

VILLAGE OF COAL CITY, ILLINOIS

INDEPENDENT AUDITORS' REPORT

ANNUAL FINANCIAL REPORT

APRIL 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Village Mayor
and Board of Trustees
Village of Coal City, Illinois

We have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Coal City, Illinois, (the Village) as of and for the year ended April 30, 2014, which collectively comprise the basic financial statements as listed in the table of contents and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Coal City, Illinois, as of April 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Village adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended April 30, 2013. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of net position to the new classifications contained in GASB Statement No. 63. The adoption of these statements had no effect on any of the Village's net positions or fund balances as of and for the year ended April 30, 2014.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Brian Zabel & Assoc.

BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
August 20, 2014

Village of Coal City
Management's Discussion and Analysis
April 30, 2014

This section of the Village of Coal City's (the "Village") Financial Report (AFR) presents Management's Discussion and Analysis (MD&A) of the Village's financial activities during the fiscal year ended April 30, 2014. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify any material deviation from the financial plan (the approved budget), and (5) identify fund issues or concerns. This narrative is offered as a means to allow the reader a better understanding of the accompanying financial statements.

Financial Highlights

- The assets of the Village of Coal City exceeded its liabilities at the close of the most recent fiscal year by \$53,319,244 (net position). Net position decreased by \$1,204,375 during fiscal year 2014.
- The Village's total assets increased by \$1,173,492 during the fiscal year ending April 30, 2014. Governmental net position decreased \$1,481,765. The increase in assets is due to the increase of fixed assets and property taxes receivable.
- As of the close of the current fiscal year, the Village of Coal City's governmental funds reported combined ending fund balances of \$3,448,653, a decrease of \$19,483 in comparison with the prior year. Approximately 65% of this total amount, \$2,225,462, is available for spending at the government's discretion (unrestricted, unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,275,782 or 60% of General Fund expenditures.

Financial Statement Structure

The discussion and analysis are intended to serve as an introduction to the Village of Coal City basic financial statements. The Village of Coal City's basic financial statements are comprised of three components:

(1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The very end of the report also contains required supplementary information regarding the bonds issued by the village.

Government-Wide Financial Statements

The government-wide financial statement, found on pages 4 and 5, are designed to provide readers a broad perspective of the Village's finances, in a manner similar to a private-sector business. This is done by consolidating all of the Village's financial activity into one set of financial statements.

The *statement of net position* (page 4) presents information on all of the Village's assets and liabilities, with the difference between the two reported as *net position*. The focus of the Statement of Net Position (the "unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position might serve as a useful indicator of whether the financial position of the Village of Coal city is improving or deteriorating.

The *statement of activities* (page 5) presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave) and its focus on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, public works, highways and streets, culture and recreation, and general administration. Property taxes, shared state sales taxes, local telecommunications taxes, and shared state income taxes finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Water Fund), where the fee for service typically covers all or most of the cost of operation including depreciation.

Fund Financial Statements

The fund financial statements begin on page 6 and run through page 15. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Coal City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

(See independent auditor's report)

Because the focus of governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains 9 individual governmental funds; 3 major funds and 6 nonmajor funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Government Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Improvements Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation referred to as Nonmajor Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its general fund. Budgetary comparison schedules have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statement can be found beginning on page 6 of this report.

Proprietary Funds. The Village of Coal city maintains two major proprietary funds. *Enterprise funds* are used to report the same functions presented in Business-type Activities in the Government-Wide Financial Statements. The Village has two major enterprise funds, the Water and Sewer Fund and the Garbage Fund.

Proprietary fund Financial Statements (pages 11-13) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Garbage Fund which are considered major funds of the Village and are presented in separate columns in the Fund Financial Statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resource of those funds are not available to support the Village of Coal City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

Notes of the Financial Statements

The notes to the financial statements provide information essential to the full understanding of the data provided in the Government-Wide Fund financial Statements. These notes to the financial statements can be found immediately following the Basic Financial Statements section of the report beginning on page 16.

(See independent auditor's report)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including the general fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements beginning on page 36.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Coal City, assets exceeded liabilities by \$53,319,244 as of April 30, 2014.

By far the largest portion of the Village of Coal City's net position (90%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village of Coal City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Coal City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Village of Coal City's Net Position					
	Governmental Activities		Business-type Activities		Total Primary Governmental	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$ 5,276,662	\$ 5,186,898	\$ 2,159,737	\$ 2,222,593	\$ 7,436,399	\$ 7,409,491
Capital Assets	55,306,311	54,186,983	4,086,223	4,058,967	59,392,534	58,245,950
Total Assets	<u>60,582,973</u>	<u>59,373,881</u>	<u>6,245,960</u>	<u>6,281,560</u>	<u>66,828,933</u>	<u>65,655,441</u>
Liabilities						
Current Liabilities	1,734,665	758,559	391,875	347,077	2,126,540	1,105,636
Non-Current Liabilities	6,589,539	4,925,000	3,044,227	3,402,015	9,633,766	8,327,015
Total Liabilities	<u>8,324,204</u>	<u>5,683,559</u>	<u>3,436,102</u>	<u>3,749,092</u>	<u>11,760,306</u>	<u>9,432,651</u>
Deferred Inflows of Resources						
Unearned Property Taxes	1,749,383	1,699,171	-	-	1,749,383	1,699,171
Total Deferred Inflows of Resources	<u>1,749,383</u>	<u>1,699,171</u>	<u>-</u>	<u>-</u>	<u>1,749,383</u>	<u>1,699,171</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,073,587</u>	<u>7,382,730</u>	<u>3,436,102</u>	<u>3,749,092</u>	<u>13,509,689</u>	<u>11,131,822</u>
Net Position						
Invested in Capital Assets, net of related debt	47,481,311	48,916,983	798,036	364,726	48,279,347	49,281,709
Restricted	265,784	1,398,711	-	-	265,784	1,398,711
Unrestricted	2,762,291	1,675,457	2,011,822	2,167,742	4,774,113	3,843,199
Total Net Position	<u>\$ 50,509,386</u>	<u>\$ 51,991,151</u>	<u>\$ 2,809,858</u>	<u>\$ 2,532,468</u>	<u>\$ 53,319,244</u>	<u>\$ 54,523,619</u>

For more detailed information see the Statement of Net Position on page 4.

(See independent auditor's report)

At the end of the current fiscal year, the Village of Coal City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental activities and business-type activities.

The Village's total net position decreased by \$1,204,375 during the fiscal year. Governmental net position decreased \$1,481,765. Business-type net position increased \$277,390.

Governmental activities. Governmental activities decreased the Village of Coal City's net position by \$1,481,765. Business-type activities increased the Village's net position by \$277,390. Key elements of this net decrease of \$1,204,375 are as follows:

	Village of Coal City's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Governmental	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 2,062,199	\$ 1,990,754	\$ 2,062,199	\$ 1,990,754
Operating Grants and Contrib	720,634	750,845	-	-	720,634	750,845
Capital Grants and Contrib	-	-	-	-	-	-
General Revenues						
Taxes	3,043,508	2,861,745	-	-	3,043,508	2,861,745
MFT	163,713	159,599	-	-	163,713	159,599
Utility Tax	448,545	449,236	-	-	448,545	449,236
Interest	12,007	6,419	2,952	6,668	14,959	13,087
Miscellaneous	396,709	459,322	38,358	13,949	435,067	473,271
Total Revenues	<u>4,785,116</u>	<u>4,687,166</u>	<u>2,103,509</u>	<u>2,011,371</u>	<u>6,888,625</u>	<u>6,698,537</u>
Expenses						
General Government	2,412,263	799,723	-	-	2,412,263	799,723
Public Safety	1,615,879	1,258,382	-	-	1,615,879	1,258,382
Streets and alley	1,816,569	674,504	-	-	1,816,569	674,504
Capital Improvements	345,000	1,361,387	-	-	345,000	1,361,387
Parks	78,949	100,577	-	-	78,949	100,577
Sanitation	-	-	436,094	420,317	436,094	420,317
Water and sewer	-	-	1,165,025	1,201,240	1,165,025	1,201,240
Debt Service	223,221	238,640	-	-	223,221	238,640
Total Expenses	<u>6,491,881</u>	<u>4,433,213</u>	<u>1,601,119</u>	<u>1,621,557</u>	<u>8,093,000</u>	<u>6,054,770</u>
Other Financing Sources (Uses)	<u>225,000</u>	<u>99,696</u>	<u>(225,000)</u>	<u>(99,696)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(1,481,765)</u>	<u>353,649</u>	<u>277,390</u>	<u>290,118</u>	<u>(1,204,375)</u>	<u>643,767</u>
Net Position: May 1	<u>51,991,151</u>	<u>51,637,502</u>	<u>2,532,468</u>	<u>2,242,350</u>	<u>54,523,619</u>	<u>53,879,852</u>
Net Position: April 30	<u>\$ 50,509,386</u>	<u>\$ 51,991,151</u>	<u>\$ 2,809,858</u>	<u>\$ 2,532,468</u>	<u>\$ 53,319,244</u>	<u>\$ 54,523,619</u>

For the fiscal year ended April 30, 2014, revenues from Governmental Activities totaled \$4,785,116. During the fiscal year, property tax continues to be the Village's largest revenue source coming in at \$1,701,752 in Fiscal Year 2014. The Village experienced a very slight decrease in its equalized assessed valuation (EAV) from \$112,854,391 for the 2012 property tax year to \$103,142,129 for the 2013 property tax year, a decrease of \$9,712,262.

For the fiscal year ended April 30, 2014, expenses from Governmental Activities totaled \$6,491,881.

Fund Financial Statement Analysis

As noted earlier, the Village of Coal City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village of Coal City has eleven governmental funds displayed on the balance sheet, found on page 6.

Governmental Funds. The focus of the Village of Coal City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Coal City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental funds use a cash basis of accounting designed to measure current financial resources. Consequently, the reader will notice the balance sheet does not show fixed assets or long-term liabilities. The related income statements (combined statement of revenues, expenditures and changes in fund balance) are found on page 8.

The General Fund (first column) is used to account for most of the Village's general operating activity. This includes activity for the Administration Department, Police Department, Streets and Alleys Department, and the Emergency and Safety Department. Including the effect of operating transfers and capital bond proceeds, the General Fund's expenditures exceeded revenues by \$900,520. The General Fund's financial position resulted in a fund balance from \$1,225,617 on April 30, 2013 to \$2,275,782 on April 30, 2014. Revenues were up by 2.9% (\$2,887,668 versus \$2,807,130), and actual expenditures increased by 55% (\$3,788,188 this fiscal year versus \$2,439,327 last fiscal year).

Total expenditures in every General Fund department were below the budgeted amount, as they were last fiscal year.

Information relating to the Nonmajor Governmental Funds is on pages 50 through 59. Non-major fund balance increased from last year by \$103,262.

Proprietary Funds

The Village of Coal City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The financial statements for the proprietary funds begin on page 11. Proprietary funds use the accrual basis of accounting designed to measure total economic resources. The increase in total net position for the Proprietary Funds is \$277,390.

