000)	4,325,000	21,190,000	50.43%
2021.....	3,800,000	465,000	(260,000)	4,005,000	25,195,000	59.97%
2022.....	3,805,000	475,000	(275,000)	4,005,000	29,200,000	69.50%
2023.....	2,590,000	485,000	(285,000)	2,790,000	31,990,000	76.14%
2024.....	2,530,000	500,000	(300,000)	2,730,000	34,720,000	82.64%
2025.....	1,555,000	225,000	0	1,780,000	36,500,000	86.87%
2026.....	465,000	230,000	0	695,000	37,195,000	88.53%
2027.....	490,000	235,000	0	725,000	37,920,000	90.25%
2028.....	505,000	245,000	0	750,000	38,670,000	92.04%
2029.....	535,000	255,000	0	790,000	39,460,000	93.92%
2030.....	275,000	260,000	0	535,000	39,995,000	95.19%
2031.....	280,000	270,000	0	550,000	40,545,000	96.50%
2032.....	290,000	280,000	0	570,000	41,115,000	97.86%
2033.....	300,000	295,000	0	595,000	41,710,000	99.27%
2034.....	0	305,000	0	305,000	42,015,000	100.00%
Total.....	\$37,685,000	\$5,930,000	\$ (1,600,000)	\$42,015,000		

- Notes: (1) Source: the City.
(2) Subject to change.
(3) Payable from revenues from Sales Taxes and the incremental taxes if any from the Countryside TIF.

Detailed Overlapping Bonded Debt(1)

	Outstanding Debt (2)	Applicable to City	
		Percent (3)	Amount
Schools:			
Grade School District Number 66	\$ 1,495,000	0.39%	\$ 5,831
Unit School District Number 88	38,008,479	0.42%	159,636
Unit School District Number 115	79,165,866	58.15%	46,034,951
Community College District Number 516	71,440,000	5.30%	3,786,320
Total Schools			\$49,986,737
Other (4) :			
Kendall County (5)	\$35,913,762	16.48%	\$ 5,918,588
Kendall County Forest Preserve District	47,215,000	16.48%	7,781,032
Total Other			\$13,699,620
Total Schools and Other Overlapping Bonded Debt			\$63,686,357

- Notes: (1) Source: Kendall County Clerk.
(2) As of April 15, 2015.
(3) Percentages are based on 2014 EAVs, the latest available.
(4) The United City of Yorkville Special Service Areas (also includes Series 2007 revenue bonds) have \$88,500,000 in outstanding debt, which is expected to be paid from sources other than City revenues.
(5) Bonded debt is self supporting; includes Public Building Commission.

Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To Equalized Assessed	Estimated Actual	Per Capita (2010 Census 16,921)
City EAV of Taxable Property, 2014	\$ 416,828,406	100.00%	33.33%	\$24,633.79
Estimated Actual Value, 2014	\$1,250,485,218	300.00%	100.00%	\$73,901.38
 Net Direct Bonded Debt (2) (3)	 \$ 14,855,000	 3.56%	 1.19%	 \$ 877.90
Overlapping Bonded Debt(4):				
Schools.....	\$ 49,986,737	11.99%	4.00%	\$ 2,954.12
Other.....	13,699,620	3.29%	1.10%	809.62
Total Overlapping Bonded Debt	\$ 63,686,357	15.28%	5.09%	\$ 3,763.75
Total Net Direct and Overlapping Bonded Debt.....	\$ 78,541,357	18.84%	6.28%	\$ 4,641.65

- Notes: (1) Source: Kendall County Clerk.
(2) Includes debt certificates and excludes alternate bonds and bonds to be refunded by this issue.
(3) Excludes \$88,500,000 bonds as of April 30, 2014 of the United City of Yorkville Special Service Areas which are expected to be paid from sources other than City revenues.
(4) As of April 15, 2015.

Legal Debt Margin(1)

2014 City Equalized Assessed Valuation.....	\$416,828,406
Statutory Debt Limitation (8.625% of EAV).....	\$ 35,951,450

Series 2003 Certificates	\$ 600,000
Series 2003A Certificates	1,055,000
Series 2004B(2)	1,695,000
Series 2005 Bonds (ARS) (2) (3) (4)	0
Series 2006 Bonds	675,000
Series 2006A Certificates	4,210,000
Series 2007A Bonds (ARS) (2)	2,910,000
Series 2011 Bonds (ARS) (2)	9,805,000
Series 2013 Bonds	6,015,000
Series 2014 (ARS) (2)	1,235,000
Series 2014A (ARS) (2)	4,295,000
Series 2014B (ARS) (2) (5)	2,300,000
Series 2014C (ARS) (2)	1,290,000
The Bonds (ARS) (2) (4)	5,930,000
Total Debt(4)	\$42,015,000

Less:

Series 2004B Bonds (ARS) (2)	\$(1,695,000)
Series 2005 Bonds (ARS) (2) (3) (4)	0
Series 2007A(2)	(2,910,000)
Series 2011 Bonds (ARS) (2)	(9,805,000)
Series 2014 (ARS) (2)	(1,235,000)
Series 2014A (ARS) (2)	(4,295,000)
Series 2014C (ARS) (2)	(1,290,000)
The Bonds (ARS) (2) (4)	(5,930,000)

Total Applicable Debt(4)	\$ 14,855,000
Legal Debt Margin(4)	\$ 21,096,450

- Notes: (1) Source: the City.
(2) Series 2004B, Series 2005 Bonds, Series 2007A Bonds, Series 2011Bonds, Series 2014 Bonds, Series 2014A Bonds, Series 2014B Bonds, Series 2014C 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.
(3) Does not include bonds being refunded.
(4) Subject to change.
(5) Alternate bonds which have taxes levied for payment.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2014 levy year, the City's EAV was comprised of approximately 74% residential, 3% industrial, 22% commercial, and less than 1% farm and railroad property valuations.

Equalized Assessed Valuation(1)

By Property Class	Levy Years				
	2010	2011	2012	2013	2014
Residential	\$407,528,709	\$367,600,683	\$332,551,186	\$311,316,069	\$310,655,449
Farm	2,398,027	2,450,231	2,568,351	2,618,131	2,743,283
Commercial	122,304,406	112,753,206	101,264,981	99,434,012	90,744,145
Industrial	6,820,310	7,283,729	6,720,962	6,656,792	12,668,201
Railroad	17,328	17,328	17,328	17,328	17,328
Total	\$539,068,780	\$490,105,177	\$443,122,808	\$420,042,332	\$416,828,406
Percent Change	(6.78%) (2)	(9.08%)	(9.59%)	(5.21%)	(0.77%)

Notes: (1) Source: Kendall County Clerk.
 (2) Percentage change based on 2009 EAV of \$578,268,436.

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

	Levy Year				
	2010	2011	2012	2013	2014
The City:					
Corporate	\$0.1472	\$0.2108	\$ 0.2354	\$ 0.2484	\$ 0.2503
Bonds and Interest	0.4105	0.1477	0.1097	0.0797	0.0397
IMRF	0.0804	0.0918	0.1016	0.1071	0.1080
Police Protection	0.0620	0.0714	0.0790	0.0833	0.0840
Police Pension	0.0670	0.0900	0.1229	0.1493	0.1694
Audit	0.0098	0.0082	0.0068	0.0072	0.0072
Liability Insurance	0.0615	0.0082	0.0090	0.0095	0.0096
Social Security	0.0546	0.0612	0.0677	0.0714	0.0720
School Cross Guard	0.0044	0.0051	0.0057	0.0060	0.0060
Unemployment Insurance	0.0045	0.0102	0.0113	0.0119	0.0120
Total City Rates(2)	\$0.9020	\$0.7045	\$ 0.7490	\$ 0.7738	\$ 0.7581
Kendall County	0.6396	0.6999	0.7446	0.8009	0.8085
Kendall County Forest Preserve	0.1041	0.1205	0.1495	0.1640	0.1826
Bristol Township	0.3246	0.3693	0.3935	0.4239	0.4171
Bristol - Kendall Fire District	0.6734	0.7176	0.7356	0.7718	0.8041
Unit School District Number 115	5.2767	5.9101	6.7561	7.4081	7.7083
Community College District Number 516	0.4115	0.4702	0.5306	0.5691	0.5973
Yorkville Library	0.2589	0.3042	0.3242	0.3241	0.3299
Total Tax Rates(3)	\$8.5908	\$9.2962	\$10.3831	\$11.2358	\$11.6059

Notes: (1) Source: Kendall County Clerk.
 (2) 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).
 (3) Representative tax rates for other government units are from Bristol Township tax code 005.

Tax Extensions and Collections(I)
(Excludes Road, Bridge and Library Levies)

Levy Year	Coll. Year	Taxes Extended(2)	Taxes Collected(3)	
			Amount	Percent
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.....	3,318,990	3,193,672	96.22%
2013	2014.....	3,250,204	3,234,448	99.52%
2014	2015.....	3,159,893	-----In Collection-----	

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.

Principal Taxpayers(I)

Taxpayer Name	Business/Service	2014 EAV(2)
Menard, Inc.	Retail	\$ 7,568,892
Bank of America NA(3)	Kendall Market Place	5,152,419
Yorkville Shopping Center I	Shopping Center	3,968,109
Copley Ventures, Inc.	Real Property	3,726,607
Target Corporation	Retail	3,092,795
Wrigley Manufacturing Co LLC	Gum	2,706,507
Yorkville Leased Housing Associates 1	Affordable Housing Investments.....	2,341,056
Boombah Properties LLC	Retail	2,269,648
York Meadows LLC	Apartments	2,254,626
Prime Yorkville LLC	Office Building Complex	1,805,566
Total		\$34,886,225
Ten Largest Taxpayers as Percent of City's 2014 EAV (\$416,828,406)		8.37%

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 2014 EAV by PIN is the most current available.
(3) Formerly Cannonball LLC.

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 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 for assessment years 2009 through 2011, the maximum reduction is \$6,000 in all counties. For assessment years 2012 and thereafter, the maximum reduction is \$6,000 in counties with less than 3,000,000 inhabitants.

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 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 years 2006 and 2007, the maximum reduction is \$3,500 in all counties. For assessment years 2008 through 2011, the maximum reduction is \$4,000 for all counties. For assessment year 2012, the maximum reduction is \$4,000 in counties with less than 3,000,000 inhabitants. For assessment years 2013 and thereafter, the maximum reduction is \$5,000 in all 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 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 or the 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 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, 2014 (the “2014 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 Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2014 Audit. The inclusion of the Excerpted Financial Information in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2014 Audit. Questions or inquiries relating to financial information of the City since the date of the 2014 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 2014 Audit.

