

RESOLUTION 14-09-03

A RESOLUTION
ACCEPTING THE AUDIT REPORT FOR FISCAL YEAR ENDED APRIL 30, 2014

WHEREAS, pursuant to the Illinois Municipal Auditing Law, the Village of Mahomet has issued an audit of the funds and accounts to be made by an accountant retained by the Village; and

WHEREAS, audit has been conducted in conformance with such requirements by Bray, Drake, Liles and Richardson, LLP of Urbana, Illinois.

NOW THEREFORE BE IT RESOLVED BY THE VILLAGE BOARD OF TRUSTEES OF THE VILLAGE OF MAHOMET, ILLINOIS, that:

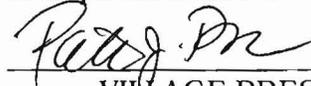
Section 1. The Board of Trustees hereby accepts the Audit Report for fiscal year ended April 30, 2014.

Section 2: A copy of such report shall be made a part of the Village's public records and open to public inspection.

PRESENTED this 23rd day of September 2014.

PASSED this 23rd day of September 2014.

APPROVED this 23rd day of September 2014.



VILLAGE PRESIDENT
VILLAGE OF MAHOMET

ATTEST:

(SEAL)



VILLAGE CLERK
VILLAGE OF MAHOMET

BRAY , DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

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JAMES P. BRAY, CPA (Retired)

Honorable President and Board of Trustees
Village of Mahomet
Mahomet, Illinois

We have audited the financial statements of the government activities, each major fund, and the aggregate remaining fund information of Village of Mahomet for the year ended April 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 10, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of Mahomet are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending April 30, 2014. We noted no transactions entered into by the Village of Mahomet during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

Management's estimate of the useful lives of capital assets is based upon past experience. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no material misstatements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 10, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issue

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of trustees and management of the Village of Mahomet and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



BRAY, DRAKE, LILES & RICHARDSON LLP

Urbana, Illinois

September 10, 2014

VILLAGE OF MAHOMET
Mahomet, Illinois

Annual Financial Report

For the Year Ended April 30, 2014

VILLAGE OF MAHOMET
Mahomet, Illinois

Annual Financial Report
For the Year Ended April 30, 2014

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Mahomet, Illinois

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Mahomet, Illinois

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BRAY , DRAKE, LILES & RICHARDSON LLP
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JAMES P. BRAY, CPA (Retired)

To the President and Board of Trustees
Village of Mahomet
Mahomet, Illinois

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 entity'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 entity'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 Mahomet, as of April 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress – Illinois Municipal Retirement Fund, the schedule of

funding progress – Police Pension Fund, the schedule of employer contributions – Police Pension Fund, and the budgetary comparison information on pages 3–9 and 39–45 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mahomet's basic financial statements. The combining nonmajor fund financial statements, the bond debt service schedules, and the equalized assessed valuations, tax rates, taxes extended and collected, and legal debt margin are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the bond debt service schedules, and the equalized assessed valuations, tax rates, taxes extended and collected, and legal debt margin, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the bond debt service schedules, and the schedule of equalized assessed valuations, tax rates, taxes extended and collected, and legal debt margin and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2014, on our consideration of the Village of Mahomet's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Mahomet's internal control over financial reporting and compliance.



BRAY, DRAKE, LILES & RICHARDSON LLP

Urbana, Illinois

September 10, 2014

BRAY , DRAKE, LILES & RICHARDSON LLP

Certified Public Accountants

Village of Mahomet

Management's Discussion and Analysis

April 30, 2014

As management of the Village of Mahomet, we offer readers of these financial statements a narrative overview and analysis of the financial activities of the Village of Mahomet for the fiscal year ended April 30, 2014.

Financial Highlights

- The total net position of the Village of Mahomet exceeded its liabilities at the close of the most recent fiscal year for both, the governmental and business-type, activities by a total of \$57,795,580 (*net position*).
- The Village's total net position increased by \$2,297,684 for the reporting year over the previous fiscal year.
- As of the close of the current fiscal year, the Village of Mahomet's governmental activities reported combined ending fund balances of \$5,722,796, a decrease of \$2,241,920 over the prior year. Of this amount \$1,449,237, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,449,237 or 24% of total general fund expenditures.
- The Village of Mahomet's total debt increased by \$3,417,703 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Mahomet's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Mahomet's finances, in a manner similar to private-sector business. They report all funds of the Village of Mahomet including governmental activities and business-type activities.

- The *statement of net position* presents information on the Village of Mahomet's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Net assets have been increasing over the past years.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

The governmental activities of the Village of Mahomet include general government, public safety (police, ESDA), highways and streets, culture and recreation, community development, economic development and interest on long-term debt. Business-type activities include water and sewer enterprise funds.

Fund financial statements. A fund is a grouping of related accounts which is used to maintain control over resources segregated for specific activities or objectives. The Village of Mahomet, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike 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.

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

The Village of Mahomet maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet as well as in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Tax Increment Financing Fund, and the Transportation System Capital Improvement Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village adopts an annual appropriated budget for its general fund and other major funds. Budgetary comparison statements have been provided for the general fund and other major governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 12-13 within this report.

Business-type activities. The Village of Mahomet maintains basic public services by providing a combined water and sewer system for residents. These functions are accounted for in this audit as business-type activities or enterprise funds. These basic proprietary fund statements can be found on pages 14-16. The Village's total net asset for all proprietary fund types was \$9,215,088 (*total net position*) including restricted net position of \$4,342,979.

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 statements because the resources of those funds are not available to support the Village's programs. The accounting method used for fiduciary funds is similar to that used for proprietary funds. The only fiduciary fund utilized by the Village is the Policemen's Pension Trust Fund. The basic fiduciary fund financial statements can be found on pages 17-18.

Notes to the financial statements. The notes provide additional information which is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes of the financial statements can be found on pages 19-36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* on pages 37-40. This required supplementary information includes information concerning the Village of Mahomet's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for its major governmental funds and related footnotes. This report also contains additional supplementary information on governmental and business-type activities, bond payment schedules, legal debt margin calculations, assessed valuations, tax rates, taxes extended and taxes collected information. Additional supplementary information can be found on pages 47-57 of this report.

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 Mahomet, assets exceeded liabilities by \$57,795,580 at the close of the fiscal year.

The largest portion of the Village's net position (79%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets still outstanding. The Village of Mahomet uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table reflects the condensed Statement of Net Position:

Village of Mahomet's Net Position

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 7,957,037	\$ 11,444,809	\$ 4,734,621	\$ 4,805,309	\$ 12,691,658	\$ 16,250,118
Capital Assets	47,085,345	41,573,872	19,880,031	17,692,644	66,965,376	59,266,516
Total Assets	55,042,382	53,018,681	24,614,652	22,497,953	79,657,034	75,516,634
Long-term Liabilities	5,290,294	3,529,000	14,953,946	13,345,145	20,244,240	16,874,145
Other Liabilities	1,171,596	2,503,905	445,618	640,688	1,617,214	3,144,593
Total Liabilities	6,461,890	6,032,905	15,399,564	13,985,833	21,861,454	20,018,738
Net Assets:						
Invested in Capital Assets	41,381,345	37,678,774	4,311,085	4,032,499	45,692,430	41,711,273
Restricted	1,600,623	1,377,508	4,342,979	3,463,015	5,943,602	4,840,523
Unrestricted	5,598,524	7,929,494	561,024	1,016,606	6,159,548	8,946,100
Total Net Assets	\$ 48,580,492	\$ 46,985,776	\$ 9,215,088	\$ 8,512,120	\$ 57,795,580	\$ 55,497,896

A portion of the Village's net position (9%) represents resources which are subject to external restrictions on how they may be used.

Governmental Activities. Governmental activities increased Mahomet's net position by \$1,594,716, which represents 69% of the Change in Net Position of the Village. Revenues and expenditures were up in the majority of the major operating governmental functions.

Business-type Activities. There was a total net increase in assets over the previous fiscal year of \$702,968, which represents 31% of the Change in Net Position of the Village. The increase is mainly due to an increase in charges for services.

The following table summarizes the revenues and expenses of the Village's activities:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Village of Mahomet's Changes in Net Position						
Revenues:						
Program revenues						
Charges for services	\$ 376,691	\$ 806,964	\$ 2,192,535	\$ 2,120,542	\$ 2,569,226	\$ 2,927,506
Operating grants & contributions	1,370,002	-	-	-	1,370,002	-
General revenues:						
Property taxes	2,811,236	2,452,362	38,802	37,645	2,850,038	2,490,007
Other taxes	2,313,625	2,205,198	-	-	2,313,625	2,205,198
Investment earnings	6,543	7,833	4,428	3,641	10,971	11,474
Miscellaneous	73,973	217,089	-	-	73,973	217,089
Total revenues	6,952,070	5,689,446	2,235,765	2,161,828	9,187,835	7,851,274
Expenses:						
General government	581,718	511,044	-	-	581,718	511,044
Public safety	829,785	843,757	-	-	829,785	843,757
Highways and streets	2,028,896	1,723,608	-	-	2,028,896	1,723,608
Culture and recreation	339,073	339,438	-	-	339,073	339,438
Planning and zoning	355,685	261,561	-	-	355,685	261,561
Economic development	989,885	40,472	-	-	989,885	40,472
Interest on long-term debt	110,708	131,178	-	-	110,708	131,178
Water department	-	-	870,853	911,814	870,853	911,814
Sewer department	-	-	663,548	626,895	663,548	626,895
Total expenses	5,235,750	3,851,058	1,534,401	1,538,709	6,770,151	5,389,767
Excess (deficiency) of revenues over expenses	1,716,320	1,838,388	701,364	623,119	2,417,684	2,461,507
Other financing sources (uses):						
Transfers in (out)	(121,604)	(171,142)	1,604	51,142	(120,000)	(120,000)
Change in net assets	1,594,716	1,667,246	702,968	674,261	2,297,684	2,341,507
Beginning net assets	46,985,776	45,318,530	8,512,120	7,837,859	55,497,896	53,156,389
Ending net assets	\$ 48,580,492	\$ 46,985,776	\$ 9,215,088	\$ 8,512,120	\$ 57,795,580	\$ 55,497,896

Revenues for governmental activities for the Village of Mahomet are generated from a number of different sources and for the most part are dependent upon different financial factors. The majority of general revenue is derived from property taxes, which provides long-term stability, though there is a healthy balance of support from sales, income, and utility taxes.

Highways and streets expenses constituted the largest single category of expense within governmental activities totaling \$2,028,896 or 39% of total expenses of \$5,235,750. Economic development expenses were next at \$989,885 or 19% of total expenses in governmental activities.

Business-type activities include revenues and expenses for water and sewer utility provision. Charges for services exceeded expenditures in the reporting year by \$702,968. These excess revenues are being set aside for future infrastructure investment including the sanitary sewer treatment plant expansion.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing 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.

At the end of the current fiscal year, the Village of Mahomet's governmental funds reported combined ending fund balances of \$5,722,796, a decrease of \$2,241,920. 25% of this amount, or \$1,449,237, constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund balance increased \$213,361 mainly due to debt proceeds received during the year.

The Tax Increment Financing Fund decreased by \$1,455,132 due to increased capital outlay during the year.

The Transportation System Capital Improvement Fund decreased by \$1,032,889 due to increased capital outlay during the year.

Business-type funds. Enterprise, proprietary or business-type funds are used to account business-type activities provided to the public. For the Village of Mahomet, these activities are financed by user charges including water/sewer utility billings and water/sewer system connection fees. These funds experienced an increase of \$702,968 in net position.

Budgetary Highlights

The Village staff develops a working budget prior to the beginning of each fiscal year. This working budget is based on Village Board goals of what programs to fund, capital projects and purchases desired, levels of taxation, types and amounts of user fees, estimates of State revenues, historical operating expenses and desired cash reserves and fund balance. The working budget is presented to the Village Board and adopted by a majority vote. The Village staff uses this budget to guide operations throughout the fiscal year.

The legal spending limits of the Village of Mahomet, as well as most municipal governments, are set by the appropriation ordinance. The appropriation ordinance is also developed by Village staff taking into account the maximum acceptable spending for operations and other possible contingencies. The appropriation ordinance is passed by the Village Board in accordance with State statutes. If the municipality has erred by underestimating the appropriation ordinance for a particular year there are few remedies available to correct the error.