Fiduciary Funds

The School Site Fund and Police Pension Fund are fiduciary funds of the Village. The financial statements for the fiduciary fund are on pages 14 and 15.

(See independent auditor's report)

General Fund Budgetary Highlights

Significant differences between the final budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$162,376 (favorable).
- The difference between the estimated expenditures and the actual expenditures was \$81,869 (favorable).

Capital Assets and Long-term Debt

Governmental Capital Asset activity information is presented on pages 26 and 27. Net capital assets increased by \$1,146,584 due to the addition infrastructure added in the current year.

The Village of Coal City has long-term debt liabilities of \$11,226,215. Long-term debt increased \$2,207,123 from the prior year due to additional debt issued. For details on the long-term debts of the Village of Coal City, see pages 28 through 30.

Responsibility

Governmental Accounting Standards Board Statement Number 34 mandates that all local government's financial statement include a Management's Discussion and Analysis section. The goal is to give readers an objective, readable overview of the government's financial statements. The Village of Coal City is responsible for preparing this section. Consequently, any question regarding this narrative specifically, or the Village's audit report generally, may be addressed to the Village of Coal City, 515 S. Broadway, Coal City, IL, 60416.

(See independent auditor's report)

BASIC FINANCIAL STATEMENTS

VILLAGE OF COAL CITY, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	Governmental	Proprietary	Total	
	Activities	Fund Type	2014	2013
	General	Enterprise		
ASSETS				
Cash in bank and investments	\$ 3,491,039	\$ 2,018,788	\$ 5,509,827	\$ 5,568,531
Motor fuel tax receivable	-	-	-	-
Property taxes receivable	1,749,383	-	1,749,383	1,699,171
Other receivables	36,240	140,949	177,189	141,789
Noncurrent assets				
Capital assets				
Infrastructure	57,846,080	4,158,250	62,004,330	60,731,079
Building, improvements, and land	3,954,951	-	3,954,951	3,220,534
Equipment and vehicles	2,912,869	41,001	2,953,870	2,718,291
Accumulated depreciation	(9,407,589)	(113,028)	(9,520,617)	(8,423,954)
Total Assets	\$ 60,582,973	\$ 6,245,960	\$ 66,828,933	\$ 65,655,441
LIABILITIES				
Other payables	\$ 78,626	\$ 34,887	\$ 113,513	\$ 19,591
Compensated absences	419,158	-	419,158	392,548
Net pension obligation	1,420	-	1,420	1,420
Current portion of long-term debt	1,235,461	356,988	1,592,449	692,077
Notes payable	1,000,000	-	1,000,000	-
Long-term bonds payable	5,589,539	3,044,227	8,633,766	8,327,015
Total Liabilities	8,324,204	3,436,102	11,760,306	9,432,651
DEFERRED INFLOWS OF RESOURCES				
Unearned property taxes	1,749,383	-	1,749,383	1,699,171
Total deferred inflows of resources	1,749,383	-	1,749,383	1,699,171
Total liabilities and deferred inflow of resources	10,073,587	3,436,102	13,509,689	11,131,822
NET POSITION				
Net investment in capital assets	47,481,311	798,036	48,279,347	49,281,709
Restricted				
General government	143,532	-	143,532	26,730
Parks	36,991	-	36,991	19,723
TIF projects	41,894	-	41,894	29,213
Highways and streets	43,367	-	43,367	46,138
Debt service	-	-	-	1,276,907
Unrestricted	2,762,291	2,011,822	4,774,113	3,843,199
Total Net Position	50,509,386	2,809,858	53,319,244	54,523,619
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 60,582,973	\$ 6,245,960	\$ 66,828,933	\$ 65,655,441

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
STATEMENT OF ACTIVITIES

April 30, 2014

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government	
FUNCTIONS/PROGRAMS							
PRIMARY GOVERNMENT							
Governmental Activities							
General government	\$ 2,412,263	\$ 5,090	\$ -	\$ (2,407,173)	\$ -	\$ -	\$ (2,407,173)
Public safety	1,615,879	-	-	(1,615,879)	-	-	(1,615,879)
Street and alley	1,816,569	-	-	(1,816,569)	-	-	(1,816,569)
Capital improvements	345,000	715,544	-	370,544	-	-	370,544
Parks	78,949	-	-	(78,949)	-	-	(78,949)
Interest expense	223,221	-	-	(223,221)	-	-	(223,221)
Total governmental activities	6,491,881	720,634	-	(5,771,247)	-	-	(5,771,247)
Business-Type Activities							
Garbage	436,094	444,036	-	-	7,942	-	7,942
Water and sewer	1,165,025	1,618,163	-	-	453,138	-	453,138
Total business-type activities	1,601,119	2,062,199	-	-	461,080	-	461,080
TOTAL PRIMARY GOVERNMENT	\$ 8,093,000	\$ 720,634	\$ -	(5,771,247)	461,080	(5,310,167)	
General Revenues							
Taxes					3,043,508	-	3,043,508
MFT					163,713	-	163,713
Utility tax					448,545	-	448,545
Interest					12,007	2,952	14,959
Miscellaneous					396,709	38,358	435,067
Total general revenues					4,064,482	41,310	4,105,792
OTHER FINANCING SOURCES (USES)					225,000	(225,000)	-
CHANGE IN NET POSITION					(1,481,765)	277,390	(1,204,375)
NET POSITION, MAY 1					51,991,151	2,532,468	54,523,619
NET POSITION, APRIL 30					\$ 50,509,386	\$ 2,809,858	\$ 53,319,244

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2014

	General	Debt Service	Capital Improvements	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 2,292,685	\$ -	967,407	\$ 281,267	\$ 3,541,359
Receivables					
Accounts	36,240	-	-	-	36,240
Property taxes	912,972	556,895	-	279,516	1,749,383
Due from nonmajor funds	15,483	-	-	-	15,483
Total Assets	<u>\$ 3,257,380</u>	<u>\$ 556,895</u>	<u>\$ 967,407</u>	<u>\$ 560,783</u>	<u>\$ 5,342,465</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Cash overdraft	\$ -	\$ 9,602	\$ -	\$ 40,718	\$ 50,320
Other payables	68,626	-	10,000	-	78,626
Due to general fund	-	-	-	15,483	15,483
Total Liabilities	<u>68,626</u>	<u>9,602</u>	<u>10,000</u>	<u>56,201</u>	<u>144,429</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	912,972	556,895	-	279,516	1,749,383
Total Deferred Inflows of Resources	<u>912,972</u>	<u>556,895</u>	<u>-</u>	<u>279,516</u>	<u>1,749,383</u>
Total Liabilities and Deferred Inflows of Resources	<u>981,598</u>	<u>566,497</u>	<u>10,000</u>	<u>335,717</u>	<u>1,893,812</u>
FUND BALANCES					
Restricted					
General government	-	-	-	143,532	143,532
Parks	-	-	-	36,991	36,991
TIF projects	-	-	-	41,894	41,894
Highways and streets	-	-	-	43,367	43,367
Debt service	-	-	-	-	-
Unrestricted					
Assigned					
Capital improvements			957,407	-	957,407
Unassigned	2,275,782	(9,602)		(40,718)	2,225,462
Total Fund Balances	<u>2,275,782</u>	<u>(9,602)</u>	<u>957,407</u>	<u>225,066</u>	<u>3,448,653</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,257,380</u>	<u>\$ 556,895</u>	<u>\$ 967,407</u>	<u>\$ 560,783</u>	<u>\$ 5,342,465</u>

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 3,448,653
Amounts reported for governmental activities in the statement activities are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	55,306,311
Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(7,825,000)
Compensated absences are not due and payable in the current period and, therefore, are not reported in governmental funds	(419,158)
The net pension obligation of the Police Pension Fund is included in the governmental activities in the statement of net position	<u>(1,420)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 50,509,386</u>

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

April 30, 2014

	General	Debt Service	Capital Improvements	Nonmajor Funds	Total
REVENUES					
Property Taxes	\$ 860,396	\$ 555,022	\$ -	\$ 286,334	\$ 1,701,752
Municipal sales tax	533,755	-	-	149,059	682,814
Utility and excise tax	448,545	-	-	-	448,545
Motor fuel tax	-	-	-	163,713	163,713
Illinois income tax	540,236	-	-	-	540,236
Use tax	95,375	-	-	-	95,375
Illinois replacement income tax	20,909	-	-	2,422	23,331
Police grant	-	-	-	-	-
Liquor licenses	6,800	-	-	-	6,800
Gaming licenses	1,380	-	-	-	1,380
Other licenses	600	-	-	-	600
Contractor licenses	19,130	-	-	-	19,130
Building permits	30,852	-	-	-	30,852
Cable TV franchise fees	54,352	-	-	-	54,352
Telephone franchise fees	-	-	-	-	-
Video gaming fees	29,343	-	-	-	29,343
Dispatcher services - Coal City	-	-	-	-	-
Fire Protection District	-	-	-	-	-
Coal City School District	-	-	-	-	-
& miscellaneous reimbursements	55,194	-	-	-	55,194
State grants	5,090	-	715,544	-	720,634
Fines	41,845	-	-	-	41,845
Interest on deposits	5,674	3,946	2,281	106	12,007
Zoning	9,062	-	-	-	9,062
Workman's comp reimbursement	19,463	-	-	-	19,463
Other revenues	109,667	675	4,848	13,498	128,688
Total Revenues	2,887,668	559,643	722,673	615,132	4,785,116
EXPENDITURES					
Current					
General government	1,567,823	132,532	-	394,921	2,095,276
Public safety	1,467,748	-	-	-	1,467,748
Street and alley	752,617	-	858,528	-	1,611,145
Capital improvements	-	1,149,860	-	-	1,149,860
Parks	-	-	-	78,949	78,949
Debt Service					
Principal retirement	-	345,000	-	-	345,000
Interest and fiscal charges	-	219,725	3,496	-	223,221
Total Expenditures	3,788,188	1,847,117	862,024	473,870	6,971,199
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(900,520)	(1,287,474)	(139,351)	141,262	(2,186,083)

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

April 30, 2014

	General	Debt Service	Capital Improvements	Nonmajor Funds	Total
OTHER FINANCING SOURCES (USES)					
Loan proceeds	1,941,600	-		-	1,941,600
Operating transfer (to) from	9,085	965	252,950	(38,000)	225,000
Total Other Financing Sources (Uses)	1,950,685	965	252,950	(38,000)	2,166,600
CHANGE IN FUND BALANCES	1,050,165	(1,286,509)	113,599	103,262	(19,483)
FUND BALANCE, MAY 1	1,225,617	1,276,907	843,808	121,804	3,468,136
FUND BALANCE, APRIL 30	<u>\$ 2,275,782</u>	<u>\$ (9,602)</u>	<u>\$ 957,407</u>	<u>\$ 225,066</u>	<u>\$ 3,448,653</u>