**Statement of Net Assets(I)
Governmental Activities**

	Audited as of April 30		
	2010	2011	2012
ASSETS:			
Current Assets:			
Cash and Cash Equivalents.....	\$ 4,185,507	\$ 4,379,393	\$ 4,395,719
Receivables:			
Property Taxes Receivable.....	3,276,306	4,469,943	4,623,354
Intergovernmental Receivables.....	2,054,417	1,923,851	0
Accounts Receivable	459,445	494,959	380,675
Utility Taxes Receivable.....	247,659	239,106	0
Other Taxes	0	0	2,577,391
Internal Balances	(2,482,580)	(2,219,599)	(1,145,614)
Prepaid Items	54,288	145,404	181,683
Other Assets	0	0	400,000
Total Current Assets	\$ 7,795,042	\$ 9,433,057	\$11,413,208
Capital Assets (Net of Accumulated Depreciation):			
Land, Land Improvements and CIP.....	\$30,049,329	\$30,274,710	\$30,224,292
Infrastructure	28,050,993	28,580,530	28,726,021
Building and Improvements.....	12,713,680	12,486,849	12,195,378
Equipment and Vehicles	3,602,054	3,055,284	2,665,905
Total Capital Assets	\$74,416,056	\$74,397,373	\$73,811,596
Other Assets:			
Deferred Charges	\$ 58,060	\$ 50,180	\$ 42,893
Total Other Assets	\$ 58,060	\$ 50,180	\$ 42,893
Total Assets	<u>\$82,269,158</u>	<u>\$83,880,610</u>	<u>\$85,267,697</u>
LIABILITIES AND NET ASSETS:			
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 335,840	\$ 689,702	\$ 527,054
Deposits Payable	0	0	66,584
Retainage Payable	0	3,201	0
Accrued Payroll	117,174	99,928	108,478
Interest Payable	228,618	218,758	213,875
Unearned Revenue	3,315,611	4,514,986	5,671,251
Current Portion of Long-Term Debt.....	0	0	1,098,099
Other Liabilities	567,031	417,495	356,259
Total Current Liabilities.....	\$ 4,564,274	\$ 5,944,070	\$ 8,041,600
Noncurrent Liabilities:			
Long-Term Obligations, Due within One Year:			
Bonds Payable	\$ 650,000	\$ 790,000	\$ 0
Debt Certificates Payable.....	95,000	95,000	0
Notes Payable	151,544	153,254	0
Compensated Absences	221,316	242,538	292,100
Accrued Claims	60,000	0	0
Long-Term Obligations, Due in more than One Year:			
Bonds Payable	14,715,000	13,925,000	13,025,000
Loans Payable	1,890	0	0
Debt Certificates Payable.....	190,000	95,000	0
Notes Payable	1,001,079	849,715	817,751
Compensated Absences	165,631	299,148	0
Net Pension Obligation	133,940	398,325	564,311
Other Post-employment Benefits.....	4,676	7,007	9,453
Other Liabilities	0	0	1,890
Total Noncurrent Liabilities.....	\$17,390,076	\$16,854,987	\$14,710,505
Total Liabilities	<u>\$21,954,350</u>	<u>\$22,799,057</u>	<u>\$22,752,105</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt.....	\$60,971,543	\$61,594,404	\$58,943,771
Restricted for Capital Projects.....	3,042,137	2,736,585	3,478,139 (2)
Restricted for Debt Service.....	426,013	578,443	0
Unrestricted Net Assets	(4,124,885)	(3,827,879)	93,682
Total Net Assets	<u>\$60,314,808</u>	<u>\$61,081,553</u>	<u>\$62,515,592</u>

Notes: (1) Reporting format changed from Net Assets to Net Position in 2013. See table on page 22.

(2) 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.

Statement of Net Position Governmental Activities

	Audited as of April 30	
	2013	2014
ASSETS:		
Current Assets:		
Cash and Investments	\$ 7,752,435	\$ 5,996,255
Receivables – Net	7,364,633	7,687,961
Prepays	174,571	191,065
Internal Balances	(259,447)	0
Due from Other Governments.....	15	131,319
Total Current Assets	\$ 15,032,207	\$ 14,006,600
Noncurrent Assets:		
Capital Assets:		
Nondepreciable Capital Assets.....	\$ 31,020,430	\$ 32,828,269
Depreciable Capital Assets.....	66,528,719	67,900,191
Accumulated Depreciation.....	(21,705,810)	(23,592,200)
Total Capital Assets	\$ 75,843,339	\$ 77,136,260
Total Assets	\$ 90,875,546	\$ 91,142,860
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized Loss on Refunding.....	\$ 0	\$ 197,291
Total Assets and Deferred Outflows of Resources	\$ 90,875,546	\$ 91,340,151
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 819,023	\$ 931,071
Retainage Payable	0	33,064
Deposits Payable	289,418	307,162
Accrued Payroll	137,178	200,721
Accrued Interest Payable.....	199,038	155,686
Other Liabilities	288,139	306,313
Other Payables	87,015	117,383
Current Portion of Long-Term Debt.....	928,122	916,300
Total Current Liabilities.....	\$ 2,747,933	\$ 2,967,700
Noncurrent Liabilities:		
Compensated Absences Payable.....	\$ 244,440	\$ 288,752
Net Pension Obligation Payable.....	653,423	626,585
Net Other Post-Employment Benefit Payable.....	7,927	6,306
Notes Payable	823,589	826,229
General Obligation Bonds Payable.....	12,190,000	11,790,000
Other Liabilities	1,890	1,890
Total Noncurrent Liabilities.....	13,921,269	13,539,762
Total Liabilities	\$ 16,669,202	\$ 16,507,462
DEFERRED INFLOWS OF RESOURCES:		
Property and State Taxes.....	\$ 5,364,612	\$ 5,446,664
Total Liabilities and Deferred Inflows of Resources	\$ 22,033,814	\$ 21,954,126
NET POSITION:		
Net Investment in Capital Assets.....	\$ 61,962,738	\$ 63,873,210
Restricted:		
Library Operations	453,630	489,178
Special Service Areas	22,864	13,708
Motor Fuel Tax	1,152,348	1,024,307
Land Cash	121,420	187,984
Tax Increment Financing Districts.....	1,787,605	230,911
Unrestricted	3,341,127	3,566,727
Total Net Position	\$ 68,841,732	\$ 69,386,025

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

	Year Ended April 30				
	2010	2011	2012	2013	2014
PRIMARY GOVERNMENT (1) :					
Governmental Activities					
General Government.....	\$ (2,563,751)	\$ (2,799,032)	\$ (3,674,413)	\$ (1,308,913)	\$ (3,196,327)
Public Safety.....	(3,660,914)	(3,287,448)	(2,905,184)	(3,750,318)	(3,874,698)
Public Works.....	8,002,542	(1,214,089)	(1,275,841)	470,019	(1,702,793)
Library.....	(1,023,547)	(1,104,099)	(798,256)	(849,831)	(821,180)
Parks and Recreation.....	(1,664,356)	(1,217,887)	(1,161,266)	(1,072,532)	(1,360,104)
Community Development.....	(447,491)	(394,687)	(307,053)	(356,689)	(407,537)
Unallocated Bad Debt Adjustments.....	(1,016,132)	0	0	0	0
Interest on Debt.....	(757,192)	(723,246)	(704,213)	(691,551)	(698,519)
Total Governmental Activities.....	\$ (3,130,841)	\$ (10,740,488)	\$ (10,826,226)	\$ (7,559,815)	\$ (12,061,158)
GENERAL REVENUES:					
Taxes:					
Property Taxes.....	\$ 4,087,698	\$ 4,281,902	\$ 4,953,862	\$ 4,743,599	\$ 4,670,934
Sales Tax.....	2,480,213	2,577,651	2,962,810	4,409,926	4,573,026
Income Tax.....	1,280,519	1,306,325	1,444,426	1,587,324	1,613,102
Utility Taxes.....	1,542,649	1,614,294	1,568,699	1,553,693	1,633,242
Other Taxes.....	641,360	780,863	963,524	922,439	988,822
Investment Earnings.....	73,327	6,762	10,388	16,368	14,895
Other General Revenues.....	783,999	764,528	667,637	652,606	737,693
Transfers.....	134,209	174,908	0	0	(1,626,263)
Total General Revenues.....	\$11,023,974	\$ 11,507,233	\$ 12,571,346	\$13,885,955	\$ 12,605,451
Change in Net Assets.....	\$ 7,893,133	\$ 766,745	\$ 1,745,120	\$ 6,326,140	\$ 544,293
Net Assets					
Beginning of Year, as Restated.....	52,421,675	60,314,808	60,770,472	62,515,592	68,841,732
End of Year.....	\$60,314,808	\$ 61,081,553	\$ 62,515,592	\$68,841,732	\$ 69,386,025

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				
	2010	2011	2012	2013	2014
ASSETS:					
Cash and Investments	\$ 0	\$ 0	\$ 0	\$3,139,755	\$2,351,670
Property Taxes Receivable	2,626,306	2,749,964	2,801,487	2,950,692	3,073,873
Other Governmental Receivables	1,748,223	1,576,444	0	15	3,900
Account Receivable	459,445	488,780	369,626	205,599	221,671
Other Taxes Receivable	0	0	2,543,802	2,328,040	2,386,979
Utility Taxes Receivable	247,659	239,106	0	0	0
Interfund Receivable	0	100,000	0	0	533,396
Prepaid Items	39,497	136,917	153,770	139,985	156,680
Other Assets	0	0	7,479	0	0
Total Assets	<u>\$5,121,130</u>	<u>\$5,291,211</u>	<u>\$5,876,164</u>	<u>\$8,764,086</u>	<u>\$8,728,169</u>
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	\$ 258,021	\$ 531,957	\$ 477,374	\$ 586,758	\$ 728,907
Accrued Payroll	87,832	75,382	78,840	100,025	149,909
Deposits Payable	0	0	54,498	271,365	295,619
Interfund Payable	1,815,685	1,577,286	0	0	0
Other Payable	401,201	198,074	114,854	0	0
Due to Other Funds	0	0	497,989	17,448	0
Deferred Revenue	3,048,330	3,180,412	3,381,986	0	0
Total Liabilities	<u>\$5,611,069</u>	<u>\$5,563,111</u>	<u>\$4,605,541</u>	<u>\$ 975,596</u>	<u>\$1,174,435</u>
DEFERRED INFLOWS OF RESOURCES(1):					
Property and State Taxes	\$ 0	\$ 0	\$ 0	\$3,564,670	\$3,693,153
Total Liabilities and Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$4,540,266</u>	<u>\$4,867,588</u>
Fund Balances:					
Unassigned	\$ (532,436)	\$ (408,817)	\$ 784,353	\$4,083,835	\$3,703,901
Nonspendable	0	0	153,770	139,985	156,680
Assigned	0	0	332,500	0	0
Reserved for Prepaid Items	39,497	136,917	0	0	0
Total Fund Balance	<u>\$ (492,939)</u>	<u>\$ (271,900)</u>	<u>\$1,270,623</u>	<u>\$4,223,820</u>	<u>\$3,860,581</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances(1)	<u>\$5,118,130</u>	<u>\$5,291,211</u>	<u>\$5,876,164</u>	<u>\$8,764,086</u>	<u>\$8,728,169</u>

Note: (1) Change in reporting format.