During the fiscal year 2014, the budget was not amended. Explanations of significant variations between the original budget and final budget in the General Fund are as follows:

- In the General Fund, revenues were understated. The final budgeted amount was \$3,262,383 with actual revenues being \$3,846,251. The fiscal year ended with a positive variance in the amount of \$583,868. Property tax revenues along with grant revenues were higher than anticipated for FY13-14.
- Expenses in the General Fund which include general government, public safety (police, ESDA), highways and streets, community development, engineering, economic development and capital outlay had a final budgeted amount of \$6,075,117 with the actual being \$5,971,344. The fiscal year ended with a positive variance in the amount of \$103,773.

Capital Asset and Debt Administration

Capital assets. The Village of Mahomet’s investment in capital assets for its governmental (\$47,085,345) and business-type (\$19,580,031) activities as of April 30, 2014, totals to \$66,665,376. This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, water/wastewater distribution system, and infrastructure.

Following is a Comparative Statement of Capital Assets, net of depreciation:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,568,213	\$ 1,568,213	\$ 103,466	\$ 103,466	\$ 1,671,679	\$ 1,671,679
Construction in Progress	-	-	13,242,777	10,873,846	13,242,777	10,873,846
Buildings	3,007,348	1,828,457	4,922,073	5,291,874	7,929,421	7,120,331
Equipment	1,316,200	548,728	165,685	175,250	1,481,885	723,978
Distribution System	-	-	1,146,030	1,248,208	1,146,030	1,248,208
Infrastructure	<u>41,193,584</u>	<u>37,628,474</u>	<u>-</u>	<u>-</u>	<u>41,193,584</u>	<u>37,628,474</u>
	<u>\$47,085,345</u>	<u>\$41,573,872</u>	<u>\$ 19,580,031</u>	<u>\$ 17,692,644</u>	<u>\$66,665,376</u>	<u>\$59,266,516</u>

Additional information on the Village’s capital assets can be found in Note 2.C in the Notes to Basic Financial Statements of this report.

Long-term debt. At the end of the current fiscal year, the Village of Mahomet had total bonded debt outstanding of \$7,444,000, of this amount, \$639,000 counts against the Village’s statutory debt limitation of 8.625% of total assessed valuation. The entire amount is backed by the full faith and credit of the Village. Following is a comparative statement of outstanding debt:

	Governmental Activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds-						
Alternate Revenue Bonds	\$ 4,929,000	\$ 3,895,098	\$ 2,515,000	\$ 2,830,000	\$ 7,444,000	\$ 6,725,098
Notes Payable	<u>775,000</u>	<u>-</u>	<u>12,753,946</u>	<u>10,830,145</u>	<u>13,528,946</u>	<u>10,830,145</u>
Total	<u>\$ 5,704,000</u>	<u>\$ 3,895,098</u>	<u>\$ 15,268,946</u>	<u>\$ 13,660,145</u>	<u>\$ 20,972,946</u>	<u>\$ 17,555,243</u>

The Village of Mahomet’s total debt increased by \$3,417,703 during the current fiscal year. Additional information on the Village’s long-term debt can be found in Note 3.H. in the Notes to Basic Financial Statements of this report.

Economic Factors and Next Year’s Budgets and Rates

The equalized assessed value (EAV) of taxable property in the Village of Mahomet for 2013 levy year was \$153,001,608, which represents one-third market value. Residential developments constitute 90% of the EAV. The Village’s tax rate at December 31, 2013 was \$.9951 per \$100 of assessed value. Keeping the Village’s tax rate low has been a long-standing goal for the Village of Mahomet. The percentage of real estate taxes collected has been over 96 percent in past years.

One of the Village's largest single sources of revenue is property taxes which are extremely stable. Increases in the Village's annual levy are limited by the Property Tax Extension Limitation Law (PTELL). PTELL limits the increase in the property tax extensions (total taxes billed for non-home rule taxing districts to the lower of the National Consumer Price index or 5%, excluding any new growth. For the 2013 calendar year, the rate was 1.7%. The rate for 2014 calendar year is 1.5%

State shared revenues are estimated for the 2014/2015 fiscal year to increase to \$97.80 per capita for income tax. Estimations for State Use Tax are expected to be \$17.80, per capita for out of state purchases. Motor Fuel Tax estimates are expected to increase to \$24.65 for the upcoming fiscal year. The total per capita revenues for fiscal year 2014 was \$138.85 with a slight estimated increase in FY 2015 to \$139.90 per capita. The revenue streams for State Shared revenues have increased over the past few years due to the increased population.

Construction activity has been increasing over the previous year despite the economic environment. The Village has and expects to continue having some activity in residential and commercial construction. Residential homes are still being constructed mainly in Country Ridge, Thornewood and Whisper Meadows Subdivisions. Commercial construction has been relatively slow for this time period.

The Village is hopeful that in the 2014/15 fiscal year there will be potential growth in the industrial park located in the Tax Increment Financing District east of Mahomet. Also, Mahomet-Seymour CUSD #3 built a new school site in Conway Farm Subdivision Phase 4 and opened this school year. Along with the new school site, is the Village’s first roundabout. The roundabout is a one-way circular intersection engineered to reduce congestion and maximize safety.

The Village of Mahomet, Mahomet-Seymour Community Schools and the Central Illinois Regional Broadband Network (CIRBN) have been working together to provide high speed fiber optic internet and Intranet Services. The installation of the broadband system will provide economic development for the Village and enhanced internet connection speeds up to 1GB per second connection speeds.

The Village park department looks forward to completing a number of projects that will advance the quality of life for our residents. First, the Barber Park path project will be complete by November 1, 2014. This 50% IDNR grant funded project provides path connectivity and access to Barber Park and the surrounding

neighborhood. Second, the parks department has completed a grant application for a kayak/canoe access at the Sangamon River Greenway. If approved, the 100% IDNR funded grant project will provide ADA access for kayak/canoe and park visitors.

Long-term financial planning-Management's top priority for the next several years will continue to center on the rehabilitation of the Village's aging infrastructure. In May 2014, the Village approved the 5-year capital plan in conjunction with the 2014 budget.

The Five Year plan provides a blueprint for future spending over the next five years, including the funding of the Village's streets, as well as other infrastructure projects. The Program will be utilized by the current Board in developing a financing framework and setting priorities for individual project.

Water and Wastewater revenues are scheduled to increase according to the ordinances approved in 2014. The water revenues will be utilized to retire current debt for the Water Treatment plant and for upcoming water capital improvement projects. Wastewater revenues will be utilized to retire current debt issued for the East Mahomet interceptor sanitary sewer project and to repay the IEPA loan associated with the \$14 million Wastewater Treatment Plant expansion. Ordinance 14-04-01 provides that these water usage charges shall increase on May 1 annually at a rate of \$.01 per 100 gallons. Ordinance 14-04-02 provides that the wastewater usage charges shall increase on May 1 annually at a rate of \$.09 per 100 gallons. Water and wastewater connection fee ordinances, 14-03-02 and 14-03-03, were approved at the May 26th, 2014 Board meeting. The fees for water connections are scheduled to increase \$25 annually per review and approval of the Board. The wastewater connection fees are scheduled to increase \$25.00 per unit annually per review and approval by the Board.

The IMRF contribution rate for calendar year 2014 is 9.73% a decrease over the 2013 rate of 11.52%. The employee contribution will remain at 4.50%. The SLEP rate for 2014 is 11.96% a decrease from last year's rate of 13.96%. The employee contribution for SLEP is 7.50%. Each year, an independent actuary calculates an employer contribution rate for each employer. In addition to retirement benefits, IMRF also provides death and disability benefits. Employer contributions are paid directly from the water/wastewater funds and levied funds for IMRF.

The Village will face some long term financial challenges with increased benefit cost for employees, e.g., health insurance and funding for pension plans. The newly formed police pension fund was established and an ordinance adopted December 20, 2011, mandated by the 2010 census numbers. The future pension costs for the police department will have an unfunded accrued liability in the amount of \$531,748. The Village funds the police pension by real estate levy and a transfer from General Corporate. The Village will continue to levy taxes for contributions to the IMRF, Social Security and Police Pension funds. The Village will need to focus on finding more effective measures to reduce expenditures, efficiency in staffing and continue to provide quality services to the community.

The Village was responsible for repaying Illinois Department of Transportation for the claw-back provisions in regards to the liability related to the EDP/TARP agreement dated May 12, 2013 pertaining to the development of Smithbrooke Park and the construction of a new plant, Poly-Conversions. The Village had to reimburse the State \$212,672.80 but should get a reimbursement check back in the amount of \$177,409.57 once the project is closed out and paperwork submitted.

There are currently no other known contingencies that would force a major change in the Village's budgeting, spending, or taxation.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the: Village Treasurer Jeanne Schacht, Village of Mahomet, 503 E. Main, P.O. 259, Mahomet, IL 61853 or call 217/586-4456 or email jschacht@mahomet-il.gov.

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Net Position

April 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,140,125	\$ 479,093	\$ 3,619,218
Receivables	30,401	173,534	203,935
Due from governmental entities	3,185,890	39,015	3,224,905
Prepaid items	56,962	15,141	72,103
Restricted Assets:			
Cash and cash equivalents	1,543,659	4,327,838	5,871,497
Capital Assets (net of accumulated depreciation):			
Land	1,568,213	103,466	1,671,679
Construction in progress	-	13,242,777	13,242,777
Buildings and improvements	3,007,348	4,922,073	7,929,421
Equipment	1,316,200	165,685	1,481,885
Distribution system	-	1,146,030	1,146,030
Infrastructure	41,193,584	-	41,193,584
Total assets	<u>55,042,382</u>	<u>24,614,652</u>	<u>79,657,034</u>
<u>Liabilities:</u>			
Accounts payable	183,692	37,424	221,116
Accrued expenses	309,664	93,194	402,858
Unearned revenues	264,534	-	264,534
Non-current liabilities:			
Due within one year	413,706	315,000	728,706
Due after more than one year	5,290,294	14,953,946	20,244,240
Total liabilities	<u>6,461,890</u>	<u>15,399,564</u>	<u>21,861,454</u>
<u>Net Position:</u>			
Invested in capital assets, net of related debt	41,381,345	4,311,085	45,692,430
Restricted for:			
Debt service	462,056	376,450	838,506
Prepaid items	56,962	15,141	72,103
Capital projects	1,074,248	3,951,388	5,025,636
Other	7,357	-	7,357
Unrestricted	5,598,524	561,024	6,159,548
Total net position	<u>\$ 48,580,492</u>	<u>\$ 9,215,088</u>	<u>\$ 57,795,580</u>

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

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Activities

For the Year Ended April 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:					
Governmental activities:					
General government	\$ 581,718	\$ 120,368	\$ (461,350)	\$ -	\$ (461,350)
Public safety	829,785	24,155	(805,630)	-	(805,630)
Highways and streets	2,028,896	66,750	(592,144)	-	(592,144)
Culture and recreation	339,073	1,370,002	(173,655)	-	(173,655)
Planning and zoning	355,685	-	(355,685)	-	(355,685)
Economic development	989,885	-	(989,885)	-	(989,885)
Interest on long-term debt	110,708	-	(110,708)	-	(110,708)
Total governmental activities	<u>5,235,750</u>	<u>1,370,002</u>	<u>(3,489,057)</u>	<u>-</u>	<u>(3,489,057)</u>
Business-type activities:					
Water	870,853	701,986	-	(168,867)	(168,867)
Sewer	663,548	1,490,549	-	827,001	827,001
Total business-type activities	<u>1,534,401</u>	<u>2,192,535</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total functions/programs	<u>\$ 6,770,151</u>	<u>\$ 1,370,002</u>	<u>(3,489,057)</u>	<u>658,134</u>	<u>(2,830,923)</u>
General revenues:					
Taxes:					
Property taxes			2,811,236	38,802	2,850,038
Motor fuel taxes			211,709	-	211,709
Replacement taxes			6,184	-	6,184
Income taxes			693,127	-	693,127
Sales taxes			810,483	-	810,483
Utility taxes			592,122	-	592,122
Interest income			6,543	4,428	10,971
Miscellaneous income			73,973	-	73,973
Transfers			(121,604)	1,604	(120,000)
Total general revenues			<u>5,083,773</u>	<u>44,834</u>	<u>5,128,607</u>
Change in net position			1,594,716	702,968	2,297,684
Net position, beginning			46,985,776	8,512,120	55,497,896
Net position, ending			<u>\$ 48,580,492</u>	<u>\$ 9,215,088</u>	<u>\$ 57,795,580</u>