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

April 30, 2014

	Governmental Activities
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (19,483)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	2,157,814
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(2,900,000)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	345,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	-
The change in net pension obligation is not a current financial resource and, therefore, is not reported in the governmental funds	-
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,038,486)
Compensated absences was treated as available resources in the governmental funds. However, they are reported as notes payable in the statement of activities.	(26,610)
Governmental funds report bond issuance costs as expenditures. However, they are reported as deferred charges and amortized over the term of the bonds in the statement of activities	-
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ (1,481,765)

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

For the Year Ended April 30, 2014

	Waterworks and Sewerage Fund	Garbage Fund	Nonmajor Enterprise Funds	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 69,693	\$ 1,993,767	\$ 2,063,460
Accounts receivable	88,540	28,661	23,748	140,949
Due from other funds	-	-	-	-
Capital assets				
Infrastructure	1,399,342	-	2,758,908	4,158,250
Equipment and vehicles	41,001	-	-	41,001
Less: Accumulated depreciation	(39,457)	-	(73,571)	(113,028)
Total assets	\$ 1,489,426	\$ 98,354	\$ 4,702,852	\$ 6,290,632
LIABILITIES				
Cash overdraft	\$ 44,672	\$ -	\$ -	\$ 44,672
Accounts payable	34,887	-	-	34,887
Due to other funds	-	-	-	-
Current portion of long-term debt	61,390	-	295,598	356,988
Long-term bonds payable	1,175,221	-	1,869,006	3,044,227
Total liabilities	1,316,170	-	2,164,604	3,480,774
NET POSITION				
Net investment in capital assets	203,732	-	594,304	798,036
Unrestricted	(30,476)	98,354	1,943,944	2,011,822
Total net position	173,256	98,354	2,538,248	2,809,858
Total liabilities and net position	\$ 1,489,426	\$ 98,354	\$ 4,702,852	\$ 6,290,632

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2014

	Waterworks and Sewerage Fund	Garbage Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES				
Water and sewerage charges	\$ 1,173,853	\$ -	\$ 345,222	\$ 1,519,075
Water and sewer tap on fees	46,400	-	-	46,400
Garbage collection fees	-	444,036	-	444,036
Water assessments collected	52,688	-	-	52,688
Total operating revenues	<u>1,272,941</u>	<u>444,036</u>	<u>345,222</u>	<u>2,062,199</u>
OPERATING EXPENSES				
Personnel services	478,830	9,419	-	488,249
Contractual services	485,658	422,524	-	908,182
Materials and supplies	30,781	3,836	-	34,617
Other Expense	10,368	315	-	10,683
Depreciation	21,392	-	36,785	58,177
Total operating expenses	<u>1,027,029</u>	<u>436,094</u>	<u>36,785</u>	<u>1,499,908</u>
OPERATING INCOME	<u>245,912</u>	<u>7,942</u>	<u>308,437</u>	<u>253,854</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	134	66	2,752	2,952
Impact fees	-	-	14,889	14,889
Capital Outlay	-	-	-	-
Debt service	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	(32,040)	-	(69,171)	(101,211)
Other income (expense)	23,400	69	-	23,469
Total nonoperating revenues (expenses)	<u>(8,506)</u>	<u>135</u>	<u>(51,530)</u>	<u>(59,901)</u>
Other financing sources (uses)				
Loan Proceeds	-	-	-	-
Transfers	-	-	(225,000)	(225,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>
CHANGES IN NET POSITION	<u>237,406</u>	<u>8,077</u>	<u>31,907</u>	<u>277,390</u>
NET POSITION (DEFICIT), MAY 1	<u>(64,150)</u>	<u>90,277</u>	<u>2,506,341</u>	<u>2,532,468</u>
NET POSITION (DEFICIT), APRIL 30	<u>\$ 173,256</u>	<u>\$ 98,354</u>	<u>\$ 2,538,248</u>	<u>\$ 2,809,858</u>

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended April 30, 2014

	Waterworks and Sewerage Fund	Garbage Fund	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,244,073	\$ 439,868	\$ 342,858
Payments to suppliers	(491,920)	(426,675)	-
Payments to employees	(478,830)	(9,419)	-
Net cash from operating activities	<u>273,323</u>	<u>3,774</u>	<u>342,858</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer (to) from other funds	-	-	(225,000)
Net cash from noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>(225,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from loan	-	-	-
Payment on water revenue bonds	(59,884)	-	(287,993)
Purchase of capital assets	(85,433)	-	-
Interest and fiscal charges paid	(32,040)	-	(69,171)
Net cash from capital and related financing activities	<u>(177,357)</u>	<u>-</u>	<u>(357,164)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Other revenue	23,400	69	14,889
Interest received	134	66	2,752
Net cash from investing activities	<u>23,534</u>	<u>135</u>	<u>17,641</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	119,500	3,909	(221,665)
CASH AND CASH EQUIVALENTS, MAY 1	<u>(164,172)</u>	<u>65,784</u>	<u>2,215,432</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ (44,672)</u>	<u>\$ 69,693</u>	<u>\$ 1,993,767</u>
RECONCILIATION OR OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 245,912	7,942	308,437
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	21,392	-	36,785
Changes in net assets			
Receivables	(28,868)	(4,168)	(2,364)
Accounts payable	34,887	-	-
Compensated absences	-	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 273,323</u>	<u>\$ 3,774</u>	<u>\$ 342,858</u>

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
April 30, 2014

	2014	2013
ASSETS		
Cash and investments	\$ 1,514,311	\$ 1,380,874
Accrued Interest	8,772	7,027
Total Assets	\$ 1,523,083	\$ 1,387,901
LIABILITIES		
Accounts Payable	\$ -	\$ 10,080
Total Liabilities	-	10,080
NET POSITION		
Net position held in trust for pension benefits and school fund	1,523,083	1,377,821
Total Liabilities and Net Position	\$ 1,523,083	1,387,901

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
April 30, 2014

	2014	2013
Additions:		
Contributions:		
Employer contributions	\$ 208,489	\$ 167,186
Employee contributions	60,677	56,823
Total Contributions	<u>269,166</u>	<u>224,009</u>
Investment Income		
Interest Income	30,295	18,309
Realized and Unrealized Gains/Losses	(19,488)	28,589
Less: Investment Expense	(5,714)	(4,068)
Net Investment Income	<u>5,093</u>	<u>42,830</u>
School site dedication fees	7,879	4,427
Interest Income	5	5
Total School Site Income	<u>7,884</u>	<u>4,432</u>
TOTAL ADDITIONS	<u>282,143</u>	<u>271,271</u>
Deductions:		
Pension Benefits and Refunds	103,901	101,350
Administrative Expenses		
Actuary	22,947	1,400
Auditing	-	1,500
Accounting and Bookkeeping	-	6,823
Medical Services	-	9,680
Legal	-	3,759
Employee Refunds	-	-
Conference/Seminar Fees	-	4,088
Association Dues	5,430	775
Compliance Fee	-	222
Miscellaneous	-	129
Payments to local school districts	<u>4,603</u>	<u>975</u>
TOTAL DEDUCTIONS	<u>136,881</u>	<u>130,701</u>
CHANGE IN NET POSITION	145,262	140,570
NET POSITION - MAY 1, 2012	<u>1,377,821</u>	<u>1,237,251</u>
NET POSITION - APRIL 30, 2013	<u>\$ 1,523,083</u>	<u>1,377,821</u>

See accompanying notes to financial statements.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Coal City, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government).

The Village's financial statements include the Police Pension Trust Fund.

The Village'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 pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees, and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund.

b. Fund Accounting

The Village uses funds to report on its financial position, the changes in its financial position, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for substantially all of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise fund) or to other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes trust funds which are generally used to account for assets that the Village holds in fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the financial statements.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

The Capital Project Funds is used to account for the accumulation of funds for capital expenditures. A portion of the revenue in this fund (interest on deposits) is legally restricted for expenditures for this purpose.

The Village reports the following major proprietary funds:

The Water/Sewer System Fund accounts for the provision of portable water/sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund.

The Garbage Fund accounts for the provision of garbage disposal services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund.

The Village reports the following fiduciary funds:

The Village reports a School Site fund as a fiduciary fund to account for the School Site holdings. The Village also reports a Pension Trust Fund to account for the Police Pension Fund.

The Village reports the following nonmajor governmental funds:

The Special Revenue Funds are used to account for revenues received from specific sources which are required by law or regulation to be accounted for in separate funds.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operation of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable, available and earned). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible (within 60 days except sales, income, and telecommunications tax which use 90 days) to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales taxes owed to the state at year end on behalf of the Village are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The Village reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenues arise when potential revenue does not meet the measureable, available, and earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents: for purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investment with an original maturity of three months or less when purchased to be cash equivalents.

Investments: all Village investments and all fiduciary fund investments are stated at fair value in accordance with GASB Statements No. 25 and 31.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the Village's fair value in the pool.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40-50
Machinery and equipment	10
Infrastructure	20-50

i. Compensated Absences

Vested or accumulated vacation, compensatory, and holiday time are reported as expenditures and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation, compensatory, or holiday time of proprietary funds and governmental activities are recorded as an expense and liability as the benefits accrue to employees.

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations

In the government-wide financial statements, and proprietary funds 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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 expenditures.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village only has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has only one type of time, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board, which is considered the Village's highest level of decision making authority. Formal actions include ordinances approved by the Village Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Administrator. Any residual fund balance of the General Fund is reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the Village's restricted net positions are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt is the book value of the capital assets less the outstanding principal balance of long-term debt issued to construct or acquire the capital assets.

m. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transaction, except interfund services and reimbursements, are reported as transfers.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

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

a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings, and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity, and rate of return.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of April, 30 2014:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 260,276	\$ 260,276	\$ -	\$ -	\$ -
IMET	1,765,685	1,765,685	-	-	-
TOTAL	\$ 2,025,961	\$ 2,025,961	\$ -	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by primarily investing in external investment pools. Illinois Funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investment that are in possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. Illinois Funds are not subject to custodial credit risk

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk by limiting commercial paper to the lesser of 20% of the cash and investment balance at the time of placement, or 25% of the cash and investment balance.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

3. RECEIVABLE – TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2014 and are payable in two installments, on or about June 1, 2014 and September 1, 2014. The County collects such taxes and remits them periodically. As the 2013 tax levy is intended to fund expenditures for none of fiscal year 2014, none of the 2013 tax levy has been recognized as revenue as of April 30, 2014 and all of the 2013 tax levy has been deferred as of April 30, 2014.