General Fund Revenues and Expenditures

Audited Fiscal Year Ending April 30

	2010	2011	2012	2013	2014
REVENUES:					
Property Taxes	\$ 2,407,483	\$ 2,521,570	\$ 2,709,936	\$ 2,715,518	\$ 2,725,879
Township Road and Bridge Taxes	151,196	164,296	166,896	168,477	164,398
Sales Tax	2,446,099	2,569,233	2,552,483	2,490,503	2,586,460
Non-HR Sales	0	0	410,327	1,919,423	1,986,566
Income Tax	1,277,889	1,315,321	1,444,426	1,587,324	1,613,102
Utility Tax	833,669	873,999	828,426	835,972	926,857
Other Taxes	1,322,380	1,521,787	1,441,803	1,355,967	1,191,792
Intergovernmental	0	0	277,715	304,937	513,988
Charges for Services	1,252,904	1,298,042	1,561,554	1,199,908	1,175,166
Licenses, Permits & Fees	304,415	241,752	171,921	168,831	168,119
Fines	154,575	201,236	175,159	169,144	173,954
Interest Revenues	62,043	1,760	5,102	7,287	8,799
Other Revenue	450,117	573,619	433,605	391,519	207,592
Total Revenues	\$10,662,770	\$11,282,615	\$12,179,353	\$13,314,810	\$13,442,672
EXPENDITURES:					
General Government	\$ 4,577,468	\$ 4,713,073	\$ 4,814,105	\$ 3,296,379	\$ 3,752,982
Streets & Sanitation	1,800,389	1,788,538	1,703,802	1,647,589	2,045,049
Community Development	419,785	395,291	307,053	365,188	407,537
Public Safety	3,260,256	2,883,254	2,846,420	3,550,955	3,812,134
Total Expenditures	\$10,057,898	\$ 9,780,156	\$ 9,671,380	\$ 8,860,111	\$10,017,702
Excess (Deficiency) of Revenues Over Expenditures	\$ 604,872	\$ 1,502,459	\$ 2,507,973	\$ 4,454,699	\$ 3,424,970
Other Financing Sources (Uses):					
Operating Transfers In	\$ 344,658	\$ 235,357	\$ 0	\$ 0	\$ 2,479
Operating Transfers Out	(1,644,594) (1)	(1,516,778) (3)	(965,450) (4)	(1,501,502) (5)	(3,790,688) (6)
Total Other Financing Sources (Uses)	\$ (1,299,936)	\$ (1,281,421)	\$ (965,450)	\$ (1,501,502)	\$ (3,788,209)
SPECIAL ITEM:					
Adjustment for Bad Debts	\$ (1,016,132)	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (1,711,196)	\$ 221,038	\$ 1,542,523	\$ 2,953,197	\$ (363,239)
Fund Balance – Beginning of the Year	\$ 1,218,257 (2)	\$ (492,939)	\$ (271,900)	\$ 1,270,623	\$ 4,223,820
Fund Balance – End of the Year	\$ (492,939)	\$ (271,900)	\$ 1,270,623	\$ 4,223,820	\$ 3,860,581

Notes: (1) \$100,000 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.

(2) Adjusted.

(3) \$951,890 to Parks and Recreation Fund to supplement operations; \$429,404 to Debt Service Fund; \$135,484 to Citywide Capital Fund to cover an installment payment on long-term debt and for sidewalk replacement.

(4) \$125,000 to Citywide Capital Fund for an installment payment; \$103,740 to Debt Service Fund; \$736,710 to Parks and Recreation Fund to supplement operations.

(5) \$419,332 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.

(6) \$270,401 to City Wide Capital for ongoing capital projects; \$1,765,504 to Park and Recreation to supplement operations; \$1,137,220 to the Sewer Fund to pay debt service on the Series 2011 Bonds; \$571,615 to close out Municipal Building Fund; \$45,948 to the Library to mitigate property tax losses and supplement operations.

General Fund Budget Financial Information

	Adopted Budget Fiscal Year Ending 4/30/2014	Actual Budget Fiscal Year Ending 4/30/2014	Adopted Budget Fiscal Year Ending 4/30/2015	Projected Budget Fiscal Year Ending 4/30/2015
REVENUES:				
Taxes.....	\$ 9,359,104	\$ 9,607,999	\$ 9,891,724	\$10,015,821
Intergovernmental.....	2,018,200	2,120,327	2,157,200	2,166,246
Licenses and Permits.....	193,000	168,119	193,000	178,000
Fines and Forfeits.....	180,200	173,954	175,250	160,250
Charges for Services.....	1,181,235	1,175,166	1,203,201	1,286,500
Investment Earnings.....	6,500	8,792	8,000	5,250
Reimbursements.....	55,000	168,974	80,000	80,000
Miscellaneous.....	11,000	19,335	13,000	22,500
Other Financing Sources.....	5,250	2,479	5,250	2,500
Total Revenue.....	\$13,009,489	\$13,445,145	\$13,726,625	\$13,917,067
EXPENDITURES:				
Salaries.....	\$ 3,546,298	\$ 3,437,661	\$ 3,967,218	\$ 3,961,718
Benefits.....	2,270,039	2,052,895	2,470,227	2,441,200
Contractual Services.....	3,945,473	4,267,482	4,283,415	4,426,649
Supplies.....	292,110	247,990	300,199	298,199
Contingencies.....	50,000	11,676	0	0
Other Financing Uses.....	3,798,673	3,790,688	2,548,953	2,549,277
Total Expenditures.....	\$13,902,593	\$13,808,392	\$13,570,012	\$13,677,043
SURPLUS (DEFICIT).....	\$ (893,104)	\$ (363,247)	\$ 156,613	\$ 240,024

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (“IMRF”), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan (“Plan”) which is a single-employer pension plan. A separate report is not issued for the Plan; financial information on the Plan is included in the City’s CAFR. 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 www.imrf.org. 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. 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 15th 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 EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the alternative minimum tax, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "*Issue Price*") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but owners of OID Bonds should consult their own tax advisors as to whether original issue discount is taken into account in computing adjusted current earnings, which is used in determining the alternative minimum tax for certain corporations under the Code; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Obligation holders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the Bondholder upon a default under the Bond Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Bond Ordinance may not be readily available or may be limited. Under Federal and State environmental laws, certain liens may be imposed on property of the City from time to time, but the City does not have reason to believe, under existing law, that any such lien would have priority over the lien on the ad valorem property tax which is pledged to the owners of the Bonds under the Bond Ordinance.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the City, the State of Illinois and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law.)

These exceptions would encompass any exercise of Federal, State or local police powers (including the police powers of the City), in a manner consistent with the public health and welfare. Enforceability of the Bond Ordinance in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

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 failed to file its audited financial statements for the 2010 fiscal year within the time period specified in prior continuing disclosure undertakings. As of April 23, 2013, the City had 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. A 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. In the past five years there have been numerous rating actions reported by Moody’s Investors Service, Standard & Poor’s Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the City. Due to widespread knowledge of these rating actions, material event notices were not filed by the City. The City failed to file audited financial statements and annual financial information and operating data for fiscal year 2012 (the “2012 Filings”) under its general obligation CUSIP number 987355 within the time period specified in prior continuing disclosure undertakings; the 2012 Filings were made within the time period specified in prior continuing disclosure undertakings under CUSIP number 987354. On July 22, 2014, this disclosure was filed with the MSRB through EMMA and the 2012 Filings were transferred to CUSIP number 987355. 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 Official Statement;
- All of the tables under the heading **PROPERTY ASSESSMENT AND TAX INFORMATION** within this Official Statement;
- All of the tables under the heading **DEBT INFORMATION** within this Official Statement; and
- All of the tables under the heading **FINANCIAL INFORMATION** (Excluding Budget and Interim Financial Information) within this 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 Accepted 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.

* *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 due December 1, 2016-2025, inclusive, are non-callable. The Bonds due December 1, 2026-2034, inclusive, are callable in whole or in part on any date on or after December 1, 2025, 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. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

OFFICIAL STATEMENT AUTHORIZATION

This 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 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 Ice Miller 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 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 Official Statement, except that in its capacity as Bond Counsel, Ice Miller LLP, Chicago, Illinois, has, at the request of the City reviewed only those sections of this 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.

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

The Bonds were offered for sale by the City at a public, competitive sale on June 23, 2015. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement to this Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal 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 Municipal 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 Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated June 15, 2015, for the \$5,930,000* General Obligation (Alternate Revenue Source) Bonds, Series 2015A, 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

**Subject to change.*

APPENDIX A

**UNITED CITY OF YORKVILLE
KENDALL COUNTY, ILLINOIS**

EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Net Position
April 30, 2014

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 5,996,255	3,724,217	9,720,472
Receivables - Net	7,687,961	659,968	8,347,929
Prepays	191,065	43,250	234,315
Due from Other Governments	131,319	-	131,319
Total Current Assets	14,006,600	4,427,435	18,434,035
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	32,828,269	1,756,100	34,584,369
Depreciable Capital Assets	67,900,191	70,249,363	138,149,554
Accumulated Depreciation	(23,592,200)	(12,196,493)	(35,788,693)
Total Capital Assets	77,136,260	59,808,970	136,945,230
Other Assets			
Assets Held for Others	-	11,091,000	11,091,000
Total Noncurrent Assets	77,136,260	70,899,970	148,036,230
Total Assets	91,142,860	75,327,405	166,470,265
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	197,291	323,156	520,447
Total Assets and Deferred Outflows of Resources	91,340,151	75,650,561	166,990,712

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	931,071	152,380	1,083,451
Retainage Payable	33,064	-	33,064
Deposits Payable	307,162	9,000	316,162
Accrued Payroll	200,721	28,855	229,576
Accrued Interest Payable	155,686	339,610	495,296
Other Liabilities	306,313	-	306,313
Other Payables	117,383	1,873	119,256
Current Portion of Long-Term Debt	916,300	2,185,922	3,102,222
Total Current Liabilities	2,967,700	2,717,640	5,685,340
Noncurrent Liabilities			
Compensated Absences Payable	288,752	41,366	330,118
Net Pension Obligation Payable	626,585	-	626,585
Net Other Post-Employment Benefit Payable	6,306	-	6,306
Notes Payable	826,229	-	826,229
IEPA Loans Payable	-	1,694,504	1,694,504
General Obligation Bonds Payable	11,790,000	15,680,000	27,470,000
Debt Certificates Payable	-	5,865,000	5,865,000
Other Liabilities	1,890	1,919,909	1,921,799
Total Noncurrent Liabilities	13,539,762	25,200,779	38,740,541
Total Liabilities	16,507,462	27,918,419	44,425,881
DEFERRED INFLOWS OF RESOURCES			
Property and State Taxes	5,446,664	-	5,446,664
Total Liabilities and Deferred Inflows of Resources	21,954,126	27,918,419	49,872,545
NET POSITION			
Net Investment in Capital Assets	63,873,210	34,717,042	98,590,252
Restricted			
Library Operations	489,178	-	489,178
Special Service Areas	13,708	-	13,708
Motor Fuel Tax	1,024,307	-	1,024,307
Land Cash	187,984	-	187,984
Tax Increment Financing Districts	230,911	-	230,911
Unrestricted	3,566,727	13,015,100	16,581,827
Total Net Position	69,386,025	47,732,142	117,118,167

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Activities
For the Fiscal Year Ended April 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 5,808,954	2,381,788	230,839	-
Library	918,131	74,037	22,914	-
Parks and Recreation	2,029,523	299,478	338,655	31,286
Public Safety	3,874,698	-	-	-
Community Development	407,537	-	-	-
Public Works	3,444,587	-	543,251	1,198,543
Interest on Long-Term Debt	698,519	-	-	-
Total Governmental Activities	17,181,949	2,755,303	1,135,659	1,229,829
Business-Type Activities				
Sewer	1,595,266	1,130,954	-	1,050,164
Water	2,710,511	2,394,494	-	608,484
Recreation Center	232,882	44,891	-	-
Total Business-Type Activities	4,538,659	3,570,339	-	1,658,648
	21,720,608	6,325,642	1,135,659	2,888,477