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

VILLAGE OF MAHOMET

Mahomet, Illinois

Balance Sheet - Governmental Funds

April 30, 2014

	General	Tax Increment Financing	Transportation System Capital Imp.	Other Governmental	Total
ASSETS					
Cash and cash equivalents	\$ 1,428,411	\$ 545,715	\$ 597,539	\$ 568,460	\$ 3,140,125
Due from other governments	1,131,832	1,385,809	101,360	379,819	2,998,820
Utility taxes receivable	-	-	-	30,401	30,401
Prepaid insurance	-	-	-	56,962	56,962
Restricted assets:					
Cash and cash equivalents	756,544	334,475	71,962	380,678	1,543,659
Total assets	\$ 3,316,787	\$ 2,265,999	\$ 770,861	\$ 1,416,320	\$ 7,769,967
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 165,029	\$ 1,100	\$ 2,973	\$ 14,590	\$ 183,692
Accrued salaries	36,702	-	-	4,556	41,258
Accrued compensated absences	206,098	-	-	13,169	219,267
Unearned revenue	259,005	-	-	5,529	264,534
Total liabilities	666,834	1,100	2,973	37,844	708,751
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	444,172	692,904	32,880	168,464	1,338,420
Fund balance:					
Nonspendable	-	-	-	56,962	56,962
Restricted	-	334,475	-	423,742	758,217
Committed	756,544	1,237,520	-	-	1,994,064
Assigned	-	-	735,008	729,308	1,464,316
Unassigned	1,449,237	-	-	-	1,449,237
Total fund balance	2,205,781	1,571,995	735,008	1,210,012	5,722,796
Total liabilities, deferred inflows of resources and fund balance	\$ 3,316,787	\$ 2,265,999	\$ 770,861	\$ 1,416,320	
Reconciliation to Statement of Net Position:					
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:					
Capital assets used in governmental activities of \$58,167,289, net of accumulated depreciation of \$11,081,944, are not financial resources and, therefore, are not reported in the funds.					47,085,345
Other assets are not available to pay for current-period expenditures and therefore are deferred or not recorded in the funds.					1,525,490
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(5,753,139)
Net position of governmental activities					\$ 48,580,492

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

VILLAGE OF MAHOMET

Mahomet, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Funds**

For the Year Ended April 30, 2014

	General	Tax Increment Financing	Transportation System Cap. Imp.	Other Governmental	Total Governmental Funds
Revenues:					
Property taxes	\$ 846,559	\$ 1,440,776	\$ 72,761	\$ 364,009	\$ 2,724,105
Motor fuel taxes	-	-	-	211,709	211,709
Replacement income taxes	6,184	-	-	-	6,184
Income taxes	707,264	-	-	-	707,264
Sales taxes	748,388	-	-	-	748,388
Utility taxes	-	-	186,362	390,485	576,847
Permits and licenses	120,368	-	-	-	120,368
Fines	24,155	-	-	-	24,155
Rentals and fees	-	-	-	165,418	165,418
Grant income	1,370,002	-	-	-	1,370,002
Developer reimbursements	-	-	66,750	-	66,750
Interest income	2,707	1,731	1,110	995	6,543
Miscellaneous	20,624	15,000	3,902	36,947	76,473
Total revenues	<u>3,846,251</u>	<u>1,457,507</u>	<u>330,885</u>	<u>1,169,563</u>	<u>6,804,206</u>
Expenditures:					
Current					
General government	542,864	-	-	24,728	567,592
Public safety	747,836	-	-	48,915	796,751
Highways and streets	833,398	-	-	364,398	1,197,796
Culture and recreation	-	-	-	290,986	290,986
Planning and zoning	355,685	-	-	-	355,685
Economic development	6,278	983,607	-	-	989,885
Debt Service:					
Principal	-	255,000	58,000	53,098	366,098
Interest and fiscal charges	-	79,575	13,571	1,261	94,407
Capital outlay	<u>3,485,283</u>	<u>1,683,465</u>	<u>1,253,195</u>	<u>18,380</u>	<u>6,440,323</u>
Total expenditures	<u>5,971,344</u>	<u>3,001,647</u>	<u>1,324,766</u>	<u>801,766</u>	<u>11,099,523</u>
Excess of revenues over (under) expenditures	<u>(2,125,093)</u>	<u>(1,544,140)</u>	<u>(993,881)</u>	<u>367,797</u>	<u>(4,295,317)</u>
Other Financing Sources (Uses):					
Debt/lease proceeds	2,175,000	-	-	-	2,175,000
Transfers in	394,058	89,008	50,000	225,399	758,465
Transfers out	<u>(230,604)</u>	<u>-</u>	<u>(89,008)</u>	<u>(560,456)</u>	<u>(880,068)</u>
Total other financing sources (uses)	<u>2,338,454</u>	<u>89,008</u>	<u>(39,008)</u>	<u>(335,057)</u>	<u>2,053,397</u>
Net change in fund balances	213,361	(1,455,132)	(1,032,889)	32,740	(2,241,920)
Fund balances, beginning	<u>1,992,420</u>	<u>3,027,127</u>	<u>1,767,897</u>	<u>1,177,272</u>	<u>7,964,716</u>
Fund balances, ending	<u>\$ 2,205,781</u>	<u>\$ 1,571,995</u>	<u>\$ 735,008</u>	<u>\$ 1,210,012</u>	<u>\$ 5,722,796</u>
Reconciliation to the Statement of Activities:					
Net change in fund balances - total governmental funds					\$ (2,241,920)
Amounts reported for governmental activities in the Statement of Activities are different because:					
Governmental funds report capital outlays as expenditures while government activities report depreciation expense to allocate those expenditures over the life of the assets:					
					6,400,274
					(886,300)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.					
					147,864
New debt is an other financing source in governmental funds, while repayment of bond and loan principal is an expenditure in the governmental funds, but the new debt increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.					
					(1,808,902)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.					
					(16,300)
					<u>\$ 1,594,716</u>

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

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Net Position - Proprietary Funds

April 30, 2014

	<u>Waterworks</u>	<u>Sewerage</u>	<u>Total</u>
<u>ASSETS</u>			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 183,315	\$ 295,778	\$ 479,093
Property taxes receivable	39,015	-	39,015
Accounts receivable, net	53,802	119,732	173,534
Prepaid insurance	7,931	7,210	15,141
Total current assets	<u>284,063</u>	<u>422,720</u>	<u>706,783</u>
<u>Noncurrent assets:</u>			
Cash-restricted	653,527	3,674,311	4,327,838
Capital assets:			
Property, plant and equipment	8,411,737	19,034,962	27,446,699
Accumulated depreciation	<u>(5,556,930)</u>	<u>(2,309,738)</u>	<u>(7,866,668)</u>
Total noncurrent assets	<u>3,508,334</u>	<u>20,399,535</u>	<u>23,907,869</u>
Total assets	<u>3,792,397</u>	<u>20,822,255</u>	<u>24,614,652</u>
<u>LIABILITIES</u>			
<u>Current liabilities:</u>			
Accounts payable	15,460	21,964	37,424
Accrued expenses	52,165	41,029	93,194
General Obligation bonds - current	<u>205,000</u>	<u>110,000</u>	<u>315,000</u>
Total current liabilities	<u>272,625</u>	<u>172,993</u>	<u>445,618</u>
<u>Non-current liabilities:</u>			
Notes payable	-	12,753,946	12,753,946
General Obligation bonds	<u>1,775,000</u>	<u>425,000</u>	<u>2,200,000</u>
Total non-current liabilities	<u>1,775,000</u>	<u>13,178,946</u>	<u>14,953,946</u>
Total liabilities	<u>2,047,625</u>	<u>13,351,939</u>	<u>15,399,564</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	874,807	3,436,278	4,311,085
Restricted:			
Restricted for prepaid items	7,931	7,210	15,141
Restricted for capital projects	398,827	3,552,561	3,951,388
Restricted for debt service	254,700	121,750	376,450
Unrestricted	<u>208,507</u>	<u>352,517</u>	<u>561,024</u>
Total net position	<u>\$ 1,744,772</u>	<u>\$ 7,470,316</u>	<u>\$ 9,215,088</u>

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

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Revenues, Expenses and Changes in Net Position-
Proprietary Funds

For the Year Ended April 30, 2014

	<u>Waterworks</u>	<u>Sewerage</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges for services	\$ 686,528	\$ 1,469,976	\$ 2,156,504
Miscellaneous	<u>10,308</u>	<u>20,573</u>	<u>30,881</u>
Total operating revenues	<u>696,836</u>	<u>1,490,549</u>	<u>2,187,385</u>
<u>Operating Expenses:</u>			
Personal services	184,103	217,337	401,440
Supplies and materials	167,669	186,917	354,586
Contractual services	103,327	108,918	212,245
Depreciation and amortization expense	<u>362,772</u>	<u>150,376</u>	<u>513,148</u>
Total operating expenses	<u>817,871</u>	<u>663,548</u>	<u>1,481,419</u>
Operating income (loss)	<u>(121,035)</u>	<u>827,001</u>	<u>705,966</u>
<u>Non-operating Revenues (Expenses):</u>			
Property taxes	38,802	-	38,802
Grant income	5,150	-	5,150
Interest income	835	3,593	4,428
Interest expense	<u>(52,982)</u>	<u>-</u>	<u>(52,982)</u>
Total non-operating revenues (expenses)	<u>(8,195)</u>	<u>3,593</u>	<u>(4,602)</u>
Income (loss) before transfers in (out)	(129,230)	830,594	701,364
Transfers in (out)	<u>61,472</u>	<u>(59,868)</u>	<u>1,604</u>
Change in net position	(67,758)	770,726	702,968
Net position - beginning	<u>1,812,530</u>	<u>6,699,590</u>	<u>8,512,120</u>
Net position - ending	<u>\$ 1,744,772</u>	<u>\$ 7,470,316</u>	<u>\$ 9,215,088</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

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

<u>Cash Flows from Operating Activities:</u>	<u>Waterworks</u>	<u>Sewerage</u>	<u>Totals</u>
Receipts from users	\$ 690,208	\$ 1,468,203	\$ 2,158,411
Payments to suppliers	(267,077)	(274,139)	(541,216)
Payments to employees	(184,558)	(210,538)	(395,096)
Other receipts (payments)	10,308	20,573	30,881
Net cash provided by (used in) operating activities	<u>248,881</u>	<u>1,004,099</u>	<u>1,252,980</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Property taxes	38,802	-	38,802
Operating transfers in	76,472	15,802	92,274
Operating transfers out	(15,000)	(75,670)	(90,670)
Net cash provided (used) by noncapital financing activities	<u>100,274</u>	<u>(59,868)</u>	<u>40,406</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Sale (purchase) of capital assets	(15,802)	(1,966,776)	(1,982,578)
Interest paid on capital debt	(52,981)	(13,950)	(66,931)
Capital debt proceeds	-	1,923,801	1,923,801
Principal paid on capital debt	(205,000)	(110,000)	(315,000)
Net cash used for capital and related financing activities	<u>(273,783)</u>	<u>(166,925)</u>	<u>(440,708)</u>
<u>Cash Flows from Investing Activities:</u>			
Investment income	835	3,593	4,428
Intergovernmental revenue	5,150	-	5,150
Net cash provided (used) by investing activities	<u>5,985</u>	<u>3,593</u>	<u>9,578</u>
Net increase (decrease) in cash and cash equivalents	81,357	780,899	862,256
Cash and cash equivalents, beginning of the year	<u>755,485</u>	<u>3,189,190</u>	<u>3,944,675</u>
Cash and cash equivalents, end of the year	<u>\$ 836,842</u>	<u>\$ 3,970,089</u>	<u>\$ 4,806,931</u>
<u>Reconciliation of Operating Income (Loss)</u>			
<u>To Net Cash Provided (Used) By Operating Activities</u>			
Operating income (loss)	\$ (121,035)	\$ 827,001	\$ 705,966
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	362,772	150,376	513,148
Change in assets and liabilities:			
(Increase) decrease-accounts receivable	2,445	(1,596)	849
(Increase) decrease-prepaid insurance	(294)	(268)	(562)
Increase (decrease)-accounts payable	(621)	19,065	18,444
Increase (decrease)-accrued expenses	5,614	9,521	15,135
Total adjustments	<u>369,916</u>	<u>177,098</u>	<u>547,014</u>
Net cash provided (used) by operating activities	<u>\$ 248,881</u>	<u>\$ 1,004,099</u>	<u>\$ 1,252,980</u>

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

VILLAGE OF MAHOMET
Mahomet, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2014

ASSETS	
Cash and cash equivalents	\$ 685,674
Total current assets	<u>685,674</u>
<u>Receivables:</u>	
Property taxes	<u>97,615</u>
Total receivables	<u>97,615</u>
Total assets	<u>783,289</u>
LIABILITIES	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net Position - Restricted For Pension Benefits	<u>\$ 783,289</u>

VILLAGE OF MAHOMET

Mahomet, Illinois

Statement of Changes in Fiduciary Net Position**Fiduciary Funds**

For the Year Ended April 30, 2014

Additions:

Employer contributions	\$ 97,122
Employee contributions	34,646
Total contributions	<u>131,768</u>

Investment income:

Interest	<u>550</u>
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Other additions:

Transfers from Village	<u>120,000</u>
Total additions	<u>252,318</u>

Deductions:

Administrative costs	<u>15,586</u>
Total deductions	<u>15,586</u>

Change in Net Position236,732**Net position - beginning of year**546,557**Net position - ending of year**\$ 783,289

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements

April 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

1.A. REPORTING ENTITY

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The Village has no discretely presented component units.