The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of April 30, 2014 as the tax has not yet been levied by the Village and will not be levied until December 2013, and, therefore, the levy is not measurable at April 30, 2014.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2014 was as follows:

	Balances May 1	Additions	Disposals	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and rights of way	\$ 304,272	\$ -	\$ -	\$ 304,272
Total capital assets not being depreciated	<u>304,272</u>	<u>-</u>	<u>-</u>	<u>304,272</u>
Capital assets being depreciated				
Infrastructure	56,617,261	1,228,819	-	57,846,080
Buildings	2,916,262	734,417	-	3,650,679
Equipment and vehicles	2,718,291	194,578	-	2,912,869
Total capital assets being depreciated	<u>62,251,814</u>	<u>2,157,814</u>	<u>-</u>	<u>64,409,628</u>
Less accumulated depreciation for				
Infrastructure	6,761,500	771,281	-	7,532,781
Buildings	443,075	73,014	-	516,089
Equipment and vehicles	1,164,528	194,191	-	1,358,719
Total accumulated depreciation	<u>8,369,103</u>	<u>1,038,486</u>	<u>-</u>	<u>9,407,589</u>
Total capital assets being depreciated, net	<u>53,882,711</u>	<u>1,119,328</u>	<u>-</u>	<u>55,002,039</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 54,186,983</u>	<u>\$ 1,119,328</u>	<u>\$ -</u>	<u>\$ 55,306,311</u>

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

4. CAPITAL ASSETS (Continued)

	Balances May 1	Additions	Disposals	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and rights of way	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Infrastructure	4,113,818	44,432	-	4,158,250
Buildings	-	-	-	-
Equipment and vehicles	-	41,001	-	41,001
Total capital assets being depreciated	4,113,818	85,433	-	4,199,251
Less accumulated depreciation for				
Infrastructure	54,851	55,443	-	110,294
Buildings	-	-	-	-
Equipment and vehicles	-	2,734	-	2,734
Total accumulated depreciation	54,851	58,177	-	113,028
Total capital assets being depreciated, net	4,058,967	27,256	-	4,086,223
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 4,058,967	\$ 27,256	\$ -	\$ 4,086,223

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
General government	519,243
Public safety	259,622
Public works	259,621
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 1,038,486

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; natural disasters; and injuries to the Village's employees which is the reason for having commercial insurance.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

6. LONG-TERM DEBT

a. Long-Term Liabilities

Governmental Activities

The Village issued a G.O. Bond June 1, 2009. The bond was issued at \$6,000,000 at a variable interest rate between 1.75% and 4.20% and matures in December, 2024. The Village issued a G.O. Bond November 25, 2013. The bond was issued at \$1,900,000 with a 4.55% interest rate and matures in November 2023. The Village has four loans through Centruc Bank issued as \$1,000,000 during fiscal year 2014. The interest rate is variable and the current balances as of April 30, 2014 totals \$1,000,000.

Business-Type Activities

The Enterprise Funds have three liabilities outstanding. There are three IEPA Loans. During the fiscal year ended April 30, 2002 the Village was approved for two separate loans through the IEPA. The Village was approved for a \$988,731 loan for water improvements at a rate of 2.905% payable over 20 years. The second loan is the amount of \$4,300,000 at a rate of 2.905% payable over 20 years for sewer improvements. The Village was issued an additional IEPA loan for a water tower in 2011. This loan was issued for \$1,458,571 maturing in 2030.

b. Changes in Long-Term Liabilities

	Fund Debt Retired By	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
Governmental Activities						
Centruc	Governmental	\$ -	\$ 1,000,000		\$ 1,000,000	\$ 875,461
Centruc Rail Project	Governmental	-	420,000	(420,000)	-	-
GO Bonds Series 2013	Governmental	-	1,900,000	-	1,900,000	-
GO Bonds	Governmental	5,270,000	-	(345,000)	4,925,000	360,000
		<u>\$ 5,270,000</u>	<u>\$ 3,320,000</u>	<u>\$ (765,000)</u>	<u>\$ 7,825,000</u>	<u>\$ 1,235,461</u>
Business-type Activities						
2002 W&S Refunding	Enterprise	\$ -	\$ -	\$ -	\$ -	\$ -
IEPA Loan - Tower	Enterprise	1,296,495	-	(59,884)	1,236,611	61,390
IEPA Loan - Water	Enterprise	392,916	-	(55,760)	337,156	56,570
IEPA Loan - Sewer	Enterprise	2,059,681	-	(232,233)	1,827,448	239,028
		<u>\$ 3,749,092</u>	<u>\$ -</u>	<u>\$ (347,877)</u>	<u>\$ 3,401,215</u>	<u>\$ 356,988</u>

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity on long-term debt are as follows:

Fiscal Year Ending April 30	G.O. Bonds, Series 2009 Governmental Activities		Fiscal Year Ending April 30	IEPA Loan - Sewer Business-Type Activities	
	Principal	Interest		Principal	Interest
2015	360,000	204,563	2015	239,028	51,364
2016	375,000	189,263	2016	246,022	44,370
2017	395,000	173,325	2017	253,221	37,171
2018	410,000	156,538	2018	260,630	29,761
2019	430,000	139,113	2019	268,257	22,135
2020-2024	2,955,000	435,353	2020-2024	560,291	20,492
TOTALS	\$ 4,925,000	\$ 1,298,153	TOTALS	\$ 1,827,448	\$ 205,294
Fiscal Year Ending April 30	IEPA Loan - Tower Business-Type Activities		Fiscal Year Ending April 30	IEPA Loan - Water Business-Type Activities	
	Principal	Interest		Principal	Interest
2015	61,390	30,534	2015	57,391	9,381
2016	62,935	28,990	2016	59,071	7,701
2017	64,518	27,406	2017	60,799	5,973
2018	66,141	25,783	2018	62,578	4,194
2019	67,805	24,120	2019	64,409	2,363
2020-2024	913,822	143,309	2020-2024	32,908	478
TOTALS	\$ 1,236,611	\$ 280,142	TOTALS	\$ 337,156	\$ 30,090
Fiscal Year Ending April 30	G.O. Bonds, Series 2013 Governmental Activities		Fiscal Year Ending April 30	Centrue Bank Notes	
	Principal	Interest		Principal	Interest
2015	-	79,006	2015	875,461	3,473
2016	-	86,450	2016	59,137	3,473
2017	-	86,450	2017	50,176	3,091
2018	-	86,450	2018	15,226	1,092
2019	-	86,450			
2020-2024	1,900,000	267,085			
TOTALS	\$ 1,900,000	\$ 691,891	TOTALS	\$ 1,000,000	\$ 11,129

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin

The Village is a non-home municipality	
ASSESSED VALUATION - 2013 (LATEST AVAILABLE)	<u>\$ 103,142,129</u>
LEGAL DEBT LIMIT - 8.625% OF ASSESSED VALUATION	8,896,009
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	<u>6,825,000</u>
LEGAL DEBT MARGIN	<u>\$ 2,071,009</u>

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."

7. INDIVIDUAL FUND DISCLOSURES

a. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 9,085	\$ -
Debt Service Fund	965	-
Special Revenue Funds	-	(38,000)
Capital Projects Fund	252,950	-
Proprietary Funds	-	(225,000)
TOTAL ALL FUNDS	<u>\$ 263,000</u>	<u>\$ (263,000)</u>

b. Due To/Due From

Fund	Due From	Due To
General Fund		
MFT Fund	\$ 7,142	\$ -
TIF Fund	8,341	-
MFT Fund		
General Fund	-	7,142
TIF Fund		
General Fund	-	8,341
TOTAL ALL FUNDS	<u>\$ 15,483</u>	<u>\$ 15,483</u>

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

8. CONTIGENTS LIABILITIES

a. Grants

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

9. EMPLOYEE RETIREMENT SYSTEMS

a. Plan description

Illinois Municipal Retirement Fund (IMRF)

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

Police Pension Fund

Police sworn personnel are covered by the Coal City Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by Illinois legislature. The Village accounts for the Coal City Police Pension Plan as a pension trust fund.

At April 30, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	2
Terminated Employees Entitled to Benefits but not yet Receiving Them	0
Employees	
Vested	6
Nonvested	4
	12
TOTAL	12

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan description (Continued)

The following is a summary of the Coal City Police Pension as provided for in ILCS

The Coal City Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer 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 3.00% of the original pension and 3.00% of compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index of 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Coal City Police Pension Plan. If an employee leaves covered employment with less than 20 years service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Coal City Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Coal City Police Pension Plan. For the year ended April 30, 2014, the Village's contribution was 26.02% of covered payroll.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Funding Policy

Illinois Municipal Retirement Fund (IMRF)

As set by statute, the Village's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rate for calendar year 2013 was 7.81 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while supplemental retirement benefits rate is set by statute.

c. Annual Pension Cost

Illinois Municipal Retirement Fund (IMRF)

For fiscal year ending April 30, 2014, the Village's annual pension cost of \$66,816 for the Regular plan was equal to the Village's required and actual contributions. The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis 30 year basis.

Three Year Trend Information for Regular Plan

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 66,816	100%	\$0
12/31/2012	60,713	100%	0
12/31/2011	57,699	100%	0

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 April 30, 2014

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status and Funding Progress

Illinois Municipal Retirement Fund (IMRF)

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 109.13% funded. The actuarial accrued liability for benefits was \$1,901,822 and the actuarial value of assets was \$2,075,543, resulting in an overfunded actuarial accrued liability (UAAL) of \$173,721. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$855,516. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

Schedules of Funding Progress

Illinois Municipal Retirement Fund (IMRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	2,075,543	1,901,822	(173,721)	109.1%	855,516	0.0%
12/31/2012	1,962,877	1,792,089	(170,788)	109.5%	839,737	0.0%
12/31/2011	1,752,321	1,615,917	(136,404)	108.4%	789,321	0.0%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,375,240. On a market basis, the funded ratio would be 124.89%.

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

Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/12	1,232,168	3,622,720	2,390,552	34.0%	584,379	409.1%
04/30/11	1,109,774	3,244,720	2,134,946	34.2%	564,723	378.1%
04/30/10	1,013,412	3,174,716	2,161,304	31.9%	536,164	403.1%

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2014

10. MOTOR FUEL TAX ALLOTMENT

Under current procedures, the allotments of the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois.

11. SPECIAL ASSESSMENT COLLECTION ACCOUNT

On September 14, 1989, the Village received a warrant for collection of \$1,841,605 in special assessments related to the sanitary sewers extension project mandated by the Illinois EPA. The special assessments collected by the Village are to be used only for payment of principal and interest of the 1989 Series a Revenue Bonds. The Village has abated payment numbers 6, 7, 8, 9 and 10 prior to April 30, 1996.