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

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net Expense/Revenue		
Primary Government		
Governmental Activities	Business Type Activities	Totals
(3,196,327)	-	(3,196,327)
(821,180)	-	(821,180)
(1,360,104)	-	(1,360,104)
(3,874,698)	-	(3,874,698)
(407,537)	-	(407,537)
(1,702,793)	-	(1,702,793)
(698,519)	-	(698,519)
(12,061,158)	-	(12,061,158)
-	585,852	585,852
-	292,467	292,467
-	(187,991)	(187,991)
-	690,328	690,328
(12,061,158)	690,328	(11,370,830)
4,670,934	-	4,670,934
1,633,242	-	1,633,242
988,822	-	988,822
4,573,026	-	4,573,026
1,613,102	-	1,613,102
14,895	11,491	26,386
737,693	182,783	920,476
(1,626,263)	1,626,263	-
12,605,451	1,820,537	14,425,988
544,293	2,510,865	3,055,158
68,841,732	45,221,277	114,063,009
69,386,025	47,732,142	117,118,167

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, 2014

	General
ASSETS	
Cash and Investments	\$ 2,351,670
Receivables - Net of Allowances	
Property Taxes	3,073,873
Accounts	221,671
Other Taxes	2,386,979
Due from Other Governments	3,900
Due from Other Funds	533,396
Prepays	156,680
Total Assets	8,728,169
LIABILITIES	
Accounts Payable	728,907
Retainage Payable	-
Deposit Payable	295,619
Accrued Payroll	149,909
Other Liabilities	-
Due to Other Funds	-
Other Payables	-
Total Liabilities	1,174,435
DEFERRED INFLOWS OF RESOURCES	
Property and State Taxes	3,693,153
Total Liabilities and Deferred Inflows of Resources	4,867,588
FUND BALANCES	
Nonspendable	156,680
Restricted	-
Committed	-
Assigned	-
Unassigned	3,703,901
Total Fund Balances	3,860,581
Total Liabilities, Deferred Inflows of Resources and Fund Balances	8,728,169

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

Special Revenue				
Library	Parks and Recreation	Countryside TIF	Nonmajor	Totals
540,769	722,417	-	2,381,399	5,996,255
1,423,321	-	-	329,579	4,826,773
-	6,323	-	209,311	437,305
912	-	1,951	34,029	2,423,871
-	-	-	127,419	131,319
-	-	-	-	533,396
8,768	18,850	-	6,767	191,065
1,973,770	747,590	1,951	3,088,504	14,539,984
14,191	64,225	-	123,748	931,071
-	-	-	33,064	33,064
-	9,500	2,043	-	307,162
14,682	36,130	-	-	200,721
23,630	91,250	-	191,433	306,313
-	-	533,384	-	533,384
-	-	-	117,383	117,383
52,503	201,105	535,427	465,628	2,429,098
1,423,321	-	611	329,579	5,446,664
1,475,824	201,105	536,038	795,207	7,875,762
8,768	18,850	-	6,767	191,065
489,178	-	-	1,462,229	1,951,407
-	527,635	-	-	527,635
-	-	-	824,301	824,301
-	-	(534,087)	-	3,169,814
497,946	546,485	(534,087)	2,293,297	6,664,222
1,973,770	747,590	1,951	3,088,504	14,539,984

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

UNITED CITY OF YORKVILLE, ILLINOIS

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

April 30, 2014

Total Governmental Fund Balances \$ 6,664,222

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. 77,136,260

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

Accrued Interest Payable (155,686)
Compensated Absences Payable (360,940)
Net Pension Obligation Payable (626,585)
Net Other Post-Employment Benefit Obligation Payable (6,306)
Notes Payable (940,341)
General Obligation Bonds Payable (12,520,000)
Unamortized Loss on Refunding 197,291
Other Obligations Payable (1,890)

Net Position of Governmental Activities 69,386,025

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2014

	General	Library	Parks and Recreation	Countryside TIF	Nonmajor	Totals
Revenues						
Taxes	\$ 9,581,952	1,389,302	-	2,043	389,312	11,362,609
Intergovernmental	2,127,090	22,914	-	-	794,803	2,944,807
Licenses, Permits and Fees	168,119	53,650	-	-	171,977	393,746
Charges for Services	1,175,166	10,707	299,478	-	684,319	2,169,670
Fines and Forfeits	173,954	9,680	-	-	8,253	191,887
Grants and Donations	-	-	4,582	-	334,073	338,655
Interest	8,799	1,401	385	107	4,203	14,895
Miscellaneous	207,592	7,992	219,970	-	302,139	737,693
Total Revenues	13,442,672	1,495,646	524,415	2,150	2,689,079	18,153,962
Expenditures						
Current						
General Government	3,752,982	-	-	1,805,459	127,100	5,685,541
Library	-	737,191	-	-	-	737,191
Parks and Recreation	-	-	1,574,761	-	69,304	1,644,065
Public Safety	3,812,134	-	-	-	22,521	3,834,655
Community Development	407,537	-	-	-	-	407,537
Public Works	2,045,049	-	-	-	162,708	2,207,757
Capital Outlay	-	-	-	-	2,050,456	2,050,456
Debt Service						
Principal Retirement	-	590,000	-	185,000	324,223	1,099,223
Interest and Fiscal Charges	-	322,790	-	161,116	157,767	641,673
Total Expenditures	10,017,702	1,649,981	1,574,761	2,151,575	2,914,079	18,308,098
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,424,970	(154,335)	(1,050,346)	(2,149,425)	(225,000)	(154,136)
Other Financing Sources (Uses)						
Disposal of Capital Assets	-	-	-	-	16,325	16,325
Debt Issuance	-	6,625,000	-	1,235,000	193,963	8,053,963
Premium on Debt Issuance	-	124,882	-	-	-	124,882
Discount on Debt Issuance	-	-	-	(9,773)	-	(9,773)
Payment to Escrow Agent	-	(6,605,374)	-	(1,182,224)	-	(7,787,598)
Transfers In	2,479	45,948	1,765,504	-	1,067,604	2,881,535
Transfers Out	(3,790,688)	-	(489,043)	-	(228,067)	(4,507,798)
	(3,788,209)	190,456	1,276,461	43,003	1,049,825	(1,228,464)
Net Change in Fund Balances	(363,239)	36,121	226,115	(2,106,422)	824,825	(1,382,600)
Fund Balances - Beginning	4,223,820	461,825	320,370	1,572,335	1,468,472	8,046,822
Fund Balances - Ending	3,860,581	497,946	546,485	(534,087)	2,293,297	6,664,222

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.

For the Fiscal Year Ended April 30, 2014

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2014

	Business-Type Activities - Enterprise			
			Nonmajor Recreation Center	Totals
	Sewer	Water		
ASSETS				
Current Assets				
Cash and Investments	\$ 2,713,492	1,010,725	-	3,724,217
Receivables - Net of Allowances				
Property Taxes	-	5,235	-	5,235
Accounts	178,600	476,133	-	654,733
Prepays	12,188	31,062	-	43,250
Total Current Assets	2,904,280	1,523,155	-	4,427,435
Noncurrent Assets				
Capital Assets				
Nondepreciable	105,724	1,650,376	-	1,756,100
Depreciable	29,294,610	40,954,753	-	70,249,363
Accumulated Depreciation	(3,069,802)	(9,126,691)	-	(12,196,493)
	26,330,532	33,478,438	-	59,808,970
Other Assets				
Assets Held for Others	11,091,000	-	-	11,091,000
Total Noncurrent Assets	37,421,532	33,478,438	-	70,899,970
Total Assets	40,325,812	35,001,593	-	75,327,405
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding	35,250	287,906	-	323,156
Total Assets and Deferred Outflows of Resources	40,361,062	35,289,499	-	75,650,561

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

	Business-Type Activities - Enterprise			
			Nonmajor Recreation Center	Totals
	Sewer	Water		
LIABILITIES				
Current Liabilities				
Accounts Payable	7,481	144,899	-	152,380
Deposits Payable	9,000	-	-	9,000
Accrued Payroll	8,630	20,225	-	28,855
Accrued Interest Payable	194,851	144,759	-	339,610
Other Payables	-	1,873	-	1,873
Current Portion of Long-Term Debt	1,451,078	734,844	-	2,185,922
Total Current Liabilities	1,671,040	1,046,600	-	2,717,640
Noncurrent Liabilities				
Compensated Absences Payable	10,890	30,476	-	41,366
IEPA Loans Payable	451,577	1,242,927	-	1,694,504
General Obligation Bonds Payable	11,500,000	4,180,000	-	15,680,000
Debt Certificates Payable	1,055,000	4,810,000	-	5,865,000
Other Liabilities	1,038,117	881,792	-	1,919,909
Total Noncurrent Liabilities	14,055,584	11,145,195	-	25,200,779
Total Liabilities	15,726,624	12,191,795	-	27,918,419
NET POSITION				
Net Investment in Capital Assets	11,910,850	22,806,192	-	34,717,042
Unrestricted	12,723,588	291,512	-	13,015,100
Total Net Position	24,634,438	23,097,704	-	47,732,142

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
For the Fiscal Year Ended April 30, 2014

	Business-Type Activities - Enterprise			
	Sewer	Water	Nonmajor Recreation Center	Totals
Operating Revenues				
Charges for Services	\$ 1,104,154	2,275,300	44,891	3,424,345
Operating Expenses				
Operations	377,433	1,318,347	232,882	1,928,662
Depreciation and Amortization	536,899	891,617	-	1,428,516
Total Operating Expenses	914,332	2,209,964	232,882	3,357,178
Operating Income (Loss)	189,822	65,336	(187,991)	67,167
Nonoperating Revenues (Expenses)				
Interest Income	9,260	2,231	-	11,491
Connection Fees	26,800	119,194	-	145,994
Other Income	111,839	70,372	572	182,783
Interest Expense	(680,934)	(500,547)	-	(1,181,481)
	(533,035)	(308,750)	572	(841,213)
Income (Loss) Before Contributions and Transfers	(343,213)	(243,414)	(187,419)	(774,046)
Capital Contributions	1,050,164	608,484	-	1,658,648
Transfers In	1,137,220	82,988	489,043	1,709,251
Transfers Out	(82,988)	-	-	(82,988)
Change in Net Position	1,761,183	448,058	301,624	2,510,865
Net Position - Beginning	22,873,255	22,649,646	(301,624)	45,221,277
Net Position - Ending	24,634,438	23,097,704	-	47,732,142

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2014

	Business-Type Activities - Enterprise			
	Sewer	Water	Nonmajor Recreation Center	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 1,302,916	2,515,995	64,913	3,883,824
Payments to Employees	(163,373)	(347,118)	(18,775)	(529,266)
Payments to Suppliers	(300,149)	(861,880)	(535,181)	(1,697,210)
	839,394	1,306,997	(489,043)	1,657,348
Cash Flows from Noncapital Financing Activities				
Transfers In (Out)	1,054,232	82,988	489,043	1,626,263
Change in Interfund	568,315	-	-	568,315
	1,622,547	82,988	489,043	2,194,578
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(74,274)	(282,398)	-	(356,672)
Debt Repayment	(1,310,952)	(704,961)	-	(2,015,913)
Interest Payments	(680,934)	(500,547)	-	(1,181,481)
	(2,066,160)	(1,487,906)	-	(3,554,066)
Cash Flows from Investing Activities				
Interest Received	9,260	2,231	-	11,491
Net Change in Cash and Cash Equivalents	405,041	(95,690)	-	309,351
Cash and Cash Equivalents - Beginning	2,308,451	1,106,415	-	3,414,866
Cash and Cash Equivalents - Ending	2,713,492	1,010,725	-	3,724,217
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	189,822	65,336	(187,991)	67,167
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization Expense	536,899	891,617	-	1,428,516
Connection Fees/Other Income	138,639	189,566	572	328,777
(Increase) Decrease in Current Assets	60,123	51,129	19,450	130,702
Increase (Decrease) in Current Liabilities	(86,089)	109,349	(321,074)	(297,814)
Net Cash Provided by Operating Activities	839,394	1,306,997	(489,043)	1,657,348
Noncash Activity - Capital Contributions	1,050,164	608,484	-	1,658,648