The Village’s financial reporting entity is composed of the following:

Primary Government: Village of Mahomet

1.B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In March 2009, the GASB issued Statement No. 54-*Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications based primarily on the extent to which the Village is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance policies and procedures.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.B. BASIS OF PRESENTATION (continued)

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Village has one fiduciary fund. Emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Village. The reporting entity includes the following special revenue funds:

<u>Fund</u>	<u>Brief Description</u>
Motor Fuel Tax	Accounts for revenues received and expenditures paid for street maintenance.
Utility Tax	Accounts for electric and gas taxes and for expenses of the 1998 G.O. bond issue.
Forfeited Funds	Accounts for revenues received from DUI and Drug fines.
IMRF	Accounts for property taxes levied and makes the required payments to the Illinois Municipal Retirement Fund.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.B. BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS (continued)

Special Revenue Funds – (continued)

Recreation	Accounts for revenues and expenses for the various recreation programs of the Village. Registration fees provide most of the revenues for operating expenses.
Social Security	Accounts for property taxes levied and makes the required payments to the Federal and State Government.
Parks	Accounts for property taxes levied for maintaining the parks in the Village.
Insurance	Accounts for property taxes levied for making the required insurance payments of the Village.
Tax Increment Financing	Accounts for the incremental property taxes realized within the Tax Increment Financing Village. Expenditure of these revenues is restricted to capital improvements and redevelopment and to other taxing bodies.
Trans. System Capital Improvement	Accounts for capital improvements to the street system of the Village. Telecommunication taxes Capital Improvement provide the revenue for these improvements.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

<u>Fund</u>	<u>Brief Description</u>
Water	Accounts for revenues received and expenses paid for operating the water system.
Sewer	Accounts for revenues received and expenses paid for operating the sewer system.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. The Village maintains one pension trust fiduciary fund:

<u>Fund</u>	<u>Brief Description</u>
Policemen’s Pension Trust	Accounts for the activity of a defined benefit single employer pension plan that covers all eligible Village police officers. Revenues to make benefit payments are partially obtained from a property tax levy.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

MEASUREMENT FOCUS

Governmental Funds

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

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, using the accrual basis method of accounting. On this basis, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement 33. Property taxes are recognized as revenue in the year for which the taxes are levied. Grants are recognized as revenue when eligibility requirements are met, such as allowable costs having been incurred.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified accrual basis of accounting, is used as appropriate:

On this basis, all material sources of revenue are recognized when they become measurable and available. “Available” is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the Village, this translates to 60 days after the end of the fiscal year. Major sources of revenue susceptible to accrual include property taxes, sales taxes, income taxes, personal property replacement taxes, other intergovernmental revenues, charges for services and investment interest.

Material amounts of expenditures are recognized when the liability is incurred. Exceptions include: principal and interest on long-term debt, which is recognized when due.

Proprietary Funds

The measurement focus for proprietary funds is the flow of economic resources. All proprietary funds are accounted for using the accrual basis method of accounting. On this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Proprietary fund operating revenues consist of charges for services and miscellaneous revenue resulting from the provision of services to users. In the enterprise funds, this translates to water and sewer revenue. Operating expenses are those incurred in providing water and sewer services. Operating expenses are expenses incurred in providing the services, such as personal services, materials and supplies and contractual services.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – (continued)

MEASUREMENT FOCUS – (continued)

Fiduciary Funds

The measurement focus for fiduciary funds is the flow of economic resources. All fiduciary funds are accounted for using the accrual basis method of accounting. On this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Fiduciary fund additions consist of employer and employee contributions and earnings on investments. Deductions include employee benefit payment and administrative contractual services.

1.D. ASSETS, LIABILITIES, AND EQUITY

CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

INVESTMENTS

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at fair value.

CAPITAL ASSETS

The Village’s GAAP basis of accounting reports capital assets and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

Governmental Activities

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds’ infrastructure assets were not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report equipment capital assets, \$5,000 for building capital assets and \$20,000 for infrastructure capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	50-100 years
Improvements other than buildings	40-80 years
Machinery, furniture, and equipment	3-20 years
Vehicles	4-8 years
Infrastructure	40-80 years

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.D. ASSETS, LIABILITIES, AND EQUITY (continued)

CAPITAL ASSETS – (continued)

Business-Type Activities (Enterprise Funds)

Enterprise Fund capital assets valued at \$5,000 or more are capitalized within the fund. Capital assets are stated at actual or estimated historical cost. Donated fixed assets are valued at their fair market value on the date donated. Depreciation is computed on the straight-line method over the estimated useful life of the asset. 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. During the year, \$7,385 of interest was capitalized. The range of estimated useful lives by type of asset is as follows:

Buildings	50-100 years
Improvements other than buildings	40-80 years
Machinery, furniture, and equipment	3-20 years
Vehicles	4-8 years
Infrastructure	40-80 years

LONG-TERM DEBT

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

Fund Financial Statements

EQUITY CLASSIFICATION

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position-Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position-All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the Village's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements. Governmental fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES – (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances-Amounts reported in the fund financial statements are interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities-Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

1.G. PROPERTY TAXES

Property taxes are levied and attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent year (by passage of the Tax Levy Ordinance). The 2013 tax levy was adopted by the Board on November 26, 2013. Tax bills are prepared by the County and issued on or about May 1, and are payable in two installments, on or about June 1, and September 1. The Village receives significant distributions of taxes approximately one month after these due dates. No provision has been made for delinquent property taxes since in past years the amount has been immaterial. In the governmental funds, property taxes are recorded as receivables and deferred revenues at the time the tax levy attaches as an enforceable lien on January 1. In the enterprise funds, property taxes are recorded as revenue at the time the tax levy attaches as an enforceable lien on January 1. The Village has received and recognized \$770,328 from the 2013 tax levy. The remainder of the taxes recognized are from the 2012 and prior tax levies. On the governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred inflows of resources.

1.H. USE OF ESTIMATES

The preparation of financial statements in conformity accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

1.I. COMPENSATED ABSENCES

Village employees are granted vacation, compensatory, sick and personal time in various amounts. Vacation, compensatory and personal time may be accumulated and upon separation from service; employees are eligible to receive payment for their accumulated time. Sick time is granted to union employees with no payout provision. Nonunion employees who previously had accumulated sick time can only use this time for a personal disability or for retirement (inclusion with IMRF). Such amounts are accrued when incurred in the government-wide and proprietary fund financial statements. Governmental funds record as an expenditure the amount of accrued during the year that would normally be liquidated with expendable resources. Governmental funds have recorded \$219,267 as the current portion of compensated absences and the government-wide statements have recorded \$0 as the long-term portion. The proprietary funds recorded \$64,633 as compensated absences all of which is due within one year.

**VILLAGE OF MAHOMET
Mahomet, Illinois**

Notes to Basic Financial Statements – (continued)

April 30, 2014

1.J. PREPAID ITEMS

In governmental and business-type funds, prepaid expenditures/expenses are deferred and expensed over the term when the services are received.

1.K. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The Village’s allowance for estimated uncollectible receivables at April 30, 2014 is as follows: Water Fund \$2,000 and the Sewer Fund \$3,000.

1.L. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources, represents an acquisition of net position that applies to 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 item, which arises only under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 2. DETAIL NOTES-TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

2.A. DEPOSITS AND INVESTMENTS

At April 30, 2014 the carrying amount of the Village’s deposits totaled \$10,176,389 and the bank balances totaled \$10,785,797.

CUSTODIAL CREDIT RISK - DEPOSITS

Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the Village’s name. It is Village policy to require collateral for deposit and investment balances above Federal Deposit Insurance Corporation (FDIC) insurance coverage. At April 30, 2014, the Village’s deposits were fully covered by FDIC insurance or by pledged collateral held in the Village’s name, except for \$13,159, which was unprotected for less than 30 days by deposit insurance or pledged collateral.

DEPOSITS – LEGAL AND CONTRACTUAL PROVISIONS

Deposits and investments are limited by Public Funds Investment Act of the State of Illinois to the following:

- Bonds, notes, certificates of indebtedness, treasury bills which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Interest-bearing savings, certificates of deposit, or time deposits of any bank as defined by the Illinois Banking Act.
- Short term obligations of corporations organized in the U.S. with assets exceeding \$500,000,000 and other specified criteria.
- Money market mutual funds registered under the Investment Company Act of 1940 provided the portfolio is limited to obligations described in points 1 and 2 above.
- Federal National Mortgage Association.
- Public Treasurers’ Investment Pools.
- Repurchase agreements of government securities within the meaning of the Government Securities Act of 1986.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

2.B. RESTRICTED ASSETS

Assets that are not available to finance general operations of the Village are reported as restricted on the Statement of Net Position. The restriction for transportation projects in the governmental activities is imposed under State of Illinois laws concerning how motor fuel taxes may be spent. The Village’s policy is to apply restricted resources first when an expense is incurred for purposes, which both restricted and unrestricted net position is available. The Village’s restricted assets are as follows:

Governmental Funds

The Special Revenue Funds have restricted assets consisting of the following:

Reserved for debt service	\$ 462,056
Reserved by enabling legislation for highways and streets	373,321
Capital projects	700,925
Drug fines	<u>7,357</u>
Total restricted assets – Special Revenue Funds	<u>\$1,543,659</u>

Proprietary Funds

Proprietary Funds have restricted assets consisting of the following:

The Proprietary Funds have in accordance with bond ordinances and other restrictions restricted the following assets:

Capital projects	\$3,552,561
Debt service	<u>775,277</u>
Total restricted assets – Proprietary Funds	<u>\$4,327,838</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

2.C. CAPITAL ASSETS

A summary of capital assets related to governmental and business-type activities is presented below:

	<i>Balance at May 1, 2013</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance at April 30, 2014</i>
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ <u>1,568,213</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,568,213</u>
Other capital assets:				
Buildings	1,313,551	1,229,030	0	2,542,581
Other improvements	925,957	0	0	925,957
Machinery and equipment	1,420,783	869,135	73,611	2,216,307
Infrastructure	<u>46,612,122</u>	<u>4,302,109</u>	<u>0</u>	<u>50,914,231</u>
Total other capital assets	<u>50,272,413</u>	<u>6,400,274</u>	<u>73,611</u>	<u>56,599,076</u>
Less accumulated depreciation for:				
Buildings	333,749	21,709	0	355,458
Other improvements	77,302	28,430	0	105,732
Machinery and equipment	872,055	99,162	71,111	900,106
Infrastructure	<u>8,983,648</u>	<u>736,999</u>	<u>0</u>	<u>9,720,647</u>
Total accumulated depreciation	<u>10,266,754</u>	<u>886,300</u>	<u>71,111</u>	<u>11,081,943</u>
Other capital assets, net	<u>40,005,659</u>	<u>5,513,974</u>	<u>2,500</u>	<u>45,517,133</u>
Governmental activities capital assets, net	<u>\$41,573,872</u>	<u>\$5,513,974</u>	<u>\$ 2,500</u>	<u>\$47,085,346</u>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 103,466	\$ 0	\$ 0	\$ 103,466
Construction in progress	<u>10,873,845</u>	<u>2,368,932</u>	<u>0</u>	<u>13,242,777</u>
Subtotal	<u>10,977,311</u>	<u>2,368,932</u>	<u>0</u>	<u>13,346,243</u>
Other capital assets:				
Buildings and improvements	7,921,330	0	0	7,921,330
Machinery and equipment	643,010	31,604	0	674,614
Water and sewer distribution system	<u>5,504,513</u>	<u>0</u>	<u>0</u>	<u>5,504,513</u>
Total other capital assets	<u>14,068,853</u>	<u>31,604</u>	<u>0</u>	<u>14,100,457</u>
Less accumulated depreciation for:				
Buildings and improvements	2,629,456	369,801	0	2,999,257
Machinery and equipment	467,759	41,169	0	508,928
Water and sewer distribution system	<u>4,256,304</u>	<u>102,178</u>	<u>0</u>	<u>4,358,482</u>
Total accumulated depreciation	<u>7,353,519</u>	<u>513,148</u>	<u>0</u>	<u>7,866,667</u>
Other capital assets, net	<u>6,715,334</u>	<u>(481,544)</u>	<u>0</u>	<u>6,233,790</u>
Business-type activities capital assets, net	<u>\$17,692,645</u>	<u>\$1,887,388</u>	<u>\$ 0</u>	<u>\$19,580,033</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