12. TIF DISTRICT

Through passage of Ordinance No. 11-03, as of January 10th, 2011, the Village has adopted Tax Increment Financing (TIF) for the Coal City TIF District Redevelopment Plan and Projects and the Redevelopment Project Area.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes			
General corporate purposes	\$ 619,931	\$ 619,931	\$ 651,907
Police pension	208,000	208,000	208,489
Municipal sales tax	505,151	505,151	533,755
Use tax	78,785	78,785	95,375
Utility and excise taxes	438,990	438,990	448,545
Illinois replacement income taxes	17,235	17,235	20,909
Illinois income tax	489,100	489,100	540,236
Police grant	-	-	-
Liquor licenses	1,000	1,000	6,800
Gaming licenses	-	-	1,380
Other licenses	800	800	600
Contractors permits	20,000	20,000	19,130
Building permits	57,200	32,200	30,852
Cable TV franchise fees	52,000	52,000	54,352
Telephone franchise fees	-	-	-
Video gaming revenue	-	-	29,343
Coal City School District reimbursement	72,950	72,950	55,194
State grants	6,000	6,000	5,090
Fines	63,500	63,500	41,845
Interest on deposits	1,500	1,500	5,674
Zoning	25,750	25,750	9,062
Other revenues	67,400	67,400	129,130
	<u>2,725,292</u>	<u>2,700,292</u>	<u>2,887,668</u>
EXPENDITURES			
Administrative and general	1,596,319	1,596,319	1,567,823
Police protection	1,477,142	1,477,142	1,457,266
Street and alley	777,096	777,096	752,617
Emergency and safety	19,500	19,500	10,482
Contingencies	-	-	-
	<u>3,870,057</u>	<u>3,870,057</u>	<u>3,788,188</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,144,765)</u>	<u>(1,169,765)</u>	<u>(900,520)</u>
OTHER FINANCING SOURCES (USES)			
Loan proceeds	-	-	1,941,600
Transfers in (out)	<u>63,760</u>	<u>-</u>	<u>9,085</u>
Total other financing sources	<u>63,760</u>	<u>-</u>	<u>1,950,685</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,081,005)</u>	<u>\$ (1,169,765)</u>	1,050,165
FUND BALANCE, MAY 1			<u>1,225,617</u>
FUND BALANCE, APRIL 30			<u>\$ 2,275,782</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2014

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31</u>	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry- age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) -(1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	1,630,761	1,437,246	113.46%	(193,515)	805,614	0.00%
2011	1,752,321	1,615,917	108.44%	(136,404)	789,321	0.00%
2012	1,962,877	1,792,089	109.53%	(170,788)	839,737	0.00%
2013	2,075,543	1,901,822	109.13%	(173,721)	855,516	0.00%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date <u>December 31</u>	Annual Required Contribution (ARC)	Contribution Made	Contribution Made as a Percentage of Annual Required Contribution
2010	58,890	58,890	100%
2011	57,699	57,699	100%
2012	60,713	60,713	100%
2013	66,816	66,816	100%

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

April 30, 2014

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date <u>December 31</u>	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry- age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	1,013,412	3,174,716	31.92%	2,161,304	536,164	403.11%
2011	1,109,774	3,244,720	34.20%	2,134,946	564,723	378.05%
2012	1,232,168	3,622,720	34.01%	2,390,552	584,379	409.08%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date <u>December 31</u>	Annual Required Contribution (ARC)	Contribution Made	Contribution Made as a Percentage of Annual Required Contribution
2010	101,131	129,246	128%
2011	168,251	148,061	88%
2012	152,080	152,080	100%

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2014

1. BUDGETS

The Budget Ordinance is prepared in tentative form by the Village, reviewed and approved by the Village Board, and is made available for public inspection at least ten days prior to final Board action. A public hearing is held on the tentative Budget Ordinance to obtain taxpayer comments.

Prior to August 1, the Budget ordinance is legally enacted through the passage of a Budget ordinance. All actual expenditures contained herein have been compared to the annual operating budget.

The Board of Trustees may:

By two-thirds vote transfer, within any department, amounts budgeted for an object or purpose to another object or purpose. No object or purpose can be reduced below an amount sufficient to provide for all obligations incurred, or to be incurred, against the budgeted amount.

Adopt a supplemental budget ordinance in an amount not to exceed any additional revenue available, including unappropriated fund balances or amount estimated to be received after adoption of the annual budget ordinance.

Management cannot amend the Budget Ordinance. However, expenditures may exceed budgets at the subject level. Expenditures that exceed individual budgets at the object level must be approved by the Board of Trustees, as outlined above.

The Village does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system, in accordance with various legal requirements which govern the Village.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Debt Service, Special Revenue, and Enterprise Funds.

The operating budget is the management control for spending. The manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund are done through the approval of the Village Board of Trustees and are supported by budget amendments as needed.

Operating budgets are adopted on a modified accrual basis of accounting for all governmental funds and on an accrual basis for proprietary and fiduciary funds. Budgets have been adopted for the General, Debt Service, Special Revenue, and Enterprise Funds. Budgets for the enterprise funds do not provide for depreciation; capital improvements are budgeted as expenses.

VILLAGE OF COAL CITY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2014

1. BUDGETS (Continued)

All budgets are prepared based on the annual fiscal year of the Village and lapse at year end.

Budget amounts are as originally adopted or as amended by the Village Board of Trustees.

The financial schedules report management's operating budget in the columns titled original budget and final budget for the General, Debt Service, Special Revenue, and Enterprise Funds.

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
TAXES			
Property taxes			
General corporate purposes	\$ 619,931	\$ 619,931	\$ 651,907
Police Pension	208,000	208,000	208,489
Municipal sales tax	505,151	505,151	533,755
Local use tax	78,785	78,785	95,375
Utility and excise taxes	438,990	438,990	448,545
Total taxes	<u>1,850,857</u>	<u>1,850,857</u>	<u>1,938,071</u>
INTERGOVERNMENTAL			
Illinois replacement income taxes	17,235	17,235	20,909
Illinois income tax	489,100	489,100	540,236
Police grant	-	-	-
Total Intergovernmental	<u>506,335</u>	<u>506,335</u>	<u>561,145</u>
LICENSES AND PERMITS			
Liquor licenses	1,000	1,000	6,800
Gaming licenses	-	-	1,380
Other licenses	800	800	600
Contractors permits	20,000	20,000	19,130
Building permits	57,200	32,200	30,852
Cable TV franchise fees	52,000	52,000	54,352
Telephone franchise fees	-	-	-
Video gaming revenue	35,000	35,000	29,343
Coal City School District reimbursement	72,950	72,950	55,194
State grants	6,000	6,000	5,090
Fines	63,500	63,500	41,845
Interest on deposits	1,500	1,500	5,674
Zoning	25,750	25,750	9,062
Workman's comp reimbursement	5,600	5,600	19,463
Other revenues	61,800	61,800	109,667
Total Licenses and Permits	<u>403,100</u>	<u>378,100</u>	<u>388,452</u>
TOTAL REVENUES	<u>\$ 2,760,292</u>	<u>\$ 2,735,292</u>	<u>\$ 2,887,668</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Administrative			
Village administrator	\$ 39,521	\$ 39,521	\$ 41,833
Mayor and Trustees	20,000	20,000	20,000
Administrative assistant	42,658	42,658	39,006
Village clerk salary	2,500	2,500	2,500
Deputy village clerk	1,000	1,000	-
Village treasurer	2,010	2,010	1,004
Clerical salaries	2,117	2,117	747
Part-time salaries	14,064	14,064	8,819
Collector wages	26,776	26,776	26,287
Employee HRA	6,950	6,950	3,865
Telephone and Pager	2,400	2,400	2,726
Legal services	75,000	75,000	74,687
Engineering services	7,500	7,500	-
Auditing and Accounting services	8,000	8,000	6,738
Other professional services	7,000	7,000	10,030
Dues and seminars	17,441	17,441	19,317
Business and Industrial Commission Expense	-	-	-
Mayor and Trustees expenses	4,000	4,000	17,070
Zoning expenses	-	-	-
Repairs and Maintenance			
of Village buildings	19,100	19,100	18,369
Repairs and Maintenance			
of Village equipment	400	400	-
Unemployment taxes	7,306	7,306	824
Employee group insurance	29,396	29,396	24,041
Deferred Compensation	2,757	2,757	2,607
General insurance	223,288	223,288	232,280
Printing and publishing	3,150	3,150	1,710
Office supplies and expense	6,050	6,050	6,046
Building and janitorial supplies	-	-	-
Miscellaneous expense	12,000	12,000	10,918

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Administrative (Continued)			
Computer supplies and expense	8,000	8,000	9,226
Training	1,600	1,600	1,065
Travel expense	9,475	9,475	4,298
Codification of ordinances	5,500	5,500	2,630
Village Collector	-	-	-
Capital outlay - buildings	5,000	5,000	402
Capital outlay - equipment	7,500	7,500	5,582
Capital outlay - vehicle	5,000	5,000	4,000
Community relations	1,500	1,500	1,465
Contingencies	10,000	10,000	5,772
Library replacement tax	4,500	4,500	4,140
Bank service charges	1,500	1,500	8,695
Sales tax rebate	154,360	154,360	154,360
TIF Expenses	800,000	800,000	794,764
	<u>1,596,319</u>	<u>1,596,319</u>	<u>1,567,823</u>
Total administrative			
Police Protection			
Chief of police salary	86,269	86,269	86,214
Regular policemen salaries	621,697	621,697	542,770
Overtime policemen salaries	85,819	85,819	109,696
School crossing guards salaries	23,500	23,500	21,764
Clerical	38,970	38,970	37,766
Deferred compensation	-	-	-
Health insurance	178,381	178,381	174,603
Police Pension Expense	208,000	208,000	208,489
Animal control expenses	-	-	59,168
Police training expenses	16,160	16,160	-
Telephone	10,000	10,000	12,371
Publishing	2,000	2,000	1,653
Dues	1,500	1,500	1,620
Operating supplies	10,000	10,000	7,081
Travel	2,500	2,500	548

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Police Protection (Continued)			
Repairs and Maintenance of radios	3,000	3,000	4,230
Repairs and Maintenance of vehicles and equipment	9,000	9,000	8,789
Repairs and Maintenance of buildings	15,000	15,000	8,789
Uniform allowance	6,050	6,050	5,020
Office supplies and expense	3,000	3,000	2,609
Vehicle gasoline and oil	35,000	35,000	31,095
Board of Police Commission expense	4,000	4,000	4,508
Crime prevention	2,000	2,000	1,496
Administrative Adjudication expense	2,500	2,500	300
Miscellaneous expense	3,000	3,000	4,787
Intergovernmental agreements	63,500	63,500	
DUI training expense	-	-	4,143
DARE	-	-	-
Computer supplies, maintenance and equipment	4,000	4,000	4,164
Purchase of police vehicle	37,296	37,296	111,491
Purchase of police and office equipment	3,000	3,000	1,074
Purchase of communication equipment	2,000	2,000	1,028
 Total police protection	 <u>1,477,142</u>	 <u>1,477,142</u>	 <u>1,457,266</u>
 Street and Alley			
Maintenance salaries	231,293	231,293	275,705
Zoning officer salary	57,519	57,519	56,185
Plumbing inspector	2,520	2,520	1,880
Repairs and maintenance of buildings	6,000	6,000	1,014
Repairs and maintenance of sidewalks	10,000	10,000	1,193
Repairs and maintenance of streets	40,000	40,000	21,749
Repairs and maintenance of storm sewers	25,000	25,000	4,078
Repairs and maintenance of vehicles and equipment	28,000	28,000	26,652