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, 2014

	Police Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 243,936	458,122
Investments		
U.S. Government and Agency Securities	2,436,562	-
Mutual Funds	1,048,861	-
Corporate Bonds	386,236	-
Common Stocks	1,551,597	-
Receivables - Net of Allowances	-	600,670
Accrued Interest	24,927	-
Total Assets	5,692,119	1,058,792
LIABILITIES		
Accounts Payable	1,636	-
Other Liabilities	-	1,058,792
Due to Other Funds	12	-
Total Liabilities	1,648	1,058,792
NET POSITION		
Held in Trust for Pension Benefits	5,690,471	-

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

UNITED CITY OF YORKVILLE, ILLINOIS

Statement of Changes in Net Position - Fiduciary Fund
For the Fiscal Year Ended April 30, 2014

	Police Pension Trust
Additions	
Contributions - Employer	\$ 524,120
Contributions - Plan Members	193,600
Total Contributions	717,720
Investment Income	
Interest Earned	126,678
Net Change in Fair Value	237,512
	364,190
Less Investment Expenses	(17,392)
Net Investment Income	346,798
Total Additions	1,064,518
Deductions	
Administration	12,947
Benefits and Refunds	412,539
Total Deductions	425,486
Change in Net Position	639,032
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning	5,051,439
Net Position - Ending	5,690,471

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

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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
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In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, 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, 2014

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 public 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.

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.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Nonmajor 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 eight 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. The Countryside TIF Fund, also a major fund, is used to account for the accumulation of monies for the payment of the 2005 General Obligation Bond Series and 2014 Refunding Bonds Series. These bonds were issued to finance retail development at Countryside Center.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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 six 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.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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-type activities are presented using the economic resources measurement focus as defined below.

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

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, 2014

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-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow 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.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

Prepays

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

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

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:

Capital Asset	Capitalized Threshold	Estimated Useful 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

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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-Bristol 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, 2014, 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, 2014, the outstanding balance of the 2011 refunding bonds is \$10,490,000. 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 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, 2014

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 to May 1, the Mayor submits to the City Council the proposed budget for the fiscal year commencing the following May 1. 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.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

- 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.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year.

Fund	Excess
Library	\$ 70,130
Countryside TIF	40,042

The Library Fund was over budget due to the issuance of the General Obligation Library Refunding Bonds of 2013 and refunding of the General Obligation Library Bonds of 2005B. The Countryside TIF was over budget due to the issuance of the General Obligation Refunding Alternate Revenue Source Bonds of 2014 and refunding of the General Obligation Alternate Revenue Source Bonds of 2005.

DEFICIT FUND EQUITY

The Countryside TIF Fund had a deficit fund equity of \$534,087, as of April 30, 2014.

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).

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS – Continued

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 United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; 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 anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is 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 position. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to forty-five percent of the plan's net position in 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.

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 \$1,668,550 and the bank balances totaled \$1,737,364. Additionally, the City has \$885,504 invested in the Illinois Fund and \$7,166,418 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.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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

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 shall comply with all qualifications and requirements set forth in the Illinois Compiled Statutes 30 ILCS 235/6. 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.

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 year-end, 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 \$243,936 and the bank balances totaled \$243,936.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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

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

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,374,088	369,378	718,713	285,997	-
U.S. Agencies	1,062,474	121,675	625,949	254,355	60,495
Corporate Bonds	386,236	-	45,135	341,101	-
	2,822,798	491,053	1,389,797	881,453	60,495

Interest Rate Risk. The Fund's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Fund to meet all operating requirements which may be reasonable anticipated.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund 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 Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Government Agencies obligations were all rated triple A by Standard & Poor's or by Moody's Investors Services. Besides investing in securities issued by agencies of the United States Government, the Pension Fund's investment policy for reducing credit risk is by the Board conducting its responsibilities with the care, skill and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use the conduct of an activity of like character or purpose.

Custodial Credit Risk. The Fund's investment policy requires all deposits in excess of federally insured limits (other than bank managed money market mutual funds) to be no less than 110% of the fair market value and secured by some form of collateral. The Fund will accept (1) United States Treasury Bills, Notes or Bonds, or (2) United States Government Agency Notes or Bonds as authorized by the Public Funds Investment Act but excluding the government sponsored agencies prohibited by the DOI. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Pension Fund's investment in a single issuer. The Funds investment policy states the Board should diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions. In addition to the securities and fair values previously listed, the Fund also has \$1,048,861 invested in mutual funds and \$1,551,597 invested in common stocks. 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 Cohen & Steers Mutual Funds (\$357,849).

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by 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 and September 1. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 30,266,179	-	-	30,266,179
Construction in Progress	754,251	1,907,884	100,045	2,562,090
	<u>31,020,430</u>	<u>1,907,884</u>	<u>100,045</u>	<u>32,828,269</u>
Depreciable Capital Assets				
Buildings	14,573,556	-	-	14,573,556
Equipment	6,253,852	148,700	-	6,402,552
Vehicles	2,425,099	93,648	43,224	2,475,523
Infrastructure	43,276,212	1,172,348	-	44,448,560
	<u>66,528,719</u>	<u>1,414,696</u>	<u>43,224</u>	<u>67,900,191</u>
Less Accumulated Depreciation				
Buildings	2,669,649	291,471	-	2,961,120
Equipment	3,707,429	429,399	-	4,136,828
Vehicles	2,312,619	57,878	43,224	2,327,273
Infrastructure	13,016,113	1,150,866	-	14,166,979
	<u>21,705,810</u>	<u>1,929,614</u>	<u>43,224</u>	<u>23,592,200</u>
Total Net Depreciable Capital Assets	<u>44,822,909</u>	<u>(514,918)</u>	<u>-</u>	<u>44,307,991</u>
Total Net Capital Assets	<u>75,843,339</u>	<u>1,392,966</u>	<u>100,045</u>	<u>77,136,260</u>

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 69,644
Library	180,940
Parks and Recreation	385,458
Public Safety	66,881
Public Works	<u>1,226,691</u>
	<u>1,929,614</u>

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 615,376	-	-	615,376
Construction in Progress	941,851	198,873	-	1,140,724
	<u>1,557,227</u>	<u>198,873</u>	<u>-</u>	<u>1,756,100</u>
Depreciable Capital Assets				
Equipment	18,891,299	7,500	-	18,898,799
Infrastructure	49,541,617	1,808,947	-	51,350,564
	<u>68,432,916</u>	<u>1,816,447</u>	<u>-</u>	<u>70,249,363</u>
Less Accumulated Depreciation				
Equipment	5,219,966	433,353	-	5,653,319
Infrastructure	5,620,080	923,094	-	6,543,174
	<u>10,840,046</u>	<u>1,356,447</u>	<u>-</u>	<u>12,196,493</u>
Total Net Depreciable Capital Assets	<u>57,592,870</u>	<u>460,000</u>	<u>-</u>	<u>58,052,870</u>
Total Net Capital Assets	<u>59,150,097</u>	<u>658,873</u>	<u>-</u>	<u>59,808,970</u>

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

Sewer	\$ 531,028
Water	<u>825,419</u>
	<u>1,356,447</u>

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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
General	Countryside TIF	\$ 533,384
General	Police Pension	12
		<u>533,396</u>

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

- \$533,384 due from the Countryside TIF Fund to the General Fund representing cash borrowings which occurred during the year.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Nonmajor Governmental	\$ 2,479
Library	General	45,948
Parks and Recreation	General	1,765,504
Nonmajor Governmental	General	842,016
Nonmajor Governmental	Nonmajor Governmental	225,588
Sewer	General	1,137,220
Water	Sewer	82,988
Nonmajor Business-Type	Parks and Recreation	<u>489,043</u>
		<u>4,590,786</u>

The purpose of significant interfund transfers are as follows:

- \$1,765,504 to the Parks and Recreation Fund to subsidize operations.
- \$1,137,220 to the Sewer Fund to fund debt service payments on the 2011 Refunding Bonds sourced from Non-Home Rule Sales Taxes.
- \$571,615 to the Municipal Building Fund to eliminate negative fund balance and close the Fund.
- \$489,043 to the Recreation Center Fund to eliminate negative net position and close the Fund.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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 Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Betzwise Development, LLC Adjustable Rate Note Payable of 2008, due in monthly installments of \$6,086, which includes an annualized interest rate of 4.43% through October 1, 2028.	Public Works Capital	\$ 817,751	-	34,223	783,528
Kendall County River Road Bridge Loan Payable of 2013, payable in annual installments equal to one-sixth of the amount borrowed through October 31, 2018.	Citywide Capital	37,850	193,963	75,000	156,813
		<u>855,601</u>	<u>193,963</u>	<u>109,223</u>	<u>940,341</u>

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 Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA (L17-115300) Loan Payable of 2000, due in semi-annual installments of \$37,166 to \$52,832 including interest at 2.625% through September 6, 2019.	Sewer	\$ 635,884	-	90,952	544,932

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Illinois Environmental Protection Agency (IEPA) Loans Payable – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA (L17-1156300) Loan Payable of 2007, due in semi-annual installments of \$28,263 to \$61,744 including interest at 2.50% through August 9, 2026.	Water	\$ 1,425,113	-	89,961	1,335,152
		2,060,997	-	180,913	1,880,084

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:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Alternate Revenue Source Bonds of 2004B, due in annual installments of \$120,000 to \$455,000 plus interest at 2.50% to 4.00% through December 30, 2018.	Sewer	\$ 2,350,000	-	280,000	2,070,000

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Alternate Revenue Source Bonds of 2005, due in annual installments of \$165,000 to \$300,000 plus interest at 3.50% to 4.35% through December 1, 2024.	Countryside TIF	\$ 2,835,000	-	1,050,000 * 185,000	1,600,000
General Obligation Alternate Revenue Source Bonds of 2005A, due in annual installments of \$30,000 to \$335,000 plus interest at 4.00% to 4.375% through December 30, 2022.	Debt Service	2,705,000	-	215,000	2,490,000
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.	Library	6,660,000	-	6,325,000 * 335,000	-
General Obligation Alternate Revenue Source Bonds of 2005C, due in annual installments of \$35,000 to \$150,000 plus interest at 3.50% to 5.50% through December 30, 2024.	Water	1,465,000	-	95,000	1,370,000
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.	Library	825,000	-	100,000	725,000

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
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.	Water	\$ 2,940,000	-	15,000	2,925,000
General Obligation Refunding Alternate Revenue Source Bonds of 2011, due in annual installments of \$660,000 to \$1,100,000 plus interest at 4.280% through December 30, 2025.	Sewer	11,150,000	-	660,000	10,490,000
General Obligation Library Refunding Bonds of 2013, due in annual installments of \$155,000 to \$730,000 plus interest at 2.00% to 4.00% through December 30, 2024.	Library	-	6,625,000	155,000	6,470,000
General Obligation Refunding Alternate Revenue Source Bonds of 2014, due in annual installments of \$230,000 to \$270,000 plus interest at 4.00% to 4.30% through December 1, 2029.	Countryside TIF	-	1,235,000	-	1,235,000
		<u>30,930,000</u>	<u>7,860,000</u>	<u>9,415,000</u>	<u>29,375,000</u>