2.C. CAPITAL ASSETS – (continued)

Depreciation expense was charged to functions as follows in the Statement of Activities:

Governmental Activities:	
General government	\$ 14,127
Public safety	33,034
Highways and streets	791,052
Culture and recreation	<u>48,087</u>
Total depreciation expense for governmental activities	<u>\$886,300</u>

Business-Type Activities:

Water	\$362,772
Sewer	<u>150,376</u>
Total depreciation expense for business-type activities	<u>\$513,148</u>

NOTE 3. OTHER NOTES

3.A. DEFERRED COMPENSATION PLAN

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by Nationwide Retirement Solutions. The plan, available to all full-time Village employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement death or unforeseeable emergency. Contributions to the plan are recorded on the Village’s books as current salaries expenditures. All assets and income of the plan are held in trust by the plan administrator for the exclusive benefit of the participants and their beneficiaries. The Village does not take an active role in the managing the plan assets. Therefore, in accordance with GASB Statement No. 32, the deferred compensation plan is not reported in the Village’s financial statements.

3.B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees’ health and life; and natural disasters. The Village is a participant in an insurance risk pool administered by the Illinois Municipal League Risk Management Association. The pool is self-sustaining through member premiums and provides the following types of coverage: workmen’s compensation, auto liability & comprehensive general liability, portable equipment, auto physical damage and property. An annual premium is charged to cover expected claims and administrative costs. The Village and any other participating entities are subject to cover loss experiences that exceed predictions through additional premiums. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded coverage in any of the past three fiscal years.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.C. PENSION AND RETIREMENT FUND COMMITMENTS

1. Illinois Municipal Retirement Fund (IMRF):

The most current information available is for the plan year ended December 31, 2013 and is in accordance with GASB Statement 27 as amended by GASB Statement 50.

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), for Regular and Sheriff's Law Enforcement Personnel (SLEP) employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. IMRF is an agent-multiple pension plan that acts as a common investment and administrative agent for local governments and school Villages in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the General Assembly of the State of Illinois. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy. As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary and Sheriff's Law Enforcement Personnel contribute 7.50%. State statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of their employees. The Village's contribution rate for calendar year 2013 was 11.52% of annual covered payroll for Regular and 13.96% for SLEP. 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 the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$112,877 for Regular and \$10,997 for SLEP.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$112,877	100%	\$0
12/31/12	97,781	100%	0
12/31/11	136,020	100%	0

THREE-YEAR TREND INFORMATION FOR THE SLEP PLAN

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$10,997	100%	\$0
12/31/12	9,776	100%	0
12/31/11	0	100%	0

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) 7.50% investment rate of return (net of administrative 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 and SLEP 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 plan's unfunded

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.C. PENSION AND RETIREMENT FUND COMMITMENTS – (continued)

1. Illinois Municipal Retirement Fund (IMRF) – (continued):

actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date.

- a) The Regular plan was 95.55 percent funded. The actuarial accrued liability for benefits was \$2,686,400 and the actuarial value of assets was \$2,566,981, resulting in an underfunded actuarial accrued liability (UAAL) of \$119,419. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$979,834 and the ratio of the UAAL to the covered payroll was 12 percent.
- b) The SLEP plan was 64.25 percent funded. The actuarial accrued liability for benefits was \$48,362 and the actuarial value of assets was \$31,072, resulting in an underfunded actuarial accrued liability (UAAL) of \$17,290. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$78,776 and the ratio of the UAAL to the covered payroll was 22 percent.

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

2. Police Pension Fund:

The Police Pension Fund was organized in December 2011, and is exempt from federal income tax. The pension fund is created and operated under state laws that provide for a fund to be established to provide retirement, death and disability benefits for police officers and their dependents. The fund is managed by a board of five trustees made up of two persons appointed by the president of the Village and three persons elected by the members of the fund.

The defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois General Assembly. The Village of Mahomet accounts for the plan as a fiduciary pension trust fund. The Police Pension Fund’s financial information is included within this financial report issued by the Village of Mahomet, and a separate publicly available financial report that includes financial statements and required supplementary information will not be issued.

The financial statements of the Police Pension Fund are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market are reported at estimated fair value.

Plan Description:

The Police Pension Fund is a defined benefit single-employer pension plan that covers all sworn police personnel. Although this is a single-employer plan, the defined benefits and employee and employer contribution levels are governed by “Article 3, Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40. This fund is accounted for and reported as a pension trust fund.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.C. PENSION AND RETIREMENT FUND COMMITMENTS – (continued)

2. Police Pension Fund:

At April 30, 2014, the pension fund membership consisted of:

	<u>2014</u>
Retirees and beneficiaries currently receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	5
Active non vested plan members	<u>2</u>
Total	<u>7</u>
Number of participating employers	<u>1</u>

Following is a summary of the police pension plan as provided for in the Illinois Statutes.

The police pension plan provides retirement benefits as well as death and disability benefits. There are two tiers or levels of benefits:

Employees attaining the age of 55 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the average salary for the last 8 years of service (maximum average salary is \$110,100 if employee retires in calendar year 2013) . The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to a maximum of 75% of such salary. Employees with at least 10 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. Employees that have attained the age of 50 with at least 10 years of service may retire but their pension is reduced by ½% per year for each year the employee is under age 55. The monthly pension shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 60 years, by the lesser of 1/12 of 3% of the original pension times the number of months the employee has been retired since age 60 (up to a maximum of 15%) or by a factor of the CPI-U, whichever is less. Dependents receive a pension of 2/3 of the officer’s pension at date of death. Dependents receive an annual increase under the same formula as the retired officer.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village of Mahomet is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Fund is fully funded.

Funding Policy and Annual Pension Cost:

The amount shown below as the "net pension obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is an accrued liability and is a component of the funding method used to determine contributions to the system.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.C. PENSION AND RETIREMENT FUND COMMITMENTS – (continued)

2. Police Pension Fund:

Administrative costs are paid by the plan except for in-kind donated financial services provided by the Village.

The funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the Village’s employee group as a whole has tended to remain level as a percentage of annual covered payrolls. The contribution rate for normal cost is determined using the entry age normal actuarial funding method. The system used a level percent amount method to amortize the unfunded liability over a 40-year period. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligation:

Latest Actuarial Valuation Date	May 1, 2013
Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	5-Year Smoothed Market Value
Amortization Method	Level Percentage of Payroll-closed
Remaining Amortization Period	39 years
Significant Actuarial Assumptions:	
Rate of return on investment of present and future assets	6.5% compounded annually
Projected salary increases	TCB Basic Salary Table providing graded increases from 1.12% to 4.86% varying by age, plus inflation rate shown below
Post retirement benefit increases	3.0% interest annually
Inflation increases	1.5% annually
Mortality	RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over

Annual Required Contribution	\$ 59,822
Interest on Net Pension Obligation	(7,923)
Payment to amortize Net Pension Obligation	
Over 30 years from Effective Date of Application of GASB 25	5,581
Adjustment to Annual Required Contribution	<u>0</u>
Annual Pension Cost	57,480
Contributions Made	(221,839)
Change in Net Pension Obligation	(164,359)
Net Pension Obligation Beginning of Year	(121,900)
Net Pension Obligation End of Year	<u>\$(286,259)</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.C. PENSION AND RETIREMENT FUND COMMITMENTS – (continued)

2. Police Pension Fund:

Deposits and Investments:

As of April 30, 2014, the Police Pension Fund’s deposits were held in a money market account.

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

3.D. 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 each month by the Department of Transportation, State of Illinois.

3.E. EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended April 30, 2014, the Village did not have any expenditures over the legal appropriation limits.

3.F. CONSTRUCTION COMMITMENTS

As of April 30, 2014, the Village had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of completion</u>
Wastewater Treatment Plant Expansion	\$1,159,906	Fall/Winter 2014
Route 150	20,000	Fall 2014
Prairie View Road/Route 150	99,064	Fall 2014
Eastwood/Franklin	106,907	Fall 2014

3.G. REVENUES DUE FROM STATE AND COUNTY GOVERNMENTS

The following is a breakdown of the amounts due from the State and County governments in both the government-wide financial statements at April 30, 2014:

<u>Champaign County:</u>	
Property taxes	\$2,766,843
Police fines and fees	3,642
<u>State of Illinois:</u>	
Sales tax	174,281
Income tax	220,806
Corporate pers. repl. tax	923
Telecommunications tax	45,030
Motor Fuel Tax	<u>13,380</u>
Total	<u>\$3,224,905</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.H. LONG-TERM DEBT

The Village issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Installment purchase agreements are also general obligations of the government.

The following is a summary of the Village’s long-term debt transactions for the year ended April 30, 2014:

	<u>Balance</u> <u>May 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>April 30, 2014</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>Governmental activities</i>					
Capital Leases Payable:					
Commerce Bank	\$ 0	\$ 775,000	\$ 0	\$ 775,000	\$ 94,706
General obligation bonds:					
General obligation bonds (Series 1998)	53,098	0	53,098	0	0
General obligation bonds (Series 2012)	697,000	0	58,000	639,000	59,000
General obligation bonds (Series 2012A) (TIF)	1,225,000	0	100,000	1,125,000	100,000
General obligation bonds (Series 2012B) (TIF)	1,920,000	0	155,000	1,765,000	160,000
General obligation bonds (Series 2013)	<u>0</u>	<u>1,400,000</u>	<u>0</u>	<u>1,400,000</u>	<u>0</u>
Total governmental activities long-term liabilities	<u>\$3,895,098</u>	<u>\$2,175,000</u>	<u>\$366,098</u>	<u>\$5,704,000</u>	<u>\$413,706</u>
<i>Business-type activities</i>					
Notes Payable:					
Illinois Environmental Protection Agency	\$10,830,145	\$1,923,801	\$ 0	\$12,753,946	\$ 0
General obligation bonds:					
General obligation bonds (2013A) (Water)	2,185,000	0	205,000	1,980,000	205,000
General obligation bonds (2013A) (Sewer)	<u>645,000</u>	<u>0</u>	<u>110,000</u>	<u>535,000</u>	<u>110,000</u>
Total business-type activities Long-term liabilities	<u>\$13,660,145</u>	<u>\$1,923,801</u>	<u>\$ 315,000</u>	<u>\$15,268,946</u>	<u>\$315,000</u>

The annual debt service requirements for bonds payable are:

Year ending April 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$319,000	\$ 143,056	\$ 315,000	\$ 61,450
2016	375,000	135,180	320,000	55,150
2017	386,000	127,540	330,000	48,750
2018	397,000	119,514	320,000	42,150
2019	403,000	109,748	330,000	34,152
2020-24	2,174,000	382,178	900,000	66,850
2025-29	395,000	156,950	0	0
2030-34	480,000	64,649	0	0
2035-39	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,929,000</u>	<u>\$1,238,815</u>	<u>\$2,515,000</u>	<u>\$308,502</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.H. LONG-TERM DEBT (continued)

Capital Leases – On November 1, 2013, the Village entered into a capital lease agreement at an interest rate of 1.976% with Commerce Bank to purchase various pieces of transportation department equipment. The lease obligation is effective during the period from November 1, 2013 through July 1, 2021. Annual lease payments of interest and principal begin on July 1, 2014. Total payments for the equipment are \$840,585 (principal of \$775,000 and interest of \$65,585). The lease meets the criteria of a capital lease since it transfers risk and benefits of ownership to the lessee by the end of the lease term. Capital lease payments are reflected as debt service expenditures at the government fund reporting level. The assets acquired through the capital lease total \$775,000 and accumulated depreciation claimed at year end was \$8,582.