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Street and Alley (Continued)			
Tree removal	10,000	10,000	645
Snow removal	15,000	15,000	26,997
Engineering services	8,000	8,000	-
Utilities	-	-	-
Street lighting	48,000	48,000	69,756
Other professional services	3,000	3,000	1,042
Dues	800	800	555
Plan commission stipend	5,040	5,040	3,690
JULIE	1,350	1,350	740
Claypool Drainage District Assessment	2,000	2,000	3,152
Telephone	10,470	10,470	11,699
Uniforms	7,700	7,700	5,396
Street signs	10,000	10,000	7,894
Street lighting supplies	5,000	5,000	2,537
Gasoline and oil	26,630	26,630	23,512
Insect control supplies	4,400	4,400	3,160
Operating supplies	12,000	12,000	9,585
Printing and Advertising	200	200	635
Office supplies	2,150	2,150	1,011
Computer supplies	1,300	1,300	15
Miscellaneous expense	15,900	15,900	7,859
Travel expense	1,150	1,150	271
Training and education	4,500	4,500	1,423
Zoning expenses	1,200	1,200	1,290
Sidewalk improvements	10,000	10,000	9,728
Storm sewer and drainage ditch improvements	6,000	6,000	5,958
Street improvements	20,000	20,000	12,009
Purchase of vehicles and equipment	77,046	77,046	68,081
Health insurance	62,928	62,928	78,690
Building improvements	5,000	5,000	6,831
	<u>777,096</u>	<u>777,096</u>	<u>752,617</u>
Total street and alley			

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Emergency and Safety			
Telephone	2,000	2,000	2,449
Repairs and Maintenance of equipment	4,000	4,000	3,006
Training	-	-	-
EOC Room expenses	-	-	-
ESDA stipend	-	-	-
IPRA	9,500	9,500	3,664
Capital Outlay	2,000	2,000	-
Miscellaneous expense	2,000	2,000	1,363
	<u>19,500</u>	<u>19,500</u>	<u>10,482</u>
Contingencies & interfund			
Transfers	-	-	(221,216)
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 3,870,057</u>	<u>\$ 3,870,057</u>	<u>\$ 4,009,404</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

DEBT SERVICE - STORM REFERENDUM BOND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 556,913	\$ 556,913	\$ 555,022
Interest on deposits	169	169	675
Unrealized gain/loss	-	-	3,946
Total revenues	<u>557,082</u>	<u>557,082</u>	<u>559,643</u>
EXPENDITURES			
Engineering	192,000	192,000	127,526
Legal	-	-	-
Other professional services	-	-	-
Permit fees	-	-	5,000
Bank service charge	-	-	6
Construction	1,408,000	1,408,000	1,149,860
Payment of bond principal	345,000	345,000	345,000
Payment of bond interest	219,225	219,225	219,225
Paying agent fees	500	500	500
Total expenditures	<u>2,164,725</u>	<u>2,164,725</u>	<u>1,847,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,607,643)	(1,607,643)	(1,287,474)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	965
Bond proceeds	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,607,643)</u>	<u>\$ (1,607,643)</u>	(1,286,509)
FUND BALANCE, MAY 1			<u>1,276,907</u>
FUND BALANCE, APRIL 30			<u>\$ (9,602)</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

CAPITAL IMPROVEMENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Interest on deposits	\$ 238,700	\$ 238,700	\$ 2,281
State grants	100,000	100,000	715,544
Miscellaneous income	1,712,000	1,712,000	4,848
Total revenues	<u>2,050,700</u>	<u>2,050,700</u>	<u>722,673</u>
EXPENSES			
Testing	-	-	-
Engineering	132,555	132,555	43,089
Legal fees	-	-	-
Other professional services	135,000	135,000	67,450
Bank service charges	-	-	2,850
Miscellaneous	-	-	722
Land and equipment acquisition	316,335	316,335	10,000
Capital improvements expenditures	2,055,483	2,055,483	734,417
Interest expense	-	-	3,496
Total expenses	<u>2,639,373</u>	<u>2,639,373</u>	<u>862,024</u>
Excess of revenues over (under) expenditures	<u>(588,673)</u>	<u>(588,673)</u>	<u>(139,351)</u>
Other Financing Sources (uses) - Operating transfer (to) from - Loan/Bond proceeds (payments)	473,278	473,278	252,950
	-	-	-
Total Other financing sources (uses)	<u>473,278</u>	<u>473,278</u>	<u>252,950</u>
NET CHANGE IN FUND BALANCE	<u>\$ (115,395)</u>	<u>\$ (115,395)</u>	113,599
FUND BALANCE, MAY 1			<u>843,808</u>
FUND BALANCE, APRIL 30			<u>\$ 957,407</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF COAL CITY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2014

	Special Revenue Funds					Total
	Park Fund	Motor Fuel Tax Fund	IMRF Fund	Social Security Fund	TIF Fund	
ASSETS						
Cash	\$ 36,991	\$ 50,509	\$ 32,461	\$ -	\$ 50,235	\$ 111,071
Property taxes receivable	77,346	-	75,438	88,279	38,453	-
Due from other fund	-	-	-	-	-	-
TOTAL ASSETS	\$ 114,337	\$ 50,509	\$ 107,899	\$ 88,279	\$ 88,688	\$ 111,071
						\$ 560,783
LIABILITIES & FUND BALANCES						
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ 40,718	\$ -	\$ -
Due to other fund	-	7,142	-	-	8,341	-
Total liabilities	-	7,142	-	40,718	8,341	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	77,346	-	75,438	88,279	38,453	-
Total Deferred Inflows of Resources	77,346	-	75,438	88,279	38,453	-
Total Liabilities and Deferred Inflows of Resources	77,346	7,142	75,438	128,997	46,794	-

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2014

	Special Revenue Funds							Total
	Park Fund	Motor Fuel Tax Fund	IMRF Fund	Social Security Fund	TIF Fund	Municipal Facilities Fund		
FUND BALANCES								
Restricted								
General government	-	-	32,461	-	-	111,071	143,532	
Parks	36,991	-	-	-	-	-	36,991	
TIF projects	-	-	-	-	41,894	-	41,894	
Highways and streets	-	43,367	-	-	-	-	43,367	
Unrestricted	-	-	-	(40,718)	-	-	(40,718)	
Unassigned	-	-	-	-	-	-	-	
Total fund balances	36,991	43,367	32,461	(40,718)	41,894	111,071	225,066	
TOTAL LIABILITIES & FUND BALANCES	\$ 114,337	\$ 50,509	\$ 107,899	\$ 88,279	\$ 88,688	\$ 111,071	\$ 560,783	

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2014

	Special Revenue					Total
	Illinois					
	Park Fund	Motor Fuel Tax	Municipal Retirement Fund	Social Security Fund	Municipal Facilities Fund	
REVENUES						
Property taxes	\$ 80,262	-	\$ 75,617	\$ 88,483	\$ 41,972	\$ 286,334
Allotments from State of Illinois	-	163,713	-	-	-	163,713
Illinois replacement income taxes	2,422	-	-	-	-	2,422
Sales tax	-	-	-	-	149,059	149,059
Garbage collection fees	-	-	-	-	-	-
Interest on deposits	35	16	-	43	12	106
Other revenue	13,498	-	-	-	-	13,498
Total revenues	96,217	163,729	75,617	88,526	41,972	615,132
EXPENDITURES						
General government	-	166,500	69,886	129,244	29,291	394,921
Street and alley	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Parks	78,949	-	-	-	-	78,949
Total expenditures	78,949	166,500	69,886	129,244	29,291	473,870

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2014

	Special Revenue					Total
	Illinois					
	Park Fund	Motor Fuel Tax	Municipal Retirement Fund	Social Security Fund	Municipal Facilities Fund	
EXCESS OF REVENUES OVER EXPENDITURES	17,268	(2,771)	5,731	(40,718)	12,681	141,262
OTHER FINANCING SOURCES (USES)						
Operating transfer (to) from	-	-	-	-	-	(38,000)
Total other financing sources (uses)	-	-	-	-	-	(38,000)
NET CHANGE IN FUND BALANCE	17,268	(2,771)	5,731	(40,718)	12,681	103,262
FUND BALANCE, MAY 1	19,723	46,138	26,730	-	29,213	121,804
FUND BALANCE, APRIL 30	\$ 36,991	\$ 43,367	\$ 32,461	\$ (40,718)	\$ 41,894	\$ 225,066

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

PARK FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUE			
Property taxes	\$ 80,077	\$ 80,077	\$ 80,262
Illinois replacement income taxes	1,900	1,900	2,422
Donations	-	-	4,020
Interest on deposits	-	-	35
Other revenues	3,000	3,000	9,478
Total revenues	<u>84,977</u>	<u>84,977</u>	<u>96,217</u>
EXPENDITURES			
Maintenance salaries	46,780	46,780	36,175
Village administrator	2,756	2,756	2,861
Administrative assistant	1,600	1,600	2,066
Electricity	6,570	6,570	6,706
Repairs and maintenance	7,500	7,500	7,779
Professional fees	-	-	100
Program expense	5,960	5,960	1,388
Contractual activities	3,450	3,450	3,100
Miscellaneous expense	8,900	8,900	9,712
Buildings	500	500	640
Purchase of playground equipment	-	-	867
Park improvements	500	500	723
Purchase of park equipment	7,500	7,500	6,832
Total expenditures	<u>92,016</u>	<u>92,016</u>	<u>78,949</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,039)	(7,039)	17,268
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (7,039)</u>	<u>\$ (7,039)</u>	17,268
FUND BALANCE, MAY 1			<u>19,723</u>
FUND BALANCE, APRIL 30			<u>\$ 36,991</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

MOTOR FUEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUE			
Allotments received from State of Illinois	\$ 155,000	\$ 155,000	\$ 163,713
Miscellaneous revenue	-	-	-
Interest on deposits	250	250	16
Total revenues	<u>155,250</u>	<u>155,250</u>	<u>163,729</u>
EXPENDITURES			
Repairs and maintenance of streets	136,000	136,000	144,629
Engineering services	24,000	24,000	20,272
Publishing services	185	185	99
Testing services	3,500	3,500	1,500
Miscellaneous	-	-	-
Total expenditures	<u>163,685</u>	<u>163,685</u>	<u>166,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,435)	(8,435)	(2,771)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (8,435)</u>	<u>\$ (8,435)</u>	(2,771)
FUND BALANCE, MAY 1			<u>46,138</u>
FUND BALANCE, APRIL 30			<u>\$ 43,367</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUE			
Property taxes	\$ 74,714	\$ 74,714	\$ 75,617
Interest on deposits	-	-	-
Total revenues	<u>74,714</u>	<u>74,714</u>	<u>75,617</u>
EXPENDITURES			
Contributions to Illinois Municipal Retirement Fund	75,435	75,435	69,886
Miscellaneous	-	-	-
Total expenditures	<u>75,435</u>	<u>75,435</u>	<u>69,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(721)	(721)	5,731
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (721)</u>	<u>\$ (721)</u>	5,731
FUND BALANCE, MAY 1			<u>26,730</u>
FUND BALANCE, APRIL 30			<u>\$ 32,461</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUE			
Property taxes	\$ 89,000	\$ 89,000	\$ 88,483
Interest on deposits	-	-	43
Total revenues	<u>89,000</u>	<u>89,000</u>	<u>88,526</u>
EXPENDITURES			
Contributions to Social Security System	142,845	142,845	129,244
Miscellaneous	-	-	-
Total expenditures	<u>142,845</u>	<u>142,845</u>	<u>129,244</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,845)	(53,845)	(40,718)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (53,845)</u>	<u>\$ (53,845)</u>	(40,718)
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			<u>\$ (40,718)</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUE			
Property taxes	\$ 91,965	\$ 91,965	\$ 41,972
Interest on deposits	10	10	-
Total revenues	<u>91,975</u>	<u>91,975</u>	<u>41,972</u>
EXPENDITURES			
Village administrator	18,382	18,382	17,678
Legal service	2,500	2,500	-
Other professional services	5,000	5,000	2,854
Miscellaneous	20,000	20,000	8,759
Total expenditures	<u>45,882</u>	<u>45,882</u>	<u>29,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	46,093	46,093	12,681
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 46,093</u>	<u>\$ 46,093</u>	12,681
FUND BALANCE, MAY 1			<u>29,213</u>
FUND BALANCE, APRIL 30			<u>\$ 41,894</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

MUNICIPAL FACILITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
REVENUE			
Sales tax	\$ -	\$ -	\$ 149,059
Interest on deposits	1,500	1,500	12
Total revenues	1,500	1,500	149,071
EXPENDITURES			
Village administrator	-	-	-
Legal service	-	-	-
Other professional services	-	-	-
Miscellaneous	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,500	1,500	149,071
OTHER FINANCING SOURCES (USES)			
Transfers (out)	100,000	100,000	(38,000)
NET CHANGE IN FUND BALANCE	\$ 101,500	\$ 101,500	111,071
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			\$ 111,071

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF COAL CITY, ILLINOIS
WATERWORKS AND SEWERAGE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

For the Year Ended April 30, 2014

	Operation and Maintenance Account	Bond Repayment Account	Water Impact Account	Sanitary Sewer Impact Account	Water Infrastructure Improvement Account	Sewer Infrastructure Improvement Account
OPERATING REVENUES						
Water and sewer charges	\$ 1,173,853	\$ -	\$ -	\$ -	\$ 50,450	\$ 294,772
Water and sewer tap on fees	46,400	-	-	-	-	-
Water meter assessments collected	52,688	-	-	-	-	-
Total revenues	<u>\$ 1,272,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,450</u>	<u>\$ 294,772</u>
OPERATING EXPENSES						
Personnel services	478,830	-	-	-	-	-
Contractual services	485,658	-	-	-	-	-
Materials and supplies	30,781	-	-	-	-	-
Other Expense	10,368	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Depreciation	21,392	-	-	-	6,315	30,470
Total operating expenses	<u>1,027,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,315</u>	<u>30,470</u>
OPERATING INCOME	<u>245,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,135</u>	<u>264,302</u>
NONOPERATING REVENUES (EXPENSES)						
Investment income	134	1	24	26	14	188
Impact fees	-	-	4,963	9,926	-	-
Debt service	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	(32,040)	-	-	-	(11,012)	(58,159)
Other income (expense)	23,400	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>(8,506)</u>	<u>1</u>	<u>4,987</u>	<u>9,952</u>	<u>(10,998)</u>	<u>(57,971)</u>
OTHER FINANCING SOURCES						
Inter account transfers	-	-	-	-	5,495	23,224
Loan/bond Proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,495</u>	<u>23,224</u>
NET CHANGE IN NET POSITION	237,406	1	4,987	9,952	38,632	229,555
NET POSITION, MAY 1	(64,150)	2,944	44,729	46,363	86,216	573,338
NET POSITION, APRIL 30	<u>\$ 173,256</u>	<u>\$ 2,945</u>	<u>\$ 49,716</u>	<u>\$ 56,315</u>	<u>\$ 124,848</u>	<u>\$ 802,893</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
WATERWORKS AND SEWERAGE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (continued)

For the Year Ended April 30, 2014

	Water Depreciation Fund	Water Bond Reserve Fund	Sewer Bond Reserve Fund	Sewer Plant Depreciation Fund	W&S Infrastructure Expansion Fund	Total
OPERATING REVENUES						
Water and sewer charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,519,075
Water and sewer tap on fees	-	-	-	-	-	46,400
Water meter assessments collected	-	-	-	-	-	52,688
Total revenues	\$ -	\$ -	\$ -	-	-	1,618,163
OPERATING EXPENSES						
Personnel services	-	-	-	-	-	478,830
Contractual services	-	-	-	-	-	485,658
Materials and supplies	-	-	-	-	-	30,781
Other Expense	-	-	-	-	-	10,368
Capital Outlay	-	-	-	-	-	-
Depreciation	-	-	-	-	-	58,177
Total operating expenses	-	-	-	-	-	1,063,814
OPERATING INCOME	-	-	-	-	-	554,349
NONOPERATING REVENUES (EXPENSES)						
Investment income	21	33	144	101	2,200	2,886
Impact fees	-	-	-	-	-	14,889
Debt service	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	(101,211)
Other income (expense)	-	-	-	-	-	23,400
Total nonoperating revenues (expenses)	21	33	144	101	2,200	(60,036)
OTHER FINANCING SOURCES						
Inter account transfers	(5,495)	-	-	(23,224)	(225,000)	(225,000)
Loan/bond Proceeds	-	-	-	-	-	-
Total other financing sources (uses)	(5,495)	-	-	(23,224)	(225,000)	(225,000)
NET CHANGE IN NET POSITION	(5,474)	33	144	(23,123)	(222,800)	269,313
NET POSITION, MAY 1	42,098	66,881	290,809	206,332	1,146,631	2,442,191
NET POSITION, APRIL 30	\$ 36,624	\$ 66,914	\$ 290,953	\$ 183,209	\$ 923,831	\$ 2,711,504

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS
OPERATION AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ 1,251,219	\$ 1,251,219	\$ 1,173,853
Water and sewer tap on fees	45,000	45,000	46,400
Water meter assessments collected	10,000	10,000	52,688
	<u>1,306,219</u>	<u>1,306,219</u>	<u>1,272,941</u>
OPERATING EXPENSES			
Personnel services	470,620	470,620	478,830
Contractual services	530,870	530,870	485,658
Materials and supplies	37,205	37,205	30,781
Other Expense	10,500	10,500	10,368
Capital Outlay	167,994	167,994	-
Depreciation	-	-	21,392
	<u>1,217,189</u>	<u>1,217,189</u>	<u>1,027,029</u>
	<u>89,030</u>	<u>89,030</u>	<u>245,912</u>
OPERATING INCOME			
NONOPERATING REVENUES (EXPENSES)			
Investment income	450	450	134
Impact fees	-	-	-
Debt service			
Principal retirement	(59,884)	(59,884)	-
Interest and fiscal charges	(32,041)	(32,041)	(32,040)
Other income (expense)	7,500	7,500	23,400
	<u>(83,975)</u>	<u>(83,975)</u>	<u>(8,506)</u>
OPERATING TRANSFERS			
Transfers	55,155	55,155	-
NET CHANGE IN NET POSITION	<u>\$ 60,210</u>	<u>\$ 60,210</u>	237,406
NET POSITION, MAY 1			<u>(64,150)</u>
NET POSITION, APRIL 30			<u>\$ 173,256</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

BOND REPAYMENT FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	-	-	-
OPERATING INCOME	-	-	-
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	-	1
Impact fees	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	-	-	1
OPERATING TRANSFERS			
Transfers	-	-	-
NET CHANGE IN NET POSITION	\$ -	\$ -	1
NET POSITION, MAY 1			2,944
NET POSITION, APRIL 30			\$ 2,945

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

WATER IMPACT FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	15,000	15,000	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	<u>15,000</u>	<u>15,000</u>	<u>-</u>
OPERATING INCOME	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	20	20	24
Impact fees	10,000	10,000	4,963
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	<u>10,020</u>	<u>10,020</u>	<u>4,987</u>
OPERATING TRANSFERS			
Transfers	-	-	-
NET CHANGE IN NET POSITION	<u>\$ (4,980)</u>	<u>\$ (4,980)</u>	4,987
NET POSITION, MAY 1			<u>44,729</u>
NET POSITION, APRIL 30			<u>\$ 49,716</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
SANITARY SEWER IMPACT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	5,000	5,000	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	5,000	5,000	-
OPERATING INCOME	(5,000)	(5,000)	-
NONOPERATING REVENUES (EXPENSES)			
Investment income	100	100	26
Impact fees	25,000	25,000	9,926
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	25,100	25,100	9,952
OPERATING TRANSFERS			
Transfers	-	-	-
NET CHANGE IN NET POSITION	\$ 20,100	\$ 20,100	9,952
NET POSITION, MAY 1			46,363
NET POSITION, APRIL 30			\$ 56,315

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
WATER INFRASTRUCTURE IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ 58,500	\$ 58,500	\$ 50,450
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	<u>58,500</u>	<u>58,500</u>	<u>50,450</u>
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Depreciation	-	-	6,315
Total operating expenses	<u>-</u>	<u>-</u>	<u>6,315</u>
OPERATING INCOME	<u>58,500</u>	<u>58,500</u>	<u>44,135</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	50	50	14
Impact fees	-	-	-
Debt service			
Principal retirement	(54,962)	(54,962)	-
Interest and fiscal charges	(6,316)	(6,316)	(11,012)
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	<u>(61,228)</u>	<u>(61,228)</u>	<u>(10,998)</u>
OPERATING TRANSFERS			
Bond proceeds			-
Transfers	126,000	126,000	5,495
NET CHANGE IN NET POSITION	<u>\$ 123,272</u>	<u>\$ 123,272</u>	38,632
NET POSITION, MAY 1			<u>86,216</u>
NET POSITION, APRIL 30			<u>\$ 124,848</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
SEWER INFRASTRUCTURE IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ 270,000	\$ 270,000	\$ 294,772
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	<u>270,000</u>	<u>270,000</u>	<u>294,772</u>
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Depreciation	-	-	30,470
Total operating expenses	<u>-</u>	<u>-</u>	<u>30,470</u>
OPERATING INCOME	<u>270,000</u>	<u>270,000</u>	<u>264,302</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	150	150	188
Impact fees	-	-	-
Debt service			
Principal retirement	(232,233)	(232,233)	-
Interest and fiscal charges	(34,936)	(34,936)	(58,159)
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	<u>(267,019)</u>	<u>(267,019)</u>	<u>(57,971)</u>
OPERATING TRANSFERS			
Transfers	<u>23,224</u>	<u>23,224</u>	<u>23,224</u>
NET CHANGE IN NET POSITION	<u>\$ 26,205</u>	<u>\$ 26,205</u>	229,555
NET POSITION, MAY 1			<u>573,338</u>
NET POSITION, APRIL 30			<u>\$ 802,893</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
WATER DEPRECIATION FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	-	-	-
OPERATING INCOME			
NONOPERATING REVENUES (EXPENSES)			
Investment income	45	45	21
Impact fees	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	5,495	5,495	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	5,540	5,540	21
OPERATING TRANSFERS			
Transfers	-	-	(5,495)
NET CHANGE IN NET POSITION	<u>\$ 5,540</u>	<u>\$ 5,540</u>	(5,474)
NET POSITION, MAY 1			<u>42,098</u>
NET POSITION, APRIL 30			<u>\$ 36,624</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
WATER BOND RESERVE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
	-	-	-
Total operating expenses	-	-	-
OPERATING INCOME			
NONOPERATING REVENUES (EXPENSES)			
Investment income	100	100	33
Impact fees	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other income (expense)	-	-	-
	-	-	-
Total nonoperating revenues (expenses)	100	100	33
OPERATING TRANSFERS			
Transfers	-	-	-
	-	-	-
NET CHANGE IN NET POSITION	<u>\$ 100</u>	<u>\$ 100</u>	33
NET POSITION, MAY 1			<u>66,881</u>
NET POSITION, APRIL 30			<u>\$ 66,914</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