* Refunded

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Rural Bond Bank Debt Certificates of 2003, due in annual installments of \$80,000 to \$155,000 plus interest at 1.60% to 5.20% through February 1, 2023.	Sewer	\$ 1,260,000	-	100,000	1,160,000
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	-	100,000	700,000
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	370,000	-	180,000	190,000
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	<u>5,035,000</u>	<u>-</u>	<u>405,000</u>	<u>4,630,000</u>
		<u>7,465,000</u>	<u>-</u>	<u>785,000</u>	<u>6,680,000</u>

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Other Obligations

Other Obligations currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
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.	Governmental Activities	\$ 1,890	-	-	1,890

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 305,550	110,781	55,391	360,940	72,188
Net Pension Obligation	653,423	-	26,838	626,585	-
Net Other Post-Employment Benefit Obligation	7,927	-	1,621	6,306	-
Notes Payable	855,601	193,963	109,223	940,341	114,112
General Obligation Bonds	13,025,000	7,860,000	8,365,000	12,520,000	730,000
Other Obligations	1,890	-	-	1,890	-
	14,849,391	8,164,744	8,558,073	14,456,062	916,300

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	\$ 43,957	15,502	7,751	51,708	10,342
IEPA Loans Payable	2,060,997	-	180,913	1,880,084	185,580
General Obligation Bonds	17,905,000	-	1,050,000	16,855,000	1,175,000
Debt Certificates	7,465,000	-	785,000	6,680,000	815,000
Developer Agreements	1,952,534	81,975	114,600	1,919,909	-
	29,427,488	97,477	2,138,264	27,386,701	2,185,922

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 Vehicle and Equipment Fund makes payment on the notes payable. General obligation bonds are being liquidated by the Library, Countryside TIF and Debt Service Funds.

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.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities				
	Notes Payable*		General Obligation Bonds		
	Principal	Interest	Principal	Interest	
2015	\$ 39,112	33,922	730,000	444,755	
2016	40,880	32,154	770,000	429,210	
2017	42,728	30,306	800,000	407,736	
2018	44,660	28,374	830,000	385,359	
2019	46,679	26,355	890,000	361,405	
2020	48,790	24,245	1,160,000	334,905	
2021	50,995	22,039	1,230,000	292,788	
2022	53,301	19,733	1,300,000	247,510	
2023	55,711	17,324	1,360,000	199,676	
2024	58,229	14,805	1,085,000	142,771	
2025	60,862	12,172	1,130,000	97,765	
2026	63,614	9,421	230,000	50,715	
2027	66,490	6,545	235,000	41,515	
2028	69,496	3,539	245,000	32,115	
2029	41,981	622	255,000	22,193	
2030	-	-	270,000	11,610	
Total	783,528	281,556	12,520,000	3,502,028	

* - No final repayment schedule available for the River Road Bridge Loan

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year	Business-Type Activities					
	IEPA Loan Payable		General Obligation Bonds		Debt Certificates	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 185,580	46,501	1,175,000	717,520	815,000	283,244
2016	190,365	41,714	1,230,000	670,448	645,000	250,926
2017	195,275	36,805	1,280,000	621,190	675,000	224,412
2018	200,313	31,767	1,340,000	567,868	695,000	196,398
2019	205,480	26,601	1,400,000	512,046	925,000	167,088
2020	157,255	21,300	1,645,000	453,740	985,000	127,674
2021	107,049	17,981	1,710,000	382,074	990,000	85,156
2022	109,742	15,288	1,780,000	307,508	540,000	42,316
2023	112,503	12,527	1,850,000	229,894	410,000	18,580
2024	115,334	9,697	1,150,000	151,106	-	-
2025	118,235	6,795	1,195,000	100,056	-	-
2026	121,209	3,821	1,100,000	47,080	-	-
2027	61,744	772	-	-	-	-
Total	1,880,084	271,569	16,855,000	4,760,530	6,680,000	1,395,794

Non-Commitment Debt

Special service area bonds outstanding as of the date of this report totaled \$76,842,000, Kendall Marketplace business district bonds totaled \$6,665,000 and Kendall Marketplace sales tax bonds totaled \$6,280,000. 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.

UNITED CITY OF YORKVILLE, ILLINOIS**Notes to the Financial Statements
April 30, 2014****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Legal Debt Margin**

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

Assessed Valuation - 2013	<u>\$ 420,042,332</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>36,228,651</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>19,290,000</u>
Legal Debt Margin	<u>16,938,651</u>

Bond Defeasances

During the current year, the City issued \$6,625,000 par value General Obligation Library Refunding Bonds of 2013 and \$1,235,000 par value General Obligation Refunding Alternate Revenue Source Bonds of 2014 to fully refund \$6,325,000 of the General Obligation Library Bonds of 2005B and partially refund \$1,050,000 of the General Obligation Alternate Revenue Source Bonds of 2005. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City increased its total debt service by \$291,733 and obtained an economic gain of \$188,200.

UNITED CITY OF YORKVILLE, ILLINOIS**Notes to the Financial Statements
April 30, 2014****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, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 77,136,260
Less Capital Related Debt:	
Notes Payable of 2008	(783,528)
Loan Payable of 2013	(156,813)
General Obligation Alternate Revenue Source Bonds of 2005	(1,600,000)
General Obligation Alternate Revenue Source Bonds of 2005A	(2,490,000)
General Obligation Library Bonds of 2006	(725,000)
General Obligation Library Refunding Bonds of 2013	(6,470,000)
General Obligation Refunding Alternate Revenue Source Bonds of 2014	(1,235,000)
Loss on Refunding	<u>197,291</u>
Net Investment in Capital Assets	<u>63,873,210</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	59,808,970
Less Capital Related Debt:	
IEPA (L17-115300) Loan Payable of 2000	(544,932)
IEPA (L17-1156300) Loan Payable of 2007	(1,335,152)
General Obligation Alternate Revenue Source Bonds of 2004B	(2,070,000)
General Obligation Alternate Revenue Source Bonds of 2005C	(1,370,000)
General Obligation Refunding ARS Bonds of 2007A	(2,925,000)
General Obligation Refunding ARS Bonds of 2011	(10,490,000)
Illinois Rural Bond Bank Debt Certificates of 2003	(1,160,000)
Debt Certificates of 2003	(700,000)
Debt Certificates of 2004A	(190,000)
Refunding Debt Certificates of 2006A	(4,630,000)
Loss on Refunding	<u>323,156</u>
Net Investment in Capital Assets	<u>34,717,042</u>

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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.

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

	General	Library	Special Revenue Parks and Recreation	Countryside TIF	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 156,680	8,768	18,850	-	6,767	191,065
Restricted						
Library Operations	-	489,178	-	-	-	489,178
Special Service Areas	-	-	-	-	13,708	13,708
Motor Fuel Tax	-	-	-	-	1,024,307	1,024,307
Land Cash	-	-	-	-	187,984	187,984
Tax Increment Financing Districts	-	-	-	-	230,911	230,911
Debt Service	-	-	-	-	5,319	5,319
	-	489,178	-	-	1,462,229	1,951,407
Committed						
Parks and Recreation						
Programs and Facility Improvements	-	-	527,635	-	-	527,635
Assigned						
Capital Projects	-	-	-	-	824,301	824,301
Unassigned	3,703,901	-	-	(534,087)	-	3,169,814
Total Fund Balances	3,860,581	497,946	546,485	(534,087)	2,293,297	6,664,222

Assigned Fund Balance. The City reports assigned fund balance in the Vehicle and Equipment (nonmajor), Police Capital (nonmajor), Public Works Capital (nonmajor), Parks and Recreation Capital (nonmajor) and in the Citywide Capital (nonmajor) Funds. The City Administrator, under authority granted in the City's fund balance policy, 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 budget process.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Committed Fund Balance. The City reports committed fund balance in the Parks and Recreation 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 30% of the annual appropriations budget.

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.

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.

UNITED CITY OF YORKVILLE, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

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, 2014, the City has reimbursed \$1,879,186, including \$158,375 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, 2014, the City has reimbursed \$1,796,007, including \$191,871 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, 2014, the City has reimbursed \$155,585, including \$30,212 in the current year. All payments have been recorded as an expenditure of the General Fund.

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, 2014, the City has reimbursed \$308,516, including \$103,712 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 2013 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 Corneils 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, 2014, the City has reimbursed \$23,404, including \$0 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, 2014**

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS – Continued

Agreements with Developers – Governmental Activities – Continued

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 Special Service Area 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 \$466,994 for sales taxes and \$334,408 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, 2014, the City is holding \$5,497 in escrow. No reimbursements have yet been made.

Under a Development/Economic Initiative Agreement entered into on December 22, 2011 the 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, 2014, the City has reimbursed \$14,825, including \$6,969 in the current year. All payments have been recorded as an expenditure of the General Fund.

Under development agreements entered into in April 2012, the City agreed to reimburse eligible costs associated with a development located at within the Downtown TIF district. Eligible costs are to be reimbursed from 85% of the incremental property tax and 100% of the business district tax generated in the development, through December 31, 2029. Through April 30, 2014, the City has reimbursed \$12,315 in incremental property taxes and \$9,458 in business district taxes. All payments have been recorded as an expenditure in the Downtown TIF 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, 2014, the City has reimbursed \$5,166, including \$4,480 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, 2014

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS – Continued

Agreements with Developers – Governmental Activities – Continued

Under a development agreement entered into in May 2013, the City agreed to reimburse eligible costs associated with a development located at Route 34 and Route 47 in the Countryside TIF district. Eligible costs are to be reimbursed from 50% of the amusement tax and 100% of the business district tax generated in the development, limited to a period of 10 years. Through April 30, 2014, the City has reimbursed \$22,130 in amusement taxes and \$2,043 in business district taxes. Amusement tax rebate expenditures have been recorded in the General Fund and Business District rebate expenditures have been recorded in the Countryside TIF Fund.

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. In the current year, the City and the developer reached a settlement agreement. The amount owed by the City was waived. The outstanding balance of the loan is \$0 at April 30, 2014. The \$114,600 forgiveness revenue was recorded in the Sewer Fund.