Notes Payable – The Village entered into a loan agreement with The Illinois Environmental Protection Agency \$13,473,000 for the sewer treatment plant. The total amount drawn on the note is \$12,753,946 at year end. The note bears interest at 1.25% and will have semi-annual payments of interest and principal for a twenty year term up completion of the plant. The sewer fund will be repaying this loan.

The annual debt service requirements for capital leases and notes payable are:

Year ending <u>April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 94,706	\$ 10,367	\$ 0	\$ 0
2016	91,535	13,538	596,900	166,553
2017	93,357	11,716	604,385	159,068
2018	95,215	9,858	611,963	151,490
2019	97,109	7,964	619,637	143,817
2020-24	303,078	12,142	3,216,695	600,571
2025-29	0	0	3,423,489	393,778
2030-34	0	0	3,643,576	173,691
2035-39	0	0	756,355	7,098
Total	<u>\$775,000</u>	<u>\$65,585</u>	<u>\$13,473,000</u>	<u>\$1,796,066</u>

All outstanding general obligation bonds recorded in Enterprise Funds are secured by a first lien on net revenues earned by Enterprise Funds. The outstanding general obligation bonds recorded in the government-wide statement of net position are secured by a first lien on net revenues earned by the Utility Tax Fund and by certain property taxes within the Village. Net revenues are defined in the general obligation bond agreements. The Enterprise Funds are required to establish user fees and rates that will yield net revenues equal to at least 1.25 times the debt service that will become due in the following fiscal year. In addition, the Enterprise Funds are required to have established a “Debt Service Account (2013A), an “Operation and Maintenance Account” and a “Surplus Account”. The Village has established and is using these accounts in accordance with the bond ordinance. The Utility Tax Fund is required to establish utility tax rates that will yield net revenues equal to at least 1.25 times the debt service that will become due in the following fiscal year.

VILLAGE OF MAHOMET
Mahomet, Illinois

Notes to Basic Financial Statements – (continued)

April 30, 2014

3.I. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers to/from Other Funds

Transfers to/from other funds at April 30, 2014, consist of the following:

From the General Fund to nonmajor governmental funds for operations	\$29,000
From the General Fund to Transportation System Capital Improvement Fund for capital purchases	50,000
From the General Fund to Water fund for operations	15,802
From the General Fund to Sewer fund for operations	15,802
From the General Fund to Police Pension Fund for employer contribution	120,000
From nonmajor governmental funds to the General Fund for operations	364,058
From nonmajor governmental funds to nonmajor governmental funds for operations	196,399
From the Transportation System Capital Imp. Fund to the Tax Increment Financing Fund for operations	89,008
From the Sewer Fund to Water Fund for debt service	60,670
From the Sewer Fund to General Fund for capital purchases	15,000
From the Water Fund to General Fund for capital purchases	15,000

3.J. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Village does not maintain a retiree healthcare plan. The Village is not required by law or contractual agreement to provide funding for retiree health costs other than the pay-as-you go amount necessary to provide current benefits to retirees. Any participating retired plan members would contribute 100 percent of their premium costs. An implicit rate subsidy exists even though any retirees would contribute 100 percent of their premium because of the pooled aspects of providing health benefit coverage. The subsidy is generated as a result of the basic nature of insurance – one risk group subsidizes another to arrive at a blended premium. In all likelihood, current employees who are young and healthy subsidize older retirees. The Village has unionized workers and contribution requirements can be changed by the Village board at any time.

The Village has no retirees included in its healthcare premiums at April 30, 2014 or during the year ending April 30, 2014. As a result, the Village’s implicit liability is zero or some minimal amount below what is considered material for purposes of this audit report for the year ending April 30, 2014.

Required Supplementary Information

VILLAGE OF MAHOMET

Mahomet, Illinois

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund Schedule of Funding Progress (Unaudited)

April 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) ---Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<u>Regular Non-SLEP Personnel</u>						
12/31/13	\$2,566,981	\$2,686,400	\$119,419	95.55%	\$979,834	12.19%
12/31/12	2,209,036	2,401,486	192,450	91.99%	914,697	21.04%
12/31/11	2,177,743	2,891,545	713,802	75.31%	1,273,595	56.05%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,888,487. On a market basis, the funded ratio would be 107.52%.

Sheriff's Law Enforcement Personnel

12/31/13	\$31,072	\$48,362	\$17,290	64.25%	\$78,776	21.95%
12/31/12	15,208	29,957	14,749	50.77%	70,029	21.06%
12/31/11	0	0	0	0.00%	0	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$34,372. On a market basis, the funded ratio would be 71.07%.

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

VILLAGE OF MAHOMET

Mahomet, Illinois

REQUIRED SUPPLEMENTARY INFORMATIONPolice Pension Fund Schedule of Funding Progress (Unaudited)

April 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) ---Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
04/30/14	\$461,079	\$ 992,827	\$ 531,748	46.44%	\$386,738	137.50%
04/30/13	191,153	1,254,263	1,063,110	15.24%	332,724	319.52%

VILLAGE OF MAHOMET

Mahomet, Illinois

REQUIRED SUPPLEMENTARY INFORMATIONPolice Pension Fund Schedule of Employer Contributions (Unaudited)

April 30, 2014

Fiscal Year	Annual	Total	Percentage
Ended	Required	Employer	Contributed
	(a)	(b)	(b/a)
04/30/14	\$ 59,822	\$221,839	370.83%
04/30/13	102,471	224,371	218.96%

VILLAGE OF MAHOMET
Mahomet, Illinois

Budgetary Comparison Schedule (Budgetary Basis) - General Fund

For the Year Ended April 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 794,353	\$ 794,353	\$ 846,559	\$ 52,206
Replacement taxes	5,500	5,500	6,184	684
Income taxes	682,250	682,250	707,264	25,014
Sales taxes	778,000	778,000	748,388	(29,612)
Utility taxes	-	-	-	-
Motor fuel tax	-	-	-	-
Permits, licenses and cable fees	131,900	131,900	120,368	(11,532)
Fines	33,000	33,000	24,155	(8,845)
Rentals and fees	303,171	303,171	-	(303,171)
Grant income	179,267	179,267	1,370,002	1,190,735
Developer reimbursements	338,112	338,112	-	(338,112)
Interest income	2,730	2,730	2,707	(23)
Miscellaneous	14,100	14,100	20,624	6,524
Total revenues	<u>3,262,383</u>	<u>3,262,383</u>	<u>3,846,251</u>	<u>583,868</u>
<u>Expenditures:</u>				
Current				
General government	581,067	581,067	542,864	38,203
Public safety	1,040,040	1,040,040	747,836	292,204
Highways and streets	700,705	700,705	833,398	(132,693)
Culture and recreation	-	-	-	-
Planning and zoning	265,992	265,992	355,685	(89,693)
Economic development	50,900	50,900	6,278	44,622
Debt service				
Principal	-	-	-	-
Interest expense and fiscal charges	-	-	-	-
Capital outlay	<u>3,436,413</u>	<u>3,436,413</u>	<u>3,485,283</u>	<u>(48,870)</u>
Total expenditures	<u>6,075,117</u>	<u>6,075,117</u>	<u>5,971,344</u>	<u>103,773</u>
Excess (deficiency) of revenues over (under) expenditures	(2,812,734)	(2,812,734)	(2,125,093)	480,095
<u>Other financing sources (uses):</u>				
Bond/lease proceeds	735,200	735,200	2,175,000	(1,439,800)
Transfers in	411,640	411,640	394,058	17,582
Transfers out	<u>(189,000)</u>	<u>(189,000)</u>	<u>(230,604)</u>	<u>41,604</u>
Total other financing sources (uses)	<u>957,840</u>	<u>957,840</u>	<u>2,338,454</u>	<u>(1,380,614)</u>
Net change in fund balances	(1,854,894)	(1,854,894)	213,361	(900,519)
Fund balances - beginning	<u>1,992,420</u>	<u>1,992,420</u>	<u>1,992,420</u>	<u>-</u>
Fund balances - ending	<u>\$ 137,526</u>	<u>\$ 137,526</u>	<u>\$ 2,205,781</u>	<u>\$ (900,519)</u>

The notes to budgetary comparison schedules are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Budgetary Comparison Schedule (Budgetary Basis) - Tax Increment Financing Fund

For the Year Ended April 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 1,291,700	\$ 1,291,700	\$ 1,440,776	\$ 149,076
Replacement taxes	-	-	-	-
Income taxes	-	-	-	-
Sales taxes	-	-	-	-
Utility taxes	-	-	-	-
Motor fuel tax	-	-	-	-
Permits, licenses and cable fees	-	-	-	-
Fines	-	-	-	-
Rentals and fees	-	-	-	-
Grant income	-	-	-	-
Developer reimbursements	-	-	-	-
Interest income	1,520	1,620	1,731	111
Miscellaneous	15,000	15,000	15,000	-
Total revenues	<u>1,308,220</u>	<u>1,308,320</u>	<u>1,457,507</u>	<u>149,187</u>
<u>Expenditures:</u>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Planning and zoning	-	-	-	-
Economic development	1,070,550	1,070,550	983,607	86,943
Debt service				
Principal	255,000	255,000	255,000	-
Interest expense and fiscal charges	79,575	79,575	79,575	-
Capital outlay	<u>1,909,138</u>	<u>1,909,138</u>	<u>1,683,465</u>	<u>225,673</u>
Total expenditures	<u>3,314,263</u>	<u>3,314,263</u>	<u>3,001,647</u>	<u>312,616</u>
Excess (deficiency) of revenues over (under) expenditures	(2,006,043)	(2,005,943)	(1,544,140)	(163,429)
<u>Other financing sources (uses):</u>				
Bond proceeds	-	-	-	-
Transfers in	89,008	89,008	89,008	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>89,008</u>	<u>89,008</u>	<u>89,008</u>	<u>-</u>
Net change in fund balances	(1,917,035)	(1,916,935)	(1,455,132)	(163,429)
Fund balances - beginning	<u>3,027,127</u>	<u>3,027,127</u>	<u>3,027,127</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,110,092</u>	<u>\$ 1,110,192</u>	<u>\$ 1,571,995</u>	<u>\$ (163,429)</u>

The notes to budgetary comparison schedules are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Budgetary Comparison Schedule (Budgetary Basis) - Transportation System Cap. Imp.

For the Year Ended April 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 70,620	\$ 70,620	\$ 72,761	\$ 2,141
Replacement taxes	-	-	-	-
Income taxes	-	-	-	-
Sales taxes	-	-	-	-
Utility taxes	180,000	180,000	186,362	6,362
Motor fuel tax	-	-	-	-
Permits, licenses and cable fees	-	-	-	-
Fines	-	-	-	-
Rentals and fees	-	-	-	-
Grant income	-	-	-	-
Developer reimbursements	-	-	66,750	66,750
Interest income	1,060	1,060	1,110	50
Miscellaneous	-	-	3,902	3,902
Total revenues	<u>251,680</u>	<u>251,680</u>	<u>330,885</u>	<u>79,205</u>
<u>Expenditures:</u>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Planning and zoning	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	58,000	58,000	58,000	-
Interest expense and fiscal charges	13,600	13,600	13,571	29
Capital outlay	<u>1,369,097</u>	<u>1,369,097</u>	<u>1,253,195</u>	<u>115,902</u>
Total expenditures	<u>1,440,697</u>	<u>1,440,697</u>	<u>1,324,766</u>	<u>115,931</u>
Excess (deficiency) of revenues over (under) expenditures	(1,189,017)	(1,189,017)	(993,881)	(36,726)
<u>Other financing sources (uses):</u>				
Bond proceeds	-	-	-	-
Transfers in	50,000	50,000	50,000	-
Transfers out	<u>(89,008)</u>	<u>(89,008)</u>	<u>(89,008)</u>	<u>-</u>
Total other financing sources (uses)	<u>(39,008)</u>	<u>(39,008)</u>	<u>(39,008)</u>	<u>-</u>
Net change in fund balances	(1,228,025)	(1,228,025)	(1,032,889)	(36,726)
Fund balances - beginning	<u>1,767,897</u>	<u>1,767,897</u>	<u>1,767,897</u>	<u>-</u>
Fund balances - ending	<u>\$ 539,872</u>	<u>\$ 539,872</u>	<u>\$ 735,008</u>	<u>\$ (36,726)</u>

The notes to budgetary comparison schedules are an integral part of this statement.

VILLAGE OF MAHOMET

Mahomet, Illinois

Notes to Budgetary Comparison Schedules

April 30, 2014

Budget Law:

The Village board prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to the end of the first quarter of each fiscal year, a board designated person or persons designated by the board submits to the board a proposed operating budget for the year commencing on May 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 10 days prior to final approval of the budget.
- c. Subsequent to the public hearings the budget is adopted by the board.

The legal level of control at which expenditures may not legally exceed appropriations is at the fund level.

Basis of Accounting

The budget is prepared on the modified accrual basis of accounting.

Supplementary Information

VILLAGE OF MAHOMET

Mahomet, Illinois

Balance Sheet
Nonmajor Governmental Funds - (continued)
April 30, 2014

	<u>Forfeited Funds</u>	<u>IMRF Fund</u>	<u>Recreation Fund</u>	<u>Social Security Fund</u>	<u>Parks Fund</u>	<u>Insurance Fund</u>
<u>ASSETS</u>						
Cash	\$ -	\$ 27,779	\$ 128,896	\$ 22,295	\$ 355,415	\$ 8,829
Cash - restricted	7,357	-	-	-	-	-
Investments	-	-	-	-	-	-
Investments - restricted	-	-	-	-	-	-
Property taxes receivable	-	85,834	-	109,243	89,506	81,856
Due from State of Illinois	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	56,962
Total assets	<u>\$ 7,357</u>	<u>\$ 113,613</u>	<u>\$ 128,896</u>	<u>\$ 131,538</u>	<u>\$ 444,921</u>	<u>\$ 147,647</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities:</u>						
Accounts payable	\$ -	\$ -	\$ 3,048	\$ -	\$ 10,825	\$ -
Accrued salaries	-	-	1,724	-	2,832	-
Due to other funds	-	-	-	-	-	-
Accrued compensated absences	-	-	13,169	-	-	-
Unearned revenue	-	-	5,529	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>23,470</u>	<u>-</u>	<u>13,657</u>	<u>-</u>
<u>Deferred Inflows of Resources:</u>						
Unavailable revenue - property taxes	<u>-</u>	<u>39,422</u>	<u>-</u>	<u>50,286</u>	<u>41,136</u>	<u>37,620</u>
<u>Fund Balances:</u>						
Nonspendable	-	-	-	-	-	56,962
Restricted	7,357	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	74,191	105,426	81,252	390,128	53,065
Unassigned	-	-	-	-	-	-
Total fund balances	<u>7,357</u>	<u>74,191</u>	<u>105,426</u>	<u>81,252</u>	<u>390,128</u>	<u>110,027</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,357</u>	<u>\$ 113,613</u>	<u>\$ 128,896</u>	<u>\$ 131,538</u>	<u>\$ 444,921</u>	<u>\$ 147,647</u>

(continued)

VILLAGE OF MAHOMET
Mahomet, Illinois

Balance Sheet
Nonmajor Governmental Funds
April 30, 2014

	<u>Utility Tax</u>	<u>Motor Fuel Tax</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash	\$ 25,246	\$ -	\$ 568,460
Cash - restricted	-	373,321	380,678
Investments	-	-	-
Investments - restricted	-	-	-
Property taxes receivable	-	-	366,439
Due from State of Illinois	-	13,380	13,380
Utility taxes receivable	30,401	-	30,401
Due from other funds	-	-	-
Prepaid insurance	-	-	56,962
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 55,647</u>	<u>\$ 386,701</u>	<u>\$ 1,416,320</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 717	\$ 14,590
Accrued salaries	-	-	4,556
Due to other funds	-	-	-
Accrued compensated absences	-	-	13,169
Unearned revenue	-	-	5,529
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>717</u>	<u>37,844</u>
<u>Deferred Inflows of Resources:</u>			
Unavailable revenue - property taxes	-	-	168,464
	<u> </u>	<u> </u>	<u> </u>
<u>Fund Balances:</u>			
Nonspendable	-	-	56,962
Restricted	30,401	385,984	423,742
Committed	-	-	-
Assigned	25,246	-	729,308
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>55,647</u>	<u>385,984</u>	<u>1,210,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,647</u>	<u>\$ 386,701</u>	<u>\$ 1,416,320</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

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

	Forfeited Funds	IMRF Fund	Recreation Fund	Social Security Fund	Parks Fund	Insurance Fund
Revenues:						
Property taxes	\$ -	\$ 85,938	\$ -	\$ 109,402	\$ 88,506	\$ 80,163
Motor fuel taxes	-	-	-	-	-	-
Rentals, fees and services	-	-	165,273	-	145	-
Utility taxes	-	-	-	-	-	-
Grant income	-	-	-	-	-	-
Developer reimbursements	-	-	-	-	-	-
Interest income	10	51	110	44	224	31
Miscellaneous	2,618	-	23,674	-	1,331	-
Total revenues	2,628	85,989	189,057	109,446	90,206	80,194
Expenditures:						
Current						
General government	-	-	-	-	-	24,728
Public safety	19,525	-	-	-	-	29,390
Highways and streets	-	-	-	-	-	25,608
Culture and recreation	-	-	157,462	-	126,123	7,401
Planning and zoning	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	1,449	-	16,931	-
Total expenditures	19,525	-	158,911	-	143,054	87,127
Excess of revenues over (under) expenditures	(16,897)	85,989	30,146	109,446	(52,848)	(6,933)
Other Financing Sources (Uses):						
Operating transfers in	-	-	23,233	-	187,166	15,000
Operating transfers out	-	(91,859)	(5,000)	(96,597)	(7,000)	-
Total other financing sources (uses)	-	(91,859)	18,233	(96,597)	180,166	15,000
Excess of revenues and other sources over (under) expenditures and other uses	(16,897)	(5,870)	48,379	12,849	127,318	8,067
Fund balances, beginning of the year	24,254	80,061	57,047	68,403	262,810	101,960
Fund balances, end of the year	\$ 7,357	\$ 74,191	\$ 105,426	\$ 81,252	\$ 390,128	\$ 110,027

(continued)

VILLAGE OF MAHOMET
Mahomet, Illinois

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

	Utility Tax	Motor Fuel Tax	Totals
<u>Revenues:</u>			
Property taxes	\$ -	\$ -	\$ 364,009
Motor fuel taxes	-	211,709	211,709
Rentals, fees and services	-	-	165,418
Utility taxes	390,485	-	390,485
Grant income	-	-	-
Developer reimbursements	-	-	-
Interest income	113	412	995
Miscellaneous	-	9,324	36,947
	<u>390,598</u>	<u>221,445</u>	<u>1,169,563</u>
<u>Expenditures:</u>			
Current			
General government	-	-	24,728
Public safety	-	-	48,915
Highways and streets	-	338,790	364,398
Culture and recreation	-	-	290,986
Planning and zoning	-	-	-
Debt service			
Principal retirement	53,098	-	53,098
Interest and fiscal charges	1,261	-	1,261
Capital outlay	-	-	18,380
	<u>54,359</u>	<u>338,790</u>	<u>801,766</u>
Excess of revenues over (Under) expenditures	<u>336,239</u>	<u>(117,345)</u>	<u>367,797</u>
<u>Other Financing Sources (Uses):</u>			
Debt proceeds	-	-	-
Operating transfers in	-	-	225,399
Operating transfers out	(360,000)	-	(560,456)
	<u>(360,000)</u>	<u>-</u>	<u>(335,057)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(23,761)	(117,345)	32,740
Fund balances, beginning of the year	<u>79,408</u>	<u>503,329</u>	<u>1,177,272</u>
Fund balances, end of the year	<u>\$ 55,647</u>	<u>\$ 385,984</u>	<u>\$ 1,210,012</u>

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Bonds
(Series 2012)
Limited Tax
Debt Service Schedule
April 30, 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Interest Rate</u>
06/01/2014	\$ -	\$ 6,481	\$ 6,481	\$ -	
12/01/2014	59,000	6,481	65,481	71,962	1.25%
06/01/2015	-	6,112	6,112	-	
12/01/2015	60,000	6,113	66,113	72,225	1.40%
06/01/2016	-	5,692	5,692	-	
12/01/2016	61,000	5,693	66,693	72,385	1.60%
06/01/2017	-	5,204	5,204	-	
12/01/2017	62,000	5,205	67,205	72,409	1.80%
06/01/2018	-	4,646	4,646	-	
12/01/2018	63,000	4,647	67,647	72,293	2.00%
06/01/2019	-	4,016	4,016	-	
12/01/2019	64,000	4,017	68,017	72,033	2.15%
06/01/2020	-	3,328	3,328	-	
12/01/2020	66,000	3,329	69,329	72,657	2.25%
06/01/2021	-	2,586	2,586	-	
12/01/2021	67,000	2,586	69,586	72,172	2.35%
06/01/2022	-	1,799	1,799	-	
12/01/2022	68,000	1,799	69,799	71,598	2.50%
06/01/2023	-	949	949	-	
12/01/2023	69,000	949	69,949	70,898	2.75%
	<u>\$ 639,000</u>	<u>\$ 81,632</u>	<u>\$ 720,632</u>	<u>\$ 720,632</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Waterworks and Sewerage
Refunding Bonds (Alternate Revenue Source)

(Series 2012A)

Debt Service Schedule - Water Fund

April 30, 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Rate</u>
07/01/14	\$ -	\$ 24,850	\$ 24,850	\$ -	2.00%
01/01/15	205,000	24,850	229,850	254,700	
07/01/15	-	22,800	22,800	-	2.00%
01/01/16	210,000	22,800	232,800	255,600	
07/01/16	-	20,700	20,700	-	2.00%
01/01/17	225,000	20,700	245,700	266,400	
07/01/17	-	18,450	18,450	-	2.50%
01/01/18	215,000	18,450	233,450	251,900	
07/01/18	-	15,763	15,763	-	2.50%
01/01/19	225,000	15,763	240,763	256,526	
07/01/19	-	12,950	12,950	-	2.50%
01/01/20	220,000	12,950	232,950	245,900	
07/01/20	-	10,200	10,200	-	3.00%
01/01/21	225,000	10,200	235,200	245,400	
07/01/21	-	6,825	6,825	-	3.00%
01/01/22	225,000	6,825	231,825	238,650	
07/01/22	-	3,450	3,450	-	3.00%
01/01/23	230,000	3,450	233,450	236,900	
	<u>\$ 1,980,000</u>	<u>\$ 271,976</u>	<u>\$ 2,251,976</u>	<u>\$ 2,251,976</u>	

VILLAGE OF MAHOMET

Mahomet, Illinois

**General Obligation Waterworks and Sewerage
Refunding Bonds (Alternate Revenue Source)****(Series 2012A)****Debt Service Schedule - Sewer Fund**

April 30, 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Rate</u>
07/01/14	\$ -	\$ 5,875	\$ 5,875	\$ -	2.00%
01/01/15	110,000	5,875	115,875	121,750	
07/01/15	-	4,775	4,775	-	2.00%
01/01/16	110,000	4,775	114,775	119,550	
07/01/16	-	3,675	3,675	-	2.00%
01/01/17	105,000	3,675	108,675	112,350	
07/01/17	-	2,625	2,625	-	2.50%
01/01/18	105,000	2,625	107,625	110,250	
07/01/18	-	1,313	1,313	-	2.50%
01/01/19	105,000	1,313	106,313	107,626	
	<u>\$ 535,000</u>	<u>\$ 36,526</u>	<u>\$ 571,526</u>	<u>\$ 571,526</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Waterworks and Sewerage
Refunding Bonds (Alternate Revenue Source)

(Series 2012A)

Debt Service Schedule - TIF Fund

April 30, 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Rate</u>
07/01/14	\$ -	\$ 14,488	\$ 14,488	\$ -	2.00%
01/01/15	100,000	14,487	114,487	128,975	
07/01/15	-	13,488	13,488	-	2.00%
01/01/16	105,000	13,487	118,487	131,975	
07/01/16	-	12,438	12,438	-	2.00%
01/01/17	105,000	12,437	117,437	129,875	
07/01/17	-	11,388	11,388	-	2.50%
01/01/18	110,000	11,387	121,387	132,775	
07/01/18	-	10,013	10,013	-	2.50%
01/01/19	110,000	10,012	120,012	130,025	
07/01/19	-	8,638	8,638	-	2.50%
01/01/20	115,000	8,637	123,637	132,275	
07/01/20	-	7,200	7,200	-	3.00%
01/01/21	115,000	7,200	122,200	129,400	
07/01/21	-	5,475	5,475	-	3.00%
01/01/22	120,000	5,475	125,475	130,950	
07/01/22	-	3,675	3,675	-	3.00%
01/01/23	120,000	3,675	123,675	127,350	
07/01/23	-	1,875	1,875	-	3.00%
01/01/24	125,000	1,875	126,875	130,550	
	<u>\$ 1,125,000</u>	<u>\$ 177,350</u>	<u>\$ 1,302,350</u>	<u>\$ 1,304,150</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Bonds
(Alternate Revenue Source)
(Series 2012B)

Debt Service Schedule - TIF Fund

April 30, 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal YearTotal</u>	<u>Rate</u>
07/01/14	\$ -	\$ 22,750	\$ 22,750	\$ -	
01/01/15	160,000	22,750	182,750	205,500	
07/01/15	-	21,150	21,150	-	2.00%
01/01/16	160,000	21,150	181,150	202,300	
07/01/16	-	19,550	19,550	-	2.00%
01/01/17	165,000	19,550	184,550	204,100	
07/01/17	-	17,900	17,900	-	2.50%
01/01/18	170,000	17,900	187,900	205,800	
07/01/18	-	15,775	15,775	-	2.50%
01/01/19	175,000	15,775	190,775	206,550	
07/01/19	-	13,588	13,588	-	2.50%
01/01/20	175,000	13,587	188,587	202,175	
07/01/20	-	11,400	11,400	-	3.00%
01/01/21	180,000	11,400	191,400	202,800	
07/01/21	-	8,700	8,700	-	3.00%
01/01/22	185,000	8,700	193,700	202,400	
07/01/22	-	5,925	5,925	-	3.00%
01/01/23	195,000	5,925	200,925	206,850	
07/01/23	-	3,000	3,000	-	3.00%
01/01/24	200,000	3,000	203,000	208,925	
	<u>\$ 1,765,000</u>	<u>\$ 279,475</u>	<u>\$ 2,044,475</u>	<u>\$ 2,047,400</u>	

VILLAGE OF MAHOMET
Mahomet, Illinois

General Obligation Bonds (Alt. Revenue Source)

(Series 2013)

Debt Service Schedule

April 30, 2014

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Year Total</u>	<u>Interest Rate</u>
07/01/14	\$ -	\$ 28,779	\$ 28,779	\$ -	3.00%
01/01/15	-	26,840	26,840	55,619	
07/01/15	-	26,840	26,840	-	3.00%
01/01/16	50,000	26,840	76,840	103,680	
07/01/16	-	26,090	26,090	-	3.00%
01/01/17	55,000	26,090	81,090	107,180	
07/01/17	-	25,265	25,265	-	3.00%
01/01/18	55,000	25,265	80,265	105,530	
07/01/18	-	24,440	24,440	-	3.00%
01/01/19	55,000	24,440	79,440	103,880	
07/01/19	-	23,615	23,615	-	3.00%
01/01/20	60,000	23,615	83,615	107,230	
07/01/20	-	22,715	22,715	-	3.00%
01/01/21	60,000	22,715	82,715	105,430	
07/01/21	-	21,815	21,815	-	3.00%
01/01/22	60,000	21,815	81,815	103,630	
07/01/22	-	20,915	20,915	-	3.00%
01/01/23	65,000	20,915	85,915	106,830	
07/01/23	-	19,875	19,875	-	3.20%
01/01/24	65,000	19,875	84,875	104,750	
07/01/24	-	18,575	18,575	-	4.00%
01/01/25	70,000	18,575	88,575	107,150	
07/01/25	-	17,175	17,175	-	4.00%
01/01/26	70,000	17,175	87,175	104,350	
07/01/26	-	15,775	15,775	-	4.00%
01/01/27	75,000	15,775	90,775	106,550	
07/01/27	-	14,275	14,275	-	4.00%
01/01/28	80,000	14,275	94,275	108,550	
07/01/28	-	12,675	12,675	-	4.00%
01/01/29	100,000	12,675	112,675	125,350	
07/01/29	-	10,613	10,613	-	4.13%
01/01/30	100,000	10,612	110,612	121,225	
07/01/30	-	8,550	8,550	-	4.13%
01/01/31	90,000	8,550	98,550	107,100	
07/01/31	-	6,525	6,525	-	4.50%
01/01/32	95,000	6,525	101,525	108,050	
07/01/32	-	4,387	4,387	-	4.50%
01/01/33	95,000	4,387	99,387	103,774	
07/01/33	-	2,250	2,250	-	4.50%
01/01/34	100,000	2,250	102,250	104,500	
	<u>\$ 1,400,000</u>	<u>\$ 700,358</u>	<u>\$ 2,100,358</u>	<u>\$ 2,100,358</u>	

VILLAGE OF MAHOMET

Mahomet, Illinois

**Equalized Assessed Valuations, Tax Rates, Taxes Extended and Collected
and Legal Debt Margin**

April 30, 2014

Tax Levy Year	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Equalized Assessed Valuation	\$ <u>153,001,608</u>	\$ <u>148,738,628</u>	\$ <u>148,616,600</u>	\$ <u>145,331,681</u>	\$ <u>140,765,812</u>
<u>Tax Rates</u>					
General	0.3414	0.3314	0.3098	0.3343	0.3291
Bond	0.0468	0.0482	0.0478	0.0468	0.0484
IMRF	0.0561	0.0560	0.0591	0.0713	0.0695
Fire protection	0.0255	0.0254	0.0252	0.0264	0.0267
Police protection	0.1177	0.1141	0.1129	0.1145	0.1142
Police pension	0.0638	0.0688	0.0707	-	-
Audit	0.0102	0.0082	0.0076	0.0066	0.0064
Liability insurance	0.0535	0.0509	0.0494	0.0521	0.0469
Street and bridge	0.0314	0.0316	0.0325	0.0449	0.0344
Park	0.0585	0.0568	0.0562	0.0573	0.0564
ESDA	0.0009	0.0009	0.0009	0.0009	0.0008
Social security	0.0714	0.0713	0.0535	0.0581	0.0615
1/2 road and bridge	<u>0.1179</u>	<u>0.1158</u>	<u>0.1109</u>	<u>0.1088</u>	<u>0.0823</u>
Total	<u>0.9951</u>	<u>0.9794</u>	<u>0.9365</u>	<u>0.9220</u>	<u>0.8766</u>
Taxes extended - in total	\$ <u>1,342,130</u>	\$ <u>1,415,990</u>	\$ <u>1,353,008</u>	\$ <u>1,303,490</u>	\$ <u>1,233,941</u>
Taxes collected	\$ <u>770,328</u>	\$ <u>1,363,977</u>	\$ <u>1,305,379</u>	\$ <u>1,255,883</u>	\$ <u>1,190,196</u>
Percentage of Extensions					
Collected	<u>57.40%</u>	<u>96.33%</u>	<u>96.48%</u>	<u>96.35%</u>	<u>96.45%</u>

*Note: Does not include tax increment area.***SCHEDULE OF LEGAL DEBT MARGIN**

Assessed valuation	\$ <u>153,001,608</u>
Debt limit - 8.625%	\$ 13,196,389
Outstanding general obligation bonds	7,444,000
Less alternate revenue source general obligation bonds	<u>(6,805,000)</u>
Legal debt margin	\$ <u>12,557,389</u>

Single Audit Section

BRAY , DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

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JAMES P. BRAY, CPA (Retired)

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 Honorable President and Board of Trustees
Village of Mahomet
Mahomet, 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 Mahomet, Mahomet, 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 Mahomet, Mahomet, Illinois' basic financial statements and have issued our report thereon dated September 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Mahomet, Mahomet, 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 internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Mahomet, Mahomet, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. The material weaknesses are described at 2014-001 and 2014-002.

Compliance and Other Matters

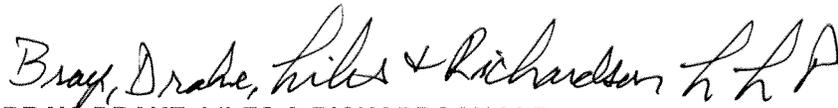
As part of obtaining reasonable assurance about whether Village of Mahomet, Mahomet, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Village of Mahomet, Mahomet, Illinois' Response to Findings

Village of Mahomet, Mahomet, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Village of Mahomet, Mahomet, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BRAY, DRAKE, LILES & RICHARDSON LLP

Urbana, Illinois

September 10, 2014

BRAY , DRAKE, LILES & RICHARDSON LLP
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable President and Board of Trustees
Village of Mahomet
Mahomet, Illinois

Report on Compliance for Each Major Federal Program

We have audited the Village of Mahomet, Mahomet, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village of Mahomet's major federal programs for the year ended April 30, 2014. The Village of Mahomet, Mahomet, Illinois' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Village of Mahomet, Mahomet, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Mahomet, Mahomet, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Village of Mahomet, Mahomet, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, the Village of Mahomet, Mahomet, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2014.

Report on Internal Control Over Compliance

Management of Village of Mahomet, Mahomet, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Village of Mahomet, Mahomet, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Village of Mahomet, Mahomet, Illinois' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 to be material weaknesses.

The Village of Mahomet, Mahomet, Illinois' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village of Mahomet, Mahomet, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



BRAY, DRAKE, LILES & RICHARDSON LLP
Urbana, Illinois
September 10, 2014

VILLAGE OF MAHOMET
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended April 30, 2014

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Village of Mahomet.
2. Two material weaknesses were disclosed during the audit of the financial statements and are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Village of Mahomet were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for the Village of Mahomet expresses an unqualified opinion on the major federal program.
5. Two material weaknesses relating to the audit of internal control over major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program was: Capitalization Grants for Clean Water State Revolving Funds (CFDA# 66.458).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Village of Mahomet was determined to not be a low risk auditee.

B. FINDINGS-FINANCIAL STATEMENT AUDIT

2014-001 Segregation of Duties

Condition: The number of accounting staff available is inadequate to provide proper segregation of duties.

Criteria: Add additional staff to properly segregate the accounting duties so as to provide reasonable assurance that assets are properly safeguarded.

Effect: Because of the failure to adequately segregate the accounting duties, assets may be subject to misappropriation.

Recommendation: Due to budgetary constraints, additional accounting staff is not a realistic alternative; the Village Administrator, Village Treasurer and Board of Trustees should be taking active roles in overseeing the accounting processes.

Grantee Response: We have implemented a dual signature requirement for all checks. Due to space and budgetary constraints, it is not feasible to hire additional accounting staff.

VILLAGE OF MAHOMET
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended April 30, 2014

B. FINDINGS-FINANCIAL STATEMENT AUDIT – (continued)

2014-002 Financial Statement Preparation

Condition: Management has chosen to rely on the audit firm to prepare its annual financial report.

Criteria: Management should be able to prepare its financial statements in accordance with generally accepted accounting principles.

Effect: A material misstatement could occur.

Recommendation: Due to budgetary constraints, additional accounting staff is not a realistic alternative;

Grantee Response: Budgetary and space constraints prevents us from adding additional accounting staff; the Village Administrator and Village Treasurer will be taking more active roles in overseeing the financial statement preparation process.

**C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None

VILLAGE OF MAHOMET
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended April 30, 2014

Federal Grantor/Pass-Through	CFDA	Pass-Through	
<u>Grantor/Program Title</u>	<u>Number</u>	<u>Grantor's</u>	<u>Expenditures</u>
U.S. Environmental Protection Agency			
Passed-through Illinois Environmental Protection Agency/ Bureau of Water:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	L17-301600	\$ 711,156
Subtotal Capitalization Grants for Clean Water State Revolving Funds			<u>711,156</u>
Total U.S. Environmental Protection Agency			<u>711,156</u>
Total expenditures of federal awards			<u>\$ 711,156</u>

Notes:**Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Village of Mahomet under programs of the federal government for the year ended April 30, 2014. The information in this Schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

Because the Schedule presents only a selected portion of the operations of the Village of Mahomet, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Village of Mahomet.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

VILLAGE OF MAHOMET
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended April 30, 2014

None reported.