SEWER BOND RESERVE FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	-	-	-
OPERATING INCOME	-	-	-
NONOPERATING REVENUES (EXPENSES)			
Investment income	255	255	144
Impact fees	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	255	255	144
OPERATING TRANSFERS			
Transfers	-	-	-
NET CHANGE IN NET POSITION	\$ 255	\$ 255	144
NET POSITION, MAY 1			290,809
NET POSITION, APRIL 30			\$ 290,953

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
SEWER PLANT DEPRECIATION FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ -	\$ -	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	-	-	-
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	-	-	-
OPERATING INCOME	-	-	-
NONOPERATING REVENUES (EXPENSES)			
Investment income	190	190	101
Impact fees	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	23,224	23,224	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	23,414	23,414	101
OPERATING TRANSFERS			
Transfers	-	-	(23,224)
NET CHANGE IN NET POSITION	\$ 23,414	\$ 23,414	(23,123)
NET POSITION, MAY 1			206,332
NET POSITION, APRIL 30			\$ 183,209

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS
W&S INFRASTRUCTURE EXPANSION FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Water and sewer charges	\$ 20,000	\$ 20,000	\$ -
Water and sewer tap on fees	-	-	-
Water meter assessments collected	-	-	-
Total operating revenues	<u>20,000</u>	<u>20,000</u>	<u>-</u>
OPERATING EXPENSES			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Other Expense	-	-	-
Capital Outlay	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING INCOME	<u>20,000</u>	<u>20,000</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)			
Unrealized Gain/Loss	-	-	1,117
Investment Income	55,155	55,155	1,083
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other income (expense)	-	-	-
Total nonoperating revenues (expenses)	<u>55,155</u>	<u>55,155</u>	<u>2,200</u>
OPERATING TRANSFERS			
Transfers	<u>(118,915)</u>	<u>(118,915)</u>	<u>(225,000)</u>
NET CHANGE IN NET POSITION	<u>\$ (43,760)</u>	<u>\$ (43,760)</u>	<u>(222,800)</u>
NET POSITION, MAY 1			<u>1,146,631</u>
NET POSITION, APRIL 30			<u>\$ 923,831</u>

(See independent auditors' report.)

VILLAGE OF COAL CITY, ILLINOIS

GARBAGE FUND

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Garbage collection fees	\$ 417,725	\$ 417,725	\$ 444,036
Total operating revenues	<u>417,725</u>	<u>417,725</u>	<u>444,036</u>
OPERATING EXPENSES			
Salaries	3,105	3,105	2,928
Health insurance	436	436	6,491
Collection and disposal of garbage	423,080	423,080	422,524
Office supplies and postage	5,600	5,600	3,836
Office equipment	3,000	3,000	-
Miscellaneous expense	4,000	4,000	315
Total operating expenses	<u>439,221</u>	<u>439,221</u>	<u>436,094</u>
OPERATING INCOME	(21,496)	(21,496)	7,942
NONOPERATING REVENUES (EXPENSES)			
Investment income	50	50	66
Other income (expense)	2,000	2,000	69
Total nonoperating revenues (expenses)	2,050	2,050	135
OPERATING TRANSFERS			
Transfers	-	-	-
NET CHANGE IN NET POSITION	<u>\$ (19,496)</u>	<u>\$ (19,496)</u>	8,077
NET POSITION, MAY 1			<u>90,277</u>
NET POSITION, APRIL 30			<u>\$ 98,354</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF COAL CITY, ILLINOIS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
April 30, 2014

	Police Pension Fund	School Site Fund	Total
ASSETS			
Cash and investments	\$ 1,502,571	\$ 11,740	\$ 1,514,311
Accrued Interest	8,772	-	8,772
Total Assets	<u>1,511,343</u>	<u>11,740</u>	<u>1,523,083</u>
LIABILITIES			
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net position held in trust for pension benefits and school fund	<u>1,511,343</u>	<u>11,740</u>	<u>1,523,083</u>
Total Liabilities and Net Position	<u>\$ 1,511,343</u>	<u>11,740</u>	<u>1,523,083</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET POSITION

FIDUCIARY FUNDS

April 30, 2014

	Police Pension Fund	School Site Fund	Total
Additions:			
Contributions:			
Employer contributions	\$ 208,489	\$ -	\$ 208,489
Employee contributions	60,677	-	60,677
School site dedication fees		7,879	7,879
Investment Income			
Interest Income	30,295	5	30,300
Realized and Unrealized Gains/Losses	(19,488)	-	(19,488)
Less: Investment Expense	(5,714)	-	(5,714)
TOTAL ADDITIONS	274,259	7,884	282,143
Deductions:			
Payments to local school districts	-	4,603	4,603
Pension Benefits and Refunds			
Pension Benefits	103,555	-	103,555
Refunds	346	-	346
Administrative Expenses			
Actuary	22,947	-	22,947
Auditing	-	-	-
Accounting and Bookkeeping	-	-	-
Medical Services	-	-	-
Legal	-	-	-
Employee Refunds	-	-	-
Conference/Seminar Fees	-	-	-
Association Dues	5,430	-	5,430
Compliance Fee	-	-	-
Miscellaneous	-	-	-
TOTAL DEDUCTIONS	132,278	4,603	136,881
CHANGE IN NET POSITION	141,981	3,281	145,262
NET POSITION - MAY 1, 2013	1,369,362	8,459	1,377,821
NET POSITION - APRIL 30, 2014	\$ 1,511,343	11,740	1,523,083

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF COAL CITY, ILLINOIS

DEBT SERVICE FUND

SCHEDULE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

April 30, 2014

Date of Issue	November 25, 2013
Date of Maturity	November 1, 2023
Authorized Issue	\$1,900,000
Interest Rates	4.55%
Interest Dates	May and November

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2015	-	79,006	79,006	2014	35,781	2014	43,225
2016	-	86,450	86,450	2015	43,225	2015	43,225
2017	-	86,450	86,450	2016	43,225	2016	43,225
2018	-	86,450	86,450	2017	43,225	2017	43,225
2019	-	86,450	86,450	2018	43,225	2018	43,225
2020	345,000	86,450	431,450	2019	43,225	2019	43,225
2021	365,000	70,752	435,752	2020	35,376	2020	35,376
2022	380,000	54,146	434,146	2021	27,073	2021	27,073
2023	395,000	36,855	431,855	2022	18,427	2022	18,428
2024	415,000	18,882	433,882	2023	9,441	2023	9,441
	<u>\$ 1,900,000</u>	<u>\$ 691,891</u>	<u>\$ 2,591,891</u>		<u>\$ 342,223</u>		<u>\$ 349,668</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

DEBT SERVICE FUND

SCHEDULE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009

April 30, 2014

Date of Issue	June 1, 2009
Date of Maturity	December 1, 2024
Authorized Issue	\$6,000,000
Interest Rates	4.75-4.20%
Interest Dates	June and December

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	360,000	204,563	564,563	2014	102,281	2014	102,281
2016	375,000	189,263	564,263	2015	94,631	2015	94,631
2017	395,000	173,325	568,325	2016	86,663	2016	86,663
2018	410,000	156,538	566,538	2017	78,269	2017	78,269
2019	430,000	139,113	569,113	2018	69,556	2018	69,556
2020	445,000	119,763	564,763	2019	59,881	2019	59,881
2021	465,000	100,850	565,850	2020	50,425	2020	50,425
2022	480,000	83,180	563,180	2021	41,590	2021	41,590
2023	500,000	64,460	564,460	2022	32,230	2022	32,230
2024	520,000	44,210	564,210	2023	22,105	2023	22,105
2025	545,000	22,890	567,890	2024	11,445	2024	11,445
	<u>\$ 4,925,000</u>	<u>\$ 1,298,153</u>	<u>\$ 6,223,153</u>		<u>\$ 649,076</u>		<u>\$ 649,076</u>

(See independent auditor's report.)

VILLAGE OF COAL CITY, ILLINOIS

Property Tax Assessed Valuations, Rates, Extensions, and Collections
April 30, 2014

Tax Levy Year	2013			2012		
	Grundy County	Will County	Grundy County	Will County	Grundy County	Will County
Assessed Valuation	103,138,176	3,953	112,849,699	4,692		
	Rate	Rate	Rate	Rate	Rate	Rate
	Amount	Amount	Amount	Amount	Amount	Amount
Tax Extensions						
Corporate	0.24997	0.2500	0.24987	0.2792	0.2792	0.2792
Bonds and interest	0.53995	0.5399	0.52130	0.5787	0.5787	0.5787
I.M.R.F.	0.07314	0.0732	0.07062	0.0881	0.0881	0.0881
Police protection	0.07499	0.0749	0.07496	0.0923	0.0923	0.0923
Parks	0.07499	0.0749	0.07496	0.0923	0.0923	0.0923
Workman's Comp	0.07999	0.0800	0.05189	0.0491	0.0491	0.0491
Social Security	0.08559	0.0856	0.08264	0.0996	0.0996	0.0996
Tort/liability insurance	0.08242	0.0825	0.05936	0.0561	0.0561	0.0561
Police pension	0.21549	0.2153	0.19471	0.2057	0.2057	0.2057
Audit	0.02210	0.0221	0.01540	0.0145	0.0145	0.0145
Street lighting	0.05000	0.0499	0.05000	1.0767	1.0767	1.0767
	1.54863	1.5483	1.4457	2.6323	2.6323	2.6323
TIF	38,453			43,051		
Road and Bridge	113,638			111,563		
Total Grundy	\$ 1,749,320		\$ 1,698,973			
Plus Will	63		198			
Total Extension	1,749,383		1,699,171			
Tax collections:						
year ended April 30, 2014	\$ -		\$ 1,701,752			
Previous years	-		\$ 1,701,752			
Percent collected	0.0%		100.2%			

Property tax rates are per \$100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.

(See independent auditor's report.)



Brian Zabel & ASSOCIATES P.C.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Village Mayor
and Board of Trustees
Village of Coal City, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Coal City, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Coal City, Illinois' basic financial statements, and have issued our report thereon dated August 20, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Coal City, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Coal City, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Coal City, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of an entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
August 20, 2014