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, 2014. The remaining balance, \$224,155, 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 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, 2014 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 \$737,759. The amount recorded as a liability, including interest, as of April 30, 2014 is \$1,695,754. 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, 2014

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 www.imrf.org. 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 2013 the employer annual required contribution rate was 10.73 percent.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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, 2013, the date of the most recent actuarial valuation, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	7
Current Employees	
Vested	14
Nonvested	12
	<u>33</u>

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 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 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, 2014

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 Cohen & Steers Mutual Funds (\$357,849). 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, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

There was no net pension obligation for the IMRF plan. The net pension obligation for the Police Pension Plan is as follows:

	Police Pension
Annual Required Contribution	\$ 513,459
Interest on Net Pension Obligation	47,706
Adjustment to Annual Required Contribution	(63,883)
Annual Pension Cost	497,282
Actual Contribution	524,120
Change in NPO	(26,838)
NPO - Beginning of Year	653,423
NPO - End of Year	626,585

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 Pension
Contribution Rates		
Employer	10.73%	26.92%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2013	4/30/2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded 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%

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 Year	IMRF	Police Pension
Annual Pension Cost (APC)	2012	\$ 253,636	\$ 510,479
	2013	251,608	543,686
	2014	273,251	497,282
Actual Contributions	2012	253,304	360,356
	2013	267,471	438,711
	2014	273,251	524,120
Percentage of APC Contributed	2012	100.00%	70.59%
	2013	106.30%	80.69%
	2014	100.00%	105.40%
Net Pension Obligation	2012	15,863	548,448
	2013	-	653,423
	2014	-	626,585

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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:

	IMRF	Police Pension
Actuarial Valuation Date	12/31/2013	4/30/2013
Percent Funded	89.02%	43.18%
Actuarial Accrued Liability for Benefits	\$5,786,259	\$11,701,279
Actuarial Value of Assets	\$5,151,131	\$5,052,201
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$635,128)	(\$6,649,078)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$2,546,606	\$1,813,758
Ratio of UAAL to Covered Payroll	24.94%	366.59%

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, 2014

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 of 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, 2014, retirees contributed \$66,981 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	8
Active Employees	<u>75</u>
Total	<u>83</u>
Participating Employers	1

The City does not currently have a funding policy.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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, 2014, was calculated as follows:

Annual Required Contribution	\$ 38,577
Interest on the Net OPEB Obligation	396
Adjustment to the ARC	<u>(265)</u>
Annual OPEB Cost	38,708
Actual Contribution	<u>40,329</u>
Decrease in the net OPEB Obligation	(1,621)
Net OPEB Obligation - Beginning of Year	<u>7,927</u>
Net OPEB Obligation - End of Year	<u>6,306</u>

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:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 4,260	\$ 1,814	42.58%	\$ 9,453
2013	36,520	38,046	104.18%	7,927
2014	38,708	40,329	104.19%	6,306

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, 2014

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)	\$ 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, 2014, was 30 years.

SUBSEQUENT EVENTS

On July 22, 2014, the City issued \$4,295,000 of General Obligation Alternate Revenue Source Bonds of 2014A. The bonds bear interest at a rate of 3.00% to 4.00% and are due in annual installments of \$135,000 to \$300,000 through December 1, 2033.

On July 22, 2014, the City issued \$2,300,000 of General Obligation Alternate Revenue Source Refunding Bonds of 2014B. The bonds bear interest at a rate of 2.00% to 3.00% and are due in annual installments of \$255,000 to \$320,000 through December 30, 2022.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENTS – Continued

On July 22, 2014, the City issued \$1,290,000 of General Obligation Alternate Revenue Source Refunding Bonds of 2014C. The bonds bear interest at a rate of 2.00% to 3.00% and are due in annual installments of \$120,000 to \$140,000 through December 30, 2024.

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.

2. 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).

8. 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.

_____, 2015

United City of Yorkville
Kendall County, Illinois

Re: United City of Yorkville, Kendall County, Illinois
General Obligation Bonds (Alternate Revenue Source), Series 2015A
Total Issue: \$_____
Original Date: _____, 2015

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the United City of Yorkville, Kendall County, Illinois (the "City") of \$_____ of its General Obligation Bonds, Series 2015, dated _____, 2015 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the City 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 City's tax covenants and representations ("Tax Covenants"), and we have not undertaken to verify any facts by independent investigation.

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 City.
2. The Bonds are payable as to principal and interest from all collections distributed to the City from Retailer's Occupation Taxes, Service Occupation Taxes, Use Taxes and Service Use Taxes and ad valorem taxes of the City for which its full faith and credit have been irrevocably pledged, unlimited as to rate or amount.
3. Under federal statutes, decisions, regulations and rulings existing on this date, the 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, as in effect on the date hereof (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the City with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

The Bonds have been properly designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code, as amended to this date, relating to the exception from the 100% disallowance for the deduction for interest expense allocable to interest on tax exempt obligations acquired by financial institutions. The designation is conditioned upon continuing compliance with the Tax Covenants.

The opinions set forth herein express the professional judgment of the attorneys participating in the transactions as to the legal issues addressed herein. By rendering such opinions, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering of that opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to 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. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the valid exercise of the constitutional powers of the City, the State and the United States of America.

Very truly yours,

APPENDIX D

**UNITED CITY OF YORKVILLE
KENDALL COUNTY, ILLINOIS**

**EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS
RELATING TO THE CITY'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS**

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 www.imrf.org. 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 2013 the employer annual required contribution rate was 10.73 percent.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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, 2013, the date of the most recent actuarial valuation, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	7
Current Employees	
Vested	14
Nonvested	12
	<u>33</u>

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 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 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, 2014

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 Cohen & Steers Mutual Funds (\$357,849). 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, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

There was no net pension obligation for the IMRF plan. The net pension obligation for the Police Pension Plan is as follows:

	Police Pension
Annual Required Contribution	\$ 513,459
Interest on Net Pension Obligation	47,706
Adjustment to Annual Required Contribution	(63,883)
Annual Pension Cost	497,282
Actual Contribution	524,120
Change in NPO	(26,838)
NPO - Beginning of Year	653,423
NPO - End of Year	626,585

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 Pension
Contribution Rates		
Employer	10.73%	26.92%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2013	4/30/2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded 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%

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 Year	IMRF	Police Pension
Annual Pension Cost (APC)	2012	\$ 253,636	\$ 510,479
	2013	251,608	543,686
	2014	273,251	497,282
Actual Contributions	2012	253,304	360,356
	2013	267,471	438,711
	2014	273,251	524,120
Percentage of APC Contributed	2012	100.00%	70.59%
	2013	106.30%	80.69%
	2014	100.00%	105.40%
Net Pension Obligation	2012	15,863	548,448
	2013	-	653,423
	2014	-	626,585

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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:

	IMRF	Police Pension
Actuarial Valuation Date	12/31/2013	4/30/2013
Percent Funded	89.02%	43.18%
Actuarial Accrued Liability for Benefits	\$5,786,259	\$11,701,279
Actuarial Value of Assets	\$5,151,131	\$5,052,201
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$635,128)	(\$6,649,078)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$2,546,606	\$1,813,758
Ratio of UAAL to Covered Payroll	24.94%	366.59%

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, 2014

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 of 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, 2014, retirees contributed \$66,981 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	8
Active Employees	<u>75</u>
Total	<u>83</u>
Participating Employers	1

The City does not currently have a funding policy.

UNITED CITY OF YORKVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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, 2014, was calculated as follows:

Annual Required Contribution	\$ 38,577
Interest on the Net OPEB Obligation	396
Adjustment to the ARC	(265)
Annual OPEB Cost	38,708
Actual Contribution	40,329
Decrease in the net OPEB Obligation	(1,621)
Net OPEB Obligation - Beginning of Year	7,927
Net OPEB Obligation - End of Year	6,306

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:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 4,260	\$ 1,814	42.58%	\$ 9,453
2013	36,520	38,046	104.18%	7,927
2014	38,708	40,329	104.19%	6,306

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, 2014

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)	\$ 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, 2014, was 30 years.

SUBSEQUENT EVENTS

On July 22, 2014, the City issued \$4,295,000 of General Obligation Alternate Revenue Source Bonds of 2014A. The bonds bear interest at a rate of 3.00% to 4.00% and are due in annual installments of \$135,000 to \$300,000 through December 1, 2033.

On July 22, 2014, the City issued \$2,300,000 of General Obligation Alternate Revenue Source Refunding Bonds of 2014B. The bonds bear interest at a rate of 2.00% to 3.00% and are due in annual installments of \$255,000 to \$320,000 through December 30, 2022.

UNITED CITY OF YORKVILLE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions

April 30, 2014

Funding Progress

Actuarial Valuation Date Dec. 31,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2013	5,151,131	5,786,259	89.02%	635,128	2,546,606	24.94%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2014	273,251	273,251	100.00%

UNITED CITY OF YORKVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions

April 30, 2014

Funding Progress

Actuarial Valuation Date Apr. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2013	5,052,201	11,701,279	43.18%	6,649,078	1,813,758	366.59%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2014	524,120	513,459	102.08%

UNITED CITY OF YORKVILLE, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions

April 30, 2014

Funding Progress

Actuarial Valuation Date Apr. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A

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Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2014	40,329	38,577	104.54%

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.

OFFICIAL BID FORM
(Open Speer Auction)

United City of Yorkville
800 Game Farm Road
Yorkville, Illinois 60560

June 23, 2015
Speer Financial, Inc.

City Council Members:

For the \$5,930,000* General Obligation (Alternate Revenue Source) Bonds, Series 2015A (the "Bonds"), of the United City of Yorkville, Kendall County, Illinois (the "City"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$ _____ (no less than \$5,883,000), to the date of delivery for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). The Bonds are to be dated the date of delivery, which is expected to be on or about July 8, 2015. **The premium or discount, if any, is subject to adjustment allowing the same \$ _____ gross spread per \$1,000 bond as bid herein.**

MATURITIES*- DECEMBER 1

\$135,000	2016	\$475,000	2022	\$255,000	2029
185,000	2017	485,000	2023	260,000	2030
190,000	2018	500,000	2024	270,000	2031
445,000	2019	225,000	2025	280,000	2032
450,000	2020	230,000	2026	295,000	2033
465,000	2021	235,000	2027	305,000	2034
		245,000	2028		

Any consecutive maturities may be aggregated into five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check ☐
Wire Transfer ☐

Within **TWO hours** of Bidding:
Wire Transfer ☐

Amount: \$118,600

Account Manager Information

Name _____

Address _____

By _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

Bidders Option Insurance

We have purchased
insurance from:

Name of Insurer
(Please fill in)

Premium: _____

Maturities: (Check One)

☐ _____ Years

☐ All

The foregoing bid was accepted and the Bonds sold by ordinance of the City on June 23, 2015, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS

*Subject to change.

Mayor

----- **NOT PART OF THE BID** -----
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	\$
Less Premium/Plus Discount	\$	\$
True Interest Cost	\$	\$
True Interest Rate	%	%
BOND YEAR DOLLARS	60,395.53	
AVERAGE LIFE	10.185 Years	Years

OFFICIAL NOTICE OF SALE

\$5,930,000*

UNITED CITY OF YORKVILLE

Kendall County, Illinois

General Obligation (Alternate Revenue Source) Bonds, Series 2015A

(Open Speer Auction)

The United City of Yorkville, Kendall County, Illinois (the "City"), will receive **open auction** electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$5,930,000* General Obligation (Alternate Revenue Source) Bonds, Series 2015A (the "Bonds"), on an all or none basis between 10:00 A.M. and 10:15 A.M., C.D.T., Tuesday, June 23, 2015. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected by designated officials of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

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 General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2014 (the "Series 2014 Bonds") and General Obligation (Alternate Revenue Source) Bonds, Series 2014A (the "Series 2014A Bonds") from (a) 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 from (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.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to the Auction Administrator, Grant Street Group, at (412) 391-5555 x 370.
- (2) If any new bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (3) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.
- (4) The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been successfully submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Subject to change.*

Rules

- (1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.
- (2) **Neither the City, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in the loss of the Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.**
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.
- (9) If two bids submitted in the same auction by two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to the Auction Administrator within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month next preceding any interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. Interest is due June 1 and December 1, commencing June 1, 2016, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar"). The Bonds are to be dated the date of delivery, which is expected to be on or about July 8, 2015.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as registered Bonds in the name of the purchaser. At the request of such winning bidder, the City will assist in the timely conversion of the registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* - DECEMBER 1

\$135,000.....	2016	\$475,000.....	2022	\$255,000.....	2029
185,000.....	2017	485,000.....	2023	260,000.....	2030
190,000.....	2018	500,000.....	2024	270,000.....	2031
445,000.....	2019	225,000.....	2025	280,000.....	2032
450,000.....	2020	230,000.....	2026	295,000.....	2033
465,000.....	2021	235,000.....	2027	305,000.....	2034
		245,000.....	2028		

Any consecutive maturities may be aggregated into five term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds due December 1, 2016-2025, inclusive, are non-callable. The Bonds due December 1, 2026-2034, inclusive, are callable in whole or in part on any date on or after December 1, 2025, 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.

*Subject to change.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed four percent (4%). All bids must be for all of the Bonds and must be for not less than \$5,883,000.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Financial Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The **winning bidder** is required to wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
One West Monroe
Chicago, IL 60603
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: United City of Yorkville, Kendall County, Illinois
bid for the \$5,930,000* General Obligation (Alternate Revenue Source) Bonds, Series 2015A

Contemporaneously with such wire transfer, the bidder shall send an email to biddingscrows@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

If a Financial Surety Bond is used for the Deposit, it must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its Deposit to the City in the form of a certified or cashier's check or wire transfer as instructed by Speer, or the City not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

*Subject to change.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as drafted by or acceptable to Bond Counsel, to evidence the issue price of each maturity of the Bonds, the form of which certificate is available upon request.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about July 8, 2015. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Ice Miller LLP, Chicago, Illinois, that the Bonds are valid and legally binding obligations of the City, in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Bart Olson, City Administrator, United City of Yorkville, 800 Game Farm Road, Yorkville, Illinois 60560; telephone (630) 553-8537 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales - Competitive" from the Independent Public Finance Consultants to the City, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **GARY J. GOLINSKI**
Mayor
UNITED CITY OF YORKVILLE
Kendall County, Illinois

/s/ **ROB FREDRICKSON**
Finance Director
UNITED CITY OF YORKVILLE
Kendall County, Illinois

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UNITED CITY OF YORKVILLE, ILLINOIS

COUNTRYSIDE AND DOWNTOWN
TAX INCREMENTAL FINANCING DISTRICTS

FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2016

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

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

August 22, 2016

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, 2016, 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, 2016, 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 22, 2016 on our consideration of the Countryside and Downtown Tax Incremental Financing Districts' compliance with laws, regulations, contracts and grants.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

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

**Balance Sheet
April 30, 2016**

	Countryside TIF	Downtown TIF
ASSETS		
Cash and Investments	\$ -	268,259
Receivables - Net of Allowances Accounts	-	52
Prepays	-	618
Total Assets	-	268,929
LIABILITIES		
Liabilities		
Accounts Payable	-	15,226
Due to Other Funds	549,946	-
Total Liabilities	549,946	15,226
FUND BALANCES		
Fund Balances		
Nonspendable	-	618
Restricted	-	253,085
Unassigned	(549,946)	-
Total Fund Balances	(549,946)	253,703
Total Liabilities and Fund Balances	-	268,929

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

**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, 2016**

	Countryside TIF	Downtown TIF
Revenues		
Taxes		
Property Taxes	\$ 143,784	68,868
Interest	5	1
Miscellaneous	-	236
Total Revenues	143,789	69,105
Expenditures		
General Government		
Administration Fees	638	-
Professional Services	-	2,051
Legal Services	-	556
TIF Incentive Payout	-	15,223
Capital Outlay	-	36,668
Debt Service		
Interest and Fiscal Charges	103,581	-
Total Expenditures	104,219	54,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,570	14,607
Other Financing (Uses)		
Debt Issuance	1,475,000	-
Premium on Debt Issuance	122,288	-
Payment to Escrow Agent	(1,581,984)	-
	15,304	-
Net Change in Fund Balances	54,874	14,607
Fund Balances - Beginning	(604,820)	239,096
Fund Balances - Ending	(549,946)	253,703

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

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

**Notes to the Financial Statements
April 30, 2016**

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.



Attachment L

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

August 22, 2016

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, 2016, and have issued our report thereon dated August 22, 2016. 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 than these specified parties.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

Downtown TIF District

Name of Municipality:	<u>United City of Yorkville</u>	Reporting Fiscal Year:	2016
County:	<u>Kendall</u>	Fiscal Year End:	4/30/2016
Unit Code:	<u>047/035/30</u>		

First Name:	Rob	Last Name:	Fredrickson
Address:	800 Game Farm Road	Title:	Finance Director
Telephone:	630-553-8534	City:	Yorkville
		Zip:	60560
Mobile	815-274-9223	E-mail-required	rfredrickson@yorkville.il.us
Mobile Provider	Verizon	Best way to contact	<input type="checkbox"/> x <input type="checkbox"/> Email <input type="checkbox"/> Phone <input type="checkbox"/> Mobile <input type="checkbox"/> Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of _____

is complete and accurate at the end of this reporting Fiscal year under 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.]

Written signature of TIF Administrator

11/4/2014
Date

FILL OUT ONE FOR EACH TIF DISTRICT[illegible]

114

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2016

Name of Redevelopment Project Area:	Downtown Yorkville
Primary Use of Redevelopment Project Area*:	Commercial
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <u> x </u>	Industrial Jobs Recovery Law <u> </u>

	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	x	
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		x
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		x
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	x	
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	x	
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	x	
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		x
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	x	
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	x	
Cumulatively, have deposits from any source 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 taxes 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 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, not actual agreements labeled Attachment M	x	

* 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 2016

TIF NAME: Downtown Yorkville

Fund Balance at Beginning of Reporting Period

\$ 239,096

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 68,868	\$ 559,754	99%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 1	\$ 610	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Miscellaneous Income	\$ 236	\$ 4,158	1%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 69,105

Cumulative Total Revenues/Cash Receipts

\$ 564,522 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 54,498

Distribution of Surplus

Total Expenditures/Disbursements

\$ 54,498

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 14,607

FUND BALANCE, END OF REPORTING PERIOD*

\$ 253,703

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

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

\$ (716,936)

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2016

TIF NAME: Downtown Yorkville

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

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	653	
Auditing Services - TIF Compliance Report	260	
JRB Packet Postage	7	
Appraisal Services	1,650	
Canoecopia Conference	1,473	
Engineering Services	345	
		\$ 4,389
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
Improvements to Buildings	27,466	
		\$ 27,466
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
IL Route 47 Expansion	7,420	
		\$ 7,420
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs 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)		
		\$ -
8.Financing costs related to obligations issued by the municipality. Subsection (q) (6) and (o)(8)		
		\$ -
9. Approved taxing district's capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
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)		
		\$ -
12.Payments in lieu of taxes as defined in Subsections 11-74.43(m) and 11-74.6-10(k). Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$

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	15,223	
		\$ 15,223
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		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 54,498

Section 3.2 B

FY 2016

TIF NAME: Downtown Yorkville

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.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

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

FY 2016

TIF NAME: Downtown Yorkville

FUND BALANCE, END OF REPORTING PERIOD \$ 253,703

	Amount of Original Issuance	Amount Designated
--	--------------------------------	-------------------

1. Description of Debt Obligations

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

IL Route 47 Expansion		\$ 100,000
Imperial Investments Redevelopment Phase 1 (est.)		\$ 870,639

Total Amount Designated for Project Costs \$ 970,639

TOTAL AMOUNT DESIGNATED \$ 970,639

SURPLUS*/(DEFICIT) \$ (716,936)

* 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 2016

TIF NAME: Downtown Yorkville

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 2016

TIF NAME: Downtown Yorkville

*Page 1 is to be included with TIF Report. Pages 2-3 are to be included **ONLY** if projects are listed.**Box below must be filled in with either a check or number of projects, not both**Check if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____**ENTER** total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*. _____ 2 _____

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 8,000,000	\$ -	\$ 8,000,000
Public Investment Undertaken	\$ 67,797	\$ 826,905	\$ 894,702
Ratio of Private/Public Investment	118		8 16/17

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Landscaping			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 24,063	\$ -	\$ 24,063
Ratio of Private/Public Investment	0		0

Project 2:

Imperial Investments - Phase 1 est.			
Private Investment Undertaken (See Instructions)	\$ 8,000,000	\$ -	\$ 8,000,000
Public Investment Undertaken	\$ 43,734	\$ 826,905	\$ 870,639
Ratio of Private/Public Investment	182 73/79		9 10/53

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 2016

TIF NAME: Downtown Yorkville

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 designated	Base EAV	Reporting Fiscal Year EAV
6/13/2006	\$ 5,745,902	\$ 5,865,094

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 project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

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

SECTION 8

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

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

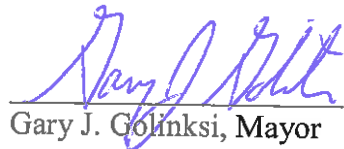
Telephone: 630-553-4350

www.yorkville.il.us

Attachment B

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, 2016, in connection with the administration of the Downtown Tax Increment Financing District.



Gary J. Golinski, 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 19, 2016

Leslie Geissler Munger, State Comptroller
Office of the State Comptroller
Local Government Division
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601-3252

Re: Downtown Tax Increment Finance Redevelopment Project Area for the Fiscal Year Ending April 30, 2016

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

Downtown Yorkville

The Downtown TIF district was created in 2006 to help facilitate mixed use development in the downtown area. Over the last several fiscal years, the City has entered into several agreements with Imperial Investments for the redevelopment of several buildings in the downtown area. This proposed mixed use development has resulted in several new store fronts being added to the downtown, including the Law Office Pub & Music Hall which opened in the current fiscal year.

The downtown portion of the IL Route 47 expansion was completed in fiscal year 2015. This expansion is a joint project between the City and the Illinois Department of Transportation (IDOT), and includes various roadway and infrastructure (water, sanitary sewer, storm sewer) improvements on Route 47, from just south of Kennedy Road through its intersection with IL Route 71. The cost of the project that is applicable to the Downtown TIF district is approximately \$200,000, which will be paid to the State over a period of ten years. In the current fiscal year, the City continued to rehab its buildings in the downtown area, including a new roof for the building located at 131 East Hydraulic Street.

In Fiscal Year 2016 the City neared completion of its Comprehensive Plan Update, which focuses on existing conditions in the City regarding land use, transportation, infrastructure, parks and open space, community facilities, neighborhoods and housing, and commercial and industrial areas. In regards to the TIF District, a formal recommendation was made to develop the downtown area as a potential overlay district, which will be explored further in the upcoming fiscal year.

UNITED CITY OF YORKVILLE, ILLINOIS

COUNTRYSIDE AND DOWNTOWN
TAX INCREMENTAL FINANCING DISTRICTS

FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2016

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

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

August 22, 2016

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, 2016, 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, 2016, 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 22, 2016 on our consideration of the Countryside and Downtown Tax Incremental Financing Districts' compliance with laws, regulations, contracts and grants.

LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

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

**Balance Sheet
April 30, 2016**

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Total Liabilities and Fund Balances	-	268,929

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**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, 2016**

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Fund Balances - Ending	(549,946)	253,703

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

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

**Notes to the Financial Statements
April 30, 2016**

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.



Attachment L

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

August 22, 2016

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, 2016, and have issued our report thereon dated August 22, 2016. 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 than these specified parties.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP