

**VILLAGE OF DOLTON, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**APRIL 30, 2013**

**VILLAGE OF DOLTON, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

April 30, 2013

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**VILLAGE OF DOLTON, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

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# GW & ASSOCIATES, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Village Board  
Village of Dolton, Illinois

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Dolton, Illinois, as of and for the year ended April 30, 2013, 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

We were unable to examine supporting documentation for numerous expenditures out of various funds of the Village. We were unable to test the Village's allocation of certain revenues collected by the water fund but belonging to the general fund and sewer fund. We were unable to obtain an aged trial balance supporting the receivable balances in the water and sewer funds. We were unable to obtain sufficient support for certain local revenues. We were unable to determine whether a net pension obligation should have been recorded in the government wide statements with respect to the police and firefighters' pension funds. We were unable to obtain supporting documentation for certain payroll related liabilities such as compensated absences. We were unable to determine whether a lack of infrastructure assets was the result of a failure to include such information on the financial statements or whether the infrastructure had been fully depreciated in prior years. Due to the omission of financial statements for the discretely presented component unit, we were unable to determine whether the omission is material to the financial statements of the Village nor were we able to perform any auditing procedures on the component unit. We were unable to obtain confirmation from legal counsel as to whether any known actual or possible litigation, claims and assessments should be recorded or disclosed in the financial statements. Finally, we were unable to determine whether bond proceeds from a prior year were spent in accordance with applicable ordinances and requirements. We were unable to satisfy ourselves with regard to the above mentioned items by means of other auditing procedures.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of funding progress and employer contributions 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. Management has omitted management's discussion and analysis. We have applied certain limited procedures to the required supplementary information that is presented. 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*

We were engaged to conduct an audit for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

*GW & Associates, P.C.*

South Chicago Heights, Illinois

December 30, 2014

**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2013**

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 2,557,778	\$ 33,680	\$ 2,591,458
Receivables, net of allowance			
Property taxes	7,109,730	-	7,109,730
Other governmental	1,618,119	-	1,618,119
Accounts	142,543	444,546	587,089
Grants	12,854	104,983	117,837
Loans	300,000	-	300,000
Inventory	261,814	-	261,814
Prepaid expenses	150,975	-	150,975
Internal balances	10,790,937	(10,790,937)	-
Noncurrent			
Capital assets not being depreciated	822,495	-	822,495
Capital assets net of accumulated depreciation	4,886,508	12,709,426	17,595,934
Total assets	<u>28,653,753</u>	<u>2,501,698</u>	<u>31,155,451</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	1,107,766		1,107,766
Total deferred outflows of resources	<u>1,107,766</u>	<u>-</u>	<u>1,107,766</u>
<b>Liabilities</b>			
Current			
Accounts payable	5,329,641	1,477,506	6,807,147
Checks issued in excess of bank balances	11,915	-	11,915
Accrued payroll	1,438,695	138,721	1,577,416
Accrued interest payable	673,498	-	673,498
Deposits	255,236	89,977	345,213
Other liabilities	-	13,588	13,588
Current portion- bonds payable	3,565,000	-	3,565,000
Current portion- capital leases payable	165,230	-	165,230
Compensated absences	85,145	2,127	87,272
Noncurrent			
Bonds payable	31,415,480	-	31,415,480
Capital leases payable	42,401	-	42,401
Net pension obligation	38,139	-	38,139
Compensated absences	1,310,574	27,781	1,338,355
Total liabilities	<u>44,330,954</u>	<u>1,749,700</u>	<u>46,080,654</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue - property taxes	7,069,912	-	7,069,912
Total deferred inflows of resources	<u>7,069,912</u>	<u>-</u>	<u>7,069,912</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	(29,479,108)	12,709,426	(16,769,682)
Unrestricted	7,839,761	(11,957,428)	(4,117,667)
Total net position	<u>\$ (21,639,347)</u>	<u>\$ 751,998</u>	<u>\$ (20,887,349)</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED APRIL 30, 2013**

Functions/Programs	Expenses	Program Revenues		Primary Government		
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities						
General government	\$ 7,895,925	\$ 1,698,516	\$ 361,791	\$ (5,835,618)	\$ -	\$ (5,835,618)
Public safety	9,785,311	-	-	(9,785,311)	-	(9,785,311)
Public works	4,004,531	-	-	(4,004,531)	-	(4,004,531)
Economic development	287,679	-	-	(287,679)	-	(287,679)
Interest and fees	1,731,800	-	-	(1,731,800)	-	(1,731,800)
Total government activities	23,705,246	1,698,516	361,791	(21,644,939)	-	(21,644,939)
Business-Type Activities						
Water	3,820,275	4,109,801	-	-	289,526	289,526
Recreation	453,886	229,285	-	-	(224,601)	(224,601)
Dorchester	2,209,644	1,415,882	-	-	(793,762)	(793,762)
Sewer	248,973	185,000	-	-	(63,973)	(63,973)
Total business-type activities	6,732,778	5,939,968	-	-	(792,810)	(792,810)
Total primary government	\$ 30,438,024	\$ 7,638,484	\$ 361,791	(21,644,939)	(792,810)	(22,437,749)
General revenues						
Taxes:						
Property taxes				11,249,195	-	11,249,195
Replacement taxes				228,628	-	228,628
Sales taxes				2,201,468	-	2,201,468
State income tax				2,176,400	-	2,176,400
Other taxes				3,787,890	-	3,787,890
Fines and forfeitures				403,395	-	403,395
Licenses and permits				770,066	-	770,066
Interest				119,364	-	119,364
Miscellaneous				725,737	107,141	832,878
Transfers				(1,033,997)	1,033,997	-
Total general revenues and transfers				20,628,146	1,141,138	21,769,284
Change in net assets				(1,016,793)	348,328	(668,465)
Net Position - Beginning (As Restated)				(20,622,554)	403,670	(20,218,884)
Net Position - Ending				\$ (21,639,347)	\$ 751,998	\$ (20,887,349)

**VILLAGE OF DOLTON, ILLINOIS**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**APRIL 30, 2013**

	General Fund	911 Emergency Services Fund	Bond Escrow Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,317,418	\$ 97	\$ 1,184,598	\$ 55,665	\$ 2,557,778
Property taxes receivable	3,629,519	107,149	-	3,373,062	7,109,730
Personal property replacement tax receivable	45,815	-	-	-	45,815
Other taxes receivable	1,572,304	-	-	-	1,572,304
Accounts receivable	142,543	-	-	-	142,543
Loans receivable	300,000	-	-	-	300,000
Grant receivable	-	-	-	12,854	12,854
Prepaid expenses	150,975	-	-	-	150,975
Inventory	261,814	-	-	-	261,814
Interfund receivables	21,563,928	134,013	6,043,085	14,087,666	41,828,692
Total assets	<u>\$ 28,984,316</u>	<u>\$ 241,259</u>	<u>\$ 7,227,683</u>	<u>\$ 17,529,247</u>	<u>\$ 53,982,505</u>
<b>Liabilities</b>					
Accounts payable	\$ 5,208,231	\$ 72,894	\$ -	\$ 48,516	\$ 5,329,641
Checks issued in excess of bank balances	-	-	-	11,915	11,915
Accrued payroll	1,438,695	-	-	-	1,438,695
Interfund payables	16,892,767	5,166,757	-	8,978,231	31,037,755
Deposits	255,236	-	-	-	255,236
Total liabilities	<u>23,794,929</u>	<u>5,239,651</u>	<u>-</u>	<u>9,038,662</u>	<u>38,073,242</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	3,629,519	107,149	-	3,333,244	7,069,912
Unavailable revenue - intergovernmental	230,098	-	-	-	230,098
Total deferred inflows of resources	<u>3,859,617</u>	<u>107,149</u>	<u>-</u>	<u>3,333,244</u>	<u>7,300,010</u>
<b>Fund Balances</b>					
Nonspendable					
Prepaid expenses	150,975	-	-	-	150,975
Inventory	261,814	-	-	-	261,814
Restricted	-	-	7,227,683	6,843,975	14,071,658
Unassigned	916,981	(5,105,541)	-	(1,686,634)	(5,875,194)
Total fund balances	<u>1,329,770</u>	<u>(5,105,541)</u>	<u>7,227,683</u>	<u>5,157,341</u>	<u>8,609,253</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,984,316</u>	<u>\$ 241,259</u>	<u>\$ 7,227,683</u>	<u>\$ 17,529,247</u>	<u>\$ 53,982,505</u>



**VILLAGE OF DOLTON, ILLINOIS**  
**RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF NET POSITION**  
**APRIL 30, 2013**

<b>Total fund balances - governmental funds</b>	\$	8,609,253
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Capital assets	12,233,149	
Accumulated depreciation	(6,524,146)	
Net capital assets		5,709,003

Bond premium/discount are other financing sources/uses in the fund financial statements and a liability/asset amortized over the life of the bond in the government-wide financial statements.

Unamortized bond premium		(432,200)
Unamortized bond discount		51,720

Swap termination payment is recorded as an asset in the statement of net position and amortized over the life of the bonds.

Unamortized loss on refunding		1,107,766
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Some liabilities reported in the statement of net position do not require the use of financial resources and, therefore, are not reported as liabilities in governmental funds.

General obligation bonds payable	(34,600,000)	
Capital lease obligations	(207,631)	
Accrued interest	(673,498)	
Net pension obligation	(38,139)	
Compensated absences	(1,395,719)	
Total long-term liabilities		(36,914,987)

Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds.

230,098

<b>Total net position - governmental activities</b>	\$	(21,639,347)
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**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	General Fund	911 Emergency Services Fund	Bond Escrow Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 5,429,154	\$ 125,261	\$ -	\$ 5,694,780	\$ 11,249,195
Personal property replacement tax	228,628	-	-	-	228,628
State income tax	2,171,935	-	-	-	2,171,935
Sales tax	2,207,191	-	-	-	2,207,191
Motor fuel tax allotments	-	-	-	663,576	663,576
Utility and other local taxes	3,015,102	113,578	-	-	3,128,680
Licenses and permits	770,066	-	-	-	770,066
Fines and forfeitures	403,395	-	-	-	403,395
Fees and services	1,698,516	-	-	-	1,698,516
Grants	257,314	-	-	104,477	361,791
Interest	117,242	-	707	1,415	119,364
Rental income	205,623	-	-	-	205,623
Reimbursements	278,930	-	-	-	278,930
Other revenues	129,883	-	-	111,301	241,184
Total revenues	<u>16,912,979</u>	<u>238,839</u>	<u>707</u>	<u>6,575,549</u>	<u>23,728,074</u>
<b>Expenditures</b>					
Current					
General government	7,711,313	-	-	50,277	7,761,590
Public safety	9,432,648	665,373	-	-	10,098,021
Public works	4,798,600	-	-	381,045	5,179,645
Economic development	-	-	-	287,679	287,679
Debt service					
Principal payments	156,153	-	-	2,765,000	2,921,153
Interest and fees	16,591	-	-	1,715,892	1,732,483
Agent fees	-	-	-	4,619	4,619
Total expenditures	<u>22,115,305</u>	<u>665,373</u>	<u>-</u>	<u>5,204,512</u>	<u>27,985,190</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(5,202,326)</u>	<u>(426,534)</u>	<u>707</u>	<u>1,371,037</u>	<u>(4,257,116)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	3,091,134	-	-	111,233	3,202,367
Transfers out	(111,233)	-	-	(3,091,134)	(3,202,367)
Total other financing sources (uses)	<u>2,979,901</u>	<u>-</u>	<u>-</u>	<u>(2,979,901)</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	<u>(2,222,425)</u>	<u>(426,534)</u>	<u>707</u>	<u>(1,608,864)</u>	<u>(4,257,116)</u>
<b>Fund Balances - Beginning of Year (As Restated)</b>	<u>3,552,195</u>	<u>(4,679,007)</u>	<u>7,226,976</u>	<u>6,766,205</u>	<u>12,866,369</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,329,770</u>	<u>\$ (5,105,541)</u>	<u>\$ 7,227,683</u>	<u>\$ 5,157,341</u>	<u>\$ 8,609,253</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED APRIL 30, 2013**

**Net change in fund balances - total governmental funds** \$ (4,257,116)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay	1,002,970	
Depreciation	(411,721)	
Capital outlay in excess of depreciation		591,249

Assets purchased with governmental funds and recorded as capital assets in governmental activities are for business-type activity use and are contributed to the particular fund(s) that are in use (270,958)

Premium/discount on bonds is recorded as other financing uses/sources in the fund statements, but the premium/discount is netted with general obligation bonds in the statement of net position and is amortized over the life of the bonds.

Amortization of bond premium/discount 49,501

Swap termination payment is recorded as an asset in the statement of net position and amortized over the life of the bonds.

Amortization of bond swap termination payment (81,554)

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. This activity consists of:

Increase in net pension obligation	(799)
Decrease in accrued interest	37,355

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (5,624)

The repayment of the principal of long-term debt consumes current financial resources of governmental funds. These transactions, however, do not have any effect on net position. 2,921,153

<b>Changes in net position of governmental activities</b>	\$ (1,016,793)
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**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PRORIETARY FUNDS**  
**APRIL 30, 2013**

	Major			Nonmajor	Total Enterprise Funds
	Water Fund	Recreation Fund	Dorchester Fund	Sewer Fund	
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ -	\$ 2,264	\$ 31,416	\$ -	\$ 33,680
Accounts receivable, net of allowance					
Customers	421,926	-	-	22,620	444,546
Grants	-	104,983	-	-	104,983
Interfund receivables	16,697,892	-	290,824	40,797	17,029,513
Total current assets	17,119,818	107,247	322,240	63,417	17,612,722
Noncurrent assets					
Capital assets, net of depreciation					
Buildings and improvements	-	2,069,786	10,446,137	-	12,515,923
Furniture and equipment	23,973	153,344	16,186	-	193,503
Total noncurrent assets	23,973	2,223,130	10,462,323	-	12,709,426
Total assets	17,143,791	2,330,377	10,784,563	63,417	30,322,148
<b>Liabilities</b>					
Current liabilities					
Accounts payable	1,268,898	24,714	183,894	-	1,477,506
Accrued payroll	31,438	14,316	83,911	9,056	138,721
Interfund payables	8,208,667	4,540,679	15,002,174	68,930	27,820,450
Other liabilities	-	-	13,588	-	13,588
Deposits	-	-	89,977	-	89,977
Compensated absences	2,127	-	-	-	2,127
Total current liabilities	9,511,130	4,579,709	15,373,544	77,986	29,542,369
Noncurrent liabilities					
Compensated absences	27,781	-	-	-	27,781
Total liabilities	9,538,911	4,579,709	15,373,544	77,986	29,570,150
<b>Net Position</b>					
Investment in capital assets, net of related debt	23,973	2,223,130	10,462,323	-	12,709,426
Unrestricted	7,580,907	(4,472,462)	(15,051,304)	(14,569)	(11,957,428)
Total net position	\$ 7,604,880	\$ (2,249,332)	\$ (4,588,981)	\$ (14,569)	\$ 751,998

**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	<b>Major</b>			<b>Nonmajor</b>	<b>Total Enterprise Funds</b>
	<b>Water Fund</b>	<b>Recreation Fund</b>	<b>Dorchester Fund</b>	<b>Sewer Fund</b>	
<b>Operating Revenues</b>					
Charges for services	\$ 4,109,801	\$ 229,285	\$ 1,415,882	\$ 185,000	\$ 5,939,968
Other	60,638	-	12,003	34,500	107,141
Total operating revenues	<u>4,170,439</u>	<u>229,285</u>	<u>1,427,885</u>	<u>219,500</u>	<u>6,047,109</u>
<b>Operating Expenses</b>					
Salaries and benefits	461,528	228,956	1,194,645	122,241	2,007,370
Contractual services	29,245	15,911	216,897	-	262,053
Supplies	-	25,830	-	253	26,083
Commodities and merchandise	3,117,031	1,303	181,823	-	3,300,157
Occupancy and maintenance	147,225	40,249	117,456	126,479	431,409
Insurance	-	-	136,937	-	136,937
Postage	7,998	-	-	-	7,998
Utilities	33,037	-	-	-	33,037
Equipment	-	10,018	5,684	-	15,702
Miscellaneous	21,001	11,911	40,563	-	73,475
Depreciation expense	3,210	119,708	315,639	-	438,557
Total operating expenses	<u>3,820,275</u>	<u>453,886</u>	<u>2,209,644</u>	<u>248,973</u>	<u>6,732,778</u>
Operating income (loss)	<u>350,164</u>	<u>(224,601)</u>	<u>(781,759)</u>	<u>(29,473)</u>	<u>(685,669)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Capital contribution	-	37,280	996,717	-	1,033,997
Total nonoperating revenues (expenses)	<u>-</u>	<u>37,280</u>	<u>996,717</u>	<u>-</u>	<u>1,033,997</u>
<b>Changes in Net Position</b>	<u>350,164</u>	<u>(187,321)</u>	<u>214,958</u>	<u>(29,473)</u>	<u>348,328</u>
<b>Net Position - Beginning of Year</b>	<u>7,254,716</u>	<u>(2,062,011)</u>	<u>(4,803,939)</u>	<u>14,904</u>	<u>403,670</u>
<b>Net Position - End of Year</b>	<u>\$ 7,604,880</u>	<u>\$ (2,249,332)</u>	<u>\$ (4,588,981)</u>	<u>\$ (14,569)</u>	<u>\$ 751,998</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Major			Nonmajor	Total Enterprise Funds
	Water Fund	Recreation Fund	Dorchester Fund	Sewer Fund	
<b>Cash Flows from Operating Activities</b>					
Receipt from customers	\$ 4,109,801	\$ 229,285	\$ 1,408,744	\$ 185,000	\$ 5,932,830
Payments to suppliers	(3,304,536)	(129,799)	(620,547)	(126,732)	(4,181,614)
Payments to employees	(458,350)	(214,640)	(1,190,922)	(117,417)	(1,981,329)
Other receipts (payments)	60,638	(104,983)	12,003	34,500	2,158
Net cash provided (used) by operating activities	407,553	(220,137)	(390,722)	(24,649)	(227,955)
<b>Cash Flows from Noncapital Financing Activities</b>					
Internal activity - payments (to)/from other funds	(407,553)	211,223	375,063	24,649	203,382
Net cash provided by financing activities	(407,553)	211,223	375,063	24,649	203,382
<b>Net Change in Cash and Cash Equivalents</b>	-	(8,914)	(15,659)	-	(24,573)
<b>Cash and Cash Equivalents- Beginning of Year</b>	-	11,178	47,075	-	58,253
<b>Cash and Cash Equivalents- End of Year</b>	\$ -	\$ 2,264	\$ 31,416	\$ -	\$ 33,680
<b>Reconciliation of Operating Income (Loss) to</b>					
<b>Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 350,164	\$ (224,601)	\$ (781,759)	\$ (29,473)	\$ (685,669)
Adjustments to reconcile operating activities					
to net cash provided (used) by operating activities:					
Depreciation and amortization	3,210	119,708	315,639	-	438,557
Change in assets and liabilities:					
(Increase) decrease in:					
Grant receivable	-	(104,983)	-	-	(104,983)
Increase (decrease) in:					
Accounts payable	51,001	(24,577)	78,813	-	105,237
Accrued payroll	3,178	14,316	3,723	4,824	26,041
Refundable deposits	-	-	(7,138)	-	(7,138)
Other liabilities	-	-	-	-	-
Total adjustments	57,389	4,464	391,037	4,824	457,714
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 407,553	\$ (220,137)	\$ (390,722)	\$ (24,649)	\$ (227,955)
<b>Noncash Capital and Related Financing Activities</b>					
Contributions of capital assets from government	\$ -	\$ 37,280	\$ 996,717	\$ -	\$ 1,033,997

**VILLAGE OF DOLTON, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION  
APRIL 30, 2013**

	<b>Pension Trusts</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 241,075
Investments	34,428,995
Accrued interest	57,178
Due from Village	327,865
(allowance for uncollectable interfund)	(312,643)
Prepays	517
Total assets	<u>34,742,987</u>
<b>Liabilities</b>	
Other liabilities	<u>21,105</u>
Total liabilities	<u>21,105</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u><u>\$ 34,721,882</u></u>

**VILLAGE OF DOLTON, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	<b>Pension Trusts</b>
<b>Additions</b>	
Contributions	
Employer	\$ 1,514,794
Plan members	566,336
Total contributions	<u>2,081,130</u>
Investment Income	
Interest and dividends earned	660,438
Net appreciation in	
Fair value of investments	1,773,497
Less investment expense	<u>(47,903)</u>
Net investment earnings	<u>2,386,032</u>
Total additions	<u>4,467,162</u>
<b>Deductions</b>	
Administration	103,996
Refunds	139,307
Benefits	<u>2,141,262</u>
Total deductions	<u>2,384,565</u>
<b>Change in Net Position</b>	<u>2,082,597</u>
<b>Net Position Held in Trust for Pension Benefits</b>	
Beginning of Year	<u>32,639,285</u>
End of Year	<u><u>\$ 34,721,882</u></u>



## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Dolton, Illinois (the Village) operates under a Board of Trustees - Executive form of government. Elected officials are the Mayor, Clerk and six Trustees. The Board of Trustees is the Village's legislative body, enacting the laws and establishing the policies, which govern the main activities of the Village. The following is a summary of the more significant accounting policies of the Village.

#### **Reporting Entity**

The Village has adopted the provisions of the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" under which these basic financial statements include all organizations, activities, functions, and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The component units included in these financial statements are discussed below.

#### ***Fiduciary Component Units***

The Village's Firefighters' and Police Pension Funds as of April 30, 2013, have been included as blended component units in the Village's basic financial statements. Although they are separate legal entities, these funds exist to provide pension benefits for the Village's police officers and firefighters. The Firefighters' Pension Fund financial statements can be obtained by contacting the Fire Department at 14022 Park Avenue, Dolton, Illinois 60419. The Police Pension Fund financial statements can be obtained by contacting the Police Department at 14030 Park Avenue, Dolton, Illinois 60419.

#### ***Discretely Presented Component Unit***

The Village of Dolton Housing Authority (DHA) is a component unit of the Village; however, DHA has not been included as a component unit in the Village's basic financial statements. DHA operates as a community development organization that provides affordable housing to the Village. DHA, along with the Village, negotiates purchases of property from Cook County and contracts the property for sale to approved buyers at an affordable cost.

#### **Basis of Presentation**

The Village's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

The Village implemented Governmental Accounting Standards Board Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This resulted in a new statement of position which replaced the statement of net assets presented in prior years. Deferred

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

outflows of resources and deferred inflows of resources are now reported separately from assets and liabilities. The residual measure is now entitled net position rather than net assets.

The Village also implemented Governmental Accounting Standards Board Statement No. 65 – Items Previously Reported as Assets and Liabilities. This statement reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. Specifically, the Village now reports “unearned revenue-property taxes” as a deferred inflow of resources rather than as deferred revenue under liabilities and “deferred charge on refunding” as a deferred outflow of resources rather than being combined and presented with bonds payable under liabilities.

#### ***Government-Wide Financial Statements***

The statement of net position and the statement of activities display the information about the Village as a whole. In the government-wide statement of net position, both the government and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village’s governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

#### ***Fund Financial Statements***

The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category-governmental, proprietary, and fiduciary- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Measurement Focus and Basis of Accounting

##### *Government-Wide Financial Statements*

The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

For purpose of the statement of cash flows, the Village considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. "Cash and cash equivalents" includes cash on hand, savings accounts, and checking accounts.

The Village has reported three categories of program revenue in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Non-exchange transactions, in which the Village receives value without directly giving equal value in return,

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

911 Emergency Services Fund accounts for the operations of the emergency 911 system.

Escrow Fund accounts for revenues restricted for debt service and the related expenditures.

The Village reports the following major proprietary funds:

Water Fund accounts for the provisions of the water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Recreation Fund accounts for the provision of the Melanie Fitness Center. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dorchester Fund accounts for the provision of the senior building. All activities necessary to provide such services as accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. The Village's fiduciary funds are Pension Trust Funds. These funds report assets held by the Village in a trustee capacity.

Pension Trust Funds account for the Village's Police and Fire Pension Plans.

In addition to the major funds mentioned above the Village reports the following fund types:

#### *Governmental Fund Types*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds are used to account for the Village's accumulation of resources for, and the payment of general long-term debt, principal, interest and related costs.

Capital Project Fund is used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

#### *Proprietary Fund Type*

Sewer Fund accounts for the operating activities of the Village's sewage utilities services on a user-charge basis to the Village's residents.

### **Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

### **Investments**

The Village values its investments at fair value or amortized cost. Short-term investments are reported at cost, which approximates fair value. The Village's retirement plans are established by State law and administered by independent pension boards. Each independent pension board has authority to invest in the assets of its respective plan subject to State law.

## **VILLAGE OF DOLTON, ILLINOIS**

Notes to financial statements

April 30, 2013

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Interfund Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectibles.

#### **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption. They are valued at cost (first-in, first-out), which is less than the current market value. In the governmental funds, the costs of inventories in those funds are equally offset by a fund balance reserve to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

Certain payments reflect costs to future periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

Inventory on hand at year-end, consisted of fuel, and is stated at cost using the first-in, first-out method of accounting.

#### **Capital Assets**

Capital assets, which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds. These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements

April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of capital assets is recorded in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	20 - 30 years
Buildings	30 - 40 years
Improvements	10 - 30 years
Equipment	5 - 15 years

Gains or losses from sales or retirements of capital assets are included in the operations on the statement of activities.

#### Compensated Absences

The Village has a formal written policy on the accumulation of vacation and personal time. The policy covers all employees who are not covered under other formal plans of the Village. Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacation accrued throughout the year can be taken until December 31 of the subsequent year.

The policy for sick leave varies depending on the department and length of service. The liability for accumulated vacation and sick pay is accounted for in the government-wide balance sheet.

#### Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and in the proprietary fund statement of net position. In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

#### Deferred Outflows/Inflows of Resource

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village only has one item that qualifies for reporting in this category. It is the deferred charge on refunding in the government-wide statement of net

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two types of this item that qualifies for reporting in this category. Accordingly, unavailable revenue, is reported. The governmental funds and activities report unavailable revenues from property taxes and state distributed intergovernmental taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statements reported on a full accrual basis, the intergovernmental taxes reported as unavailable in the fund financial statements is reported as revenue. The unavailable revenue as it relates to property taxes is recorded as such in the government-wide financial statements, as well.

#### Property Taxes

The Village's property tax becomes a lien on real property on January 1, of the year it is levied. The Cook County Assessor (Assessor) is responsible for the assessment of all taxable real property within Cook County (County), except for certain railroad property assessed directly by the State. The County Board has established a triennial cycle of reassessment in which one-third of the County will be reassessed each year on a repeating schedule established by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year, the Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment among counties. This factor (Equalization Factor) is then applied to the Assessed Valuation to compute the valuation of property to which a tax rate will be applied (Equalized Assessed Valuation). The County Clerk adds the Equalized Assessed Valuation of all real property in the County to the valuation of property assessed directly by the State (to which the Equalization Factor is not applied) to arrive at the base amount (Assessment Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rate by dividing the levy by the Assessment Base and then computes the rate for each parcel of real property by aggregating the tax rates of all governmental units having jurisdiction over that particular parcel. The County Treasurer then issues the tax bills. Property taxes are deposited with the County Treasurer, who remits to the Village its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year on March 1 and August 1 or 30 days from mailing of tax bills if later than July 1. The first installment is estimated and is 55% of the prior year's tax bills. The second installment is based on the current levy, assessment and equalization and also reflects any changes from the prior year.

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Village Board. However, proceeds from a specific levy are generally not available for

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

use until the next subsequent fiscal year. It is the Village's budgetary practice to consider the proceeds from a given tax levy as being available to finance operations of the fiscal year in which the majority of the levy is collected. Accordingly, taxes receivable are included in the balance sheet upon enactment of the annual tax levy, but the recognition of revenue is deferred until the following fiscal year.

#### Fund Balance and Net Position

In the government-wide financial 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 (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definitions of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the Village reports fund balance in the following classifications:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
  - b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
  - c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Village Board. Fund balance amounts are committed through a formal action (resolution) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

#### Use of Estimates

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

### NOTE 2 – CASH AND INVESTMENTS

#### Cash

The carrying value of cash at the Village's various depositories was \$2,591,458, and the bank balances were \$2,881,248 at April 30, 2013. Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

At April 30, 2013, the carrying amount of the Police Pension Fund's demand deposits and certificates of deposit totaled \$235,942, and the bank balances totaled \$228,634.

At year-end, the carrying amount of the Fire Pension Fund's reported deposits was \$5,133, and the bank balances were \$5,139.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 2 – CASH AND INVESTMENTS (Continued)

#### Investments

Illinois Statutes authorize the village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The following table provides investment maturities for the Police Pension Fund at April 30, 2013:

	Fair Value	Investment Maturities - In Years			
		Less Than 1	1-5	6-10	More Than 10
<i>Investment Type</i>					
Certificates of Deposit	\$ 242,095	\$ 242,095	\$ -	\$ -	\$ -
Government National Mortgage Assoc.	553,852	-	1,768	2,337	549,747
Federal Farm Credit Bank	3,137,566	1,370,996	1,766,570	-	-
Federal Home Loan Mortgage Corp	2,257	-	-	-	2,257
Federal Home Loan Bank	5,980,921	1,516,449	4,464,472	-	-
Corporate Bonds	1,007,577	-	526,949	480,628	-
Money Market Mutual Funds	746,699	746,699	-	-	-
Total	\$ 11,670,967	\$ 3,876,239	\$ 6,759,759	\$ 482,965	\$ 552,004

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 2 – CASH AND INVESTMENTS (Continued)

The following table provides investment maturities for the Fire Pension Fund at April 30, 2013:

	Fair Value	Investment Maturities - In Years			
		Less Than 1	1-5	6-10	More Than 10
<i>Investment Type</i>					
U.S. Treasury Notes	\$ 472,696	\$ -	\$ 257,913	\$ -	\$ 214,783
U.S. Treasury Strips	1,565,127	-	2,214	23,457	1,539,456
Federal Home Loan Mortgage Corp	93,203	-	-	-	93,203
Federal National Mortgage Association	68,716	-	-	-	68,716
Total	2,199,742	\$ -	\$ 260,127	\$ 23,457	\$ 1,916,158

#### Investments Not Subject to Interest

##### Rate Risk:

Money Market Mutual Funds	669,203
Insurance Company contracts	6,128,926
Equity Mutual Funds	1,734,621
Stock Equities	533,236

\$ 11,265,728

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Police and Firefighter's Pension Funds' policies, the Funds limit their exposure to interest rate risk by structuring the portfolios to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Funds limit their exposure to credit risk by primarily investing in securities issued by the United State Government and/or its agencies that are implicitly guaranteed by the United States Government. The Funds' policies prescribe to the "prudent person" rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return."

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 2 – CASH AND INVESTMENTS (Continued)

The U.S. Treasury and Agency obligations are rated AA+ by Standard & Poors. Firefighters' Pension Fund mutual funds have been rated as 2-5 stars by Morningstar. The Police Pension Fund has an unrated obligation that is Federal Home Loan Mortgage Corporation investment with a par value of \$2,257 and an interest rate of 7.000% that matures on February 1, 2032.

*Custodial Credit Risk-Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At April 30, 2013, the Village deposits were either covered by FDIC insurance or collateralized by pledged securities and the pension fund deposits were below the FDIC insurance limit. Additionally, the deposits of both Pension Funds were also fully collateralized at year-end.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Pension Funds limit their exposure to custodial credit risk by utilizing independent third party institutions, selected by the Pension Funds, to act as custodian for their securities and collateral.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Funds' investment in a single issuer.

The Police Pension Fund has over 5% of plan net position, \$1,171,885, invested in various agency securities as indicated in the table above and various mutual funds listed below. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund's investment policy has a stated target that 42% of its portfolio be in fixed income securities, 55% target in equities with the remaining 3% cash and equivalents. The Fund has diversified its equity mutual fund holdings as follows:

Vanguard ETF Index Funds	\$5,601,908
iShares MSCI EAFE ETF Fund	2,393,300
iShares Russell 3000 ETF Index Fund	2,345,339
iShares Russell Midcap Value ETF Index Fund	690,401
iShares Russell Midcap Growth ETF Index Fund	461,352

The following investments (other than U.S. Government and Agency Obligations) represent greater than 5% of the Firefighters' Pension Fund plan net position, \$564,209.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 2 – CASH AND INVESTMENTS (Continued)

Nationwide Bank of America Elite Venue Annuity	\$ 880,691
Pacific Innovations Stepped-Up Death Benefit Variable Annuity	817,422
Hartford Saver Solution Choice Fixed Annuity	785,519
John Hancock Life Insurance Co. Vision 26 Combination Annuity	767,020
Hartford Leaders Outlook Variable Annuity	712,732
MetLife Investors Class L Variable Annuity	704,925

The Firefighters' Pension Fund has diversified its other insurance company contracts and equity mutual fund holdings as follows:

Pacific Life Frontiers II Fixed Annuity	\$ 541,283
Pacific Life Frontiers Fixed Annuity	345,757
Pacific Life #FX12004211	304,500
MetLife Investors Annual Renewable SPDA	255,121
Dreyfus Appreciation Fund	141,079
Deleware Value Institutional Fund	127,873
Harbor International Fund	120,488
William Blair Institutional Equity Fund	106,183
Touchstone Investments Large Cap Growth Fund Class Y	106,074
MainStay Large Cap Growth Fund Class I	104,711
John Hancock Classic Value Fund Class I	90,157
Guggenheim Mid Cap Value Fund Class A	88,932
Cambiar Opportunity Fund	88,672
First Eagle Overseas Fund Class I	88,001
Lazard Emerging Markets Equity Institutional Shares	82,699
Oppenheimer Developing Markets Fund	82,323
TimesSquare Mid Cap Growth Fund Class Premium	71,472
Keeley Small Cap Value Fund Class I	70,766
PIMCO Commodity Real Return Strategy Fund	64,002
Wells Fargo Advantage Small Cap Growth Fund	60,883
Eagle Small Cap Growth Fund Class I	60,706
Morgan Stanley Institutional Mid Cap Growth Fund Class I	53,802
DWS Dreman Small Cap Value Fund Class S	52,650
Invesco Global Real Estate Fund Class Y	36,626
Hotchkis & Wiley Mid Cap Value Fund Class I	36,522
American Legacy II Lincoln National Variable Annuity	13,956

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 3- CAPITAL ASSETS

Governmental capital assets activity for the year ended April 30, 2013 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 822,495	\$ -	\$ -	\$ 822,495
Total capital assets not being depreciated	822,495	-	-	822,495
Capital assets being depreciated				
Land improvements	1,605,448	-	274,858	1,330,590
Buildings and improvements	2,742,345	-	-	2,742,345
Equipment	3,815,820	247,246	-	4,063,066
Vehicles	2,518,929	755,724	-	3,274,653
Total capital assets being depreciated	10,682,542	1,002,970	274,858	11,410,654
Accumulated depreciation				
Land improvements	189,743	34,838	3,900	220,681
Buildings and improvements	2,134,731	24,327	-	2,159,058
Equipment	2,251,252	195,169	-	2,446,421
Vehicles	1,540,599	157,387	-	1,697,986
Total accumulated depreciation	6,116,325	411,721	3,900	6,524,146
Total capital assets being depreciated, net	4,566,217	591,249	270,958	4,886,508
Governmental activities capital assets, net	\$ 5,388,712	\$ 591,249	\$ 270,958	\$ 5,709,003

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

Administration	\$ 232,680
Public safety	41,659
Public works	137,382
Total	<u>\$ 411,721</u>

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 3- CAPITAL ASSETS (Continued)

Business-type capital assets activity for the year ended April 30, 2013 was as follows:

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated				
Infrastructure	\$ 1,908,607	\$ -	\$ -	\$ 1,908,607
Land improvements	80,676	996,717	-	1,077,393
Buildings and improvements	15,007,091	-	-	15,007,091
Furniture and equipment	1,008,631	37,280	-	1,045,911
Vehicles	47,290	-	-	47,290
Total capital assets being depreciated	18,052,295	1,033,997	-	19,086,292
Accumulated depreciation				
Infrastructure	1,908,607	-	-	1,908,607
Land improvements	80,676	12,630	-	93,306
Buildings and improvements	2,953,766	410,749	-	3,364,515
Furniture and equipment	947,970	15,178	-	963,148
Vehicles	47,290	-	-	47,290
Total accumulated depreciation	5,938,309	438,557	-	6,376,866
Total capital assets being depreciated, net	12,113,986	595,440	-	12,709,426
Business-type activities capital assets, net	\$ 12,113,986	\$ 595,440	\$ -	\$ 12,709,426

Depreciation expense was charged to business-type functions/programs of the Village as follows:

Water	\$ 3,210
Recreation	119,708
Dorchester	315,639
Total	\$ 438,557



## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 4 – LONG TERM DEBT

#### Long-Term Debt Summary

The changes in the Village's long-term debt are summarized as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 37,365,000	\$ -	\$ 2,765,000	\$ 34,600,000	\$ 3,565,000
Unamortized bond premium	484,820	-	52,620	432,200	-
Unamortized bond discount	(54,839)	-	(3,119)	(51,720)	-
	<u>37,794,981</u>	<u>-</u>	<u>2,814,501</u>	<u>34,980,480</u>	<u>3,565,000</u>
Capital lease obligations	363,784	-	156,153	207,631	165,230
Net Pension Obligation	37,340	799	-	38,139	-
Compensated absences	<u>1,395,719</u>	<u>-</u>	<u>-</u>	<u>1,395,719</u>	<u>85,145</u>
Total governmental activities	<u>\$ 39,591,824</u>	<u>\$ 799</u>	<u>\$ 2,970,654</u>	<u>\$ 36,621,969</u>	<u>\$ 3,815,375</u>
Business-Type Activities					
Compensated absences	\$ 29,908	\$ -	\$ -	\$ 29,908	\$ 2,127
Total business-type activities	<u>\$ 29,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,908</u>	<u>\$ 2,127</u>

#### General Obligation Bonds

General Obligation Bonds of the Village are payable as to principal and interest from ad valorem taxes levied against all taxable property within the Village. The Village of Dolton, Illinois is a home rule unit under 1970 Illinois Constitution and has no debt limitations, and is not required to seek referendum approval to issue bonds. For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an "other financing source", net of the applicable premium or discount, while bond issuance costs are reported as an expenditure.

Series 2004A: On June 7, 2004, the Village issued \$2,845,000 in General Obligation Refunding Bonds, Series 2004A with an interest rate range of 3.00% to 4.50%. The bonds mature on December 1, 2013. As of April 30, 2013, the amount outstanding is \$290,000.

Series 2004C: On December 1, 2004, the Village issued \$2,930,000 in General Obligation Corporate Purpose Bonds, Series 2004C with an interest rate range of 3.00% to 4.20%. The bonds mature on December 7, 2019. As of April 30, 2013, the amount outstanding is \$1,650,000.

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 4 – LONG TERM DEBT (Continued)

Series 2004D: On December 1, 2004, the Village issued \$52,275,000 in General Obligation Corporate Purpose Bonds, Series 2004D with an interest rate range of 4.70% to 6.00%. The bonds mature on December 1, 2019. As of April 30, 2013, the amount outstanding is \$1,330,000.

Series 2009A: On September 30, 2009, the Village issued \$11,535,000 in General Obligation Bonds, Series 2009A with an interest rate range of 2.50% to 4.50% to refund \$10,000,000 of outstanding General Obligation Variable Rate Bonds, Series 2006, with an average interest rate of 4.62%. The bonds were issued at a premium of \$456,146. The total available proceeds of \$11,991,146 were used to pay \$1,400,000 in swap termination fees, issuance costs of \$506,302 and interest payment of \$84,844. As of April 30, 2013, the amount outstanding is \$10,615,000.

Series 2009B: On September 30, 2009, the Village issued \$5,455,000 in General Obligation Build America Bonds- Direct Payment, Series 2009B with an interest rate of 6.10%. Associated with these bonds is a 35% Federal interest subsidy which totals \$1,982,119 over the life of the issue. The proceeds from the sale of the bonds will be used to pay for or reimburse the Village for costs to acquire public works equipment and to acquire, construct and install various public improvements, public water facilities, sanitary sewer facilities, sidewalks and related street improvements, and other eligible costs. As of April 30, 2013, the amount outstanding is \$5,455,000.

Series 2009C: On September 30, 2009, the Village issued \$12,665,000 in Taxable General Obligation Bonds, Series 2009C with an interest rate range of 2.61% to 5.77% to refund the \$2,980,000 outstanding Tax Anticipation Refinancing Note, Series 2007. The remaining proceeds of \$9,685,000 were used to pay issuance costs of \$707,538, interest payment of \$537,445, and to finance, reimburse or refinance the costs of various capital improvements and capital equipment for the Village. As of April 30, 2013, the amount outstanding is \$11,665,000.

Series 2010B: On November 23, 2010, the Village issued \$5,820,000 in Taxable General Obligation Refunding Bonds, Series 2010B with an interest rate range of 2.00% to 4.00% to refund the Corporate 2000 Bond. As of April 30, 2013, the amount outstanding is \$3,595,000.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 4 – LONG TERM DEBT (Continued)

Aggregate principal and interest requirements to maturity for the General Obligation Bonds by year for the Village are as follows:

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2014	\$ 3,565,000	\$ 1,634,355	\$ 5,199,355
2015	2,080,000	1,517,115	3,597,115
2016	3,350,000	1,432,655	4,782,655
2017	1,980,000	1,307,245	3,287,245
2018	2,300,000	1,217,817	3,517,817
2019 - 2023	10,615,000	4,207,208	14,822,208
2024 - 2028	8,980,000	2,133,180	11,113,180
2029 - 2030	1,730,000	159,210	1,889,210
	<u>\$ 34,600,000</u>	<u>\$ 13,608,785</u>	<u>\$ 48,208,785</u>

### Deferred Charge on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2013 was \$81,554 which is reported in the governmental activities. The balance of the deferred charge on refunding at April 30, 2013, was \$1,107,766, which is reported as a deferred outflow on the Statement of Net Position.

### Capital Leases

The Village leases certain equipment for use in its operations.

Tatonka Inc.: In February 2005, the Village entered into a lease agreement with Tatonka Inc. to rent fire department vehicles and equipment. The lease is payable in monthly installments of \$14,395 for one hundred twenty (120) months beginning May 2005 with an option to purchase the equipment for \$1.00 upon maturity.

Kansas State Bank: In April 2008, the Village entered into a lease agreement with Kansas State Bank of Manhattan to rent a brush chipper. The lease is payable in annual installments of \$12,464 for 5 years beginning in May 2009. Ownership of the brush chipper transfers to the Village upon payment in full of the rental payments under the lease agreement. The final lease payment was made during the current fiscal year.

**VILLAGE OF DOLTON, ILLINOIS**

Notes to financial statements  
April 30, 2013

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**NOTE 4 – LONG TERM DEBT (Continued)**

Capital lease and interest payment requirements are as follows:

Fiscal Year	Notes Payable		
	Principal	Interest	Total
2014	\$ 165,231	\$ 7,513	\$ 172,744
2015	42,400	200	42,600
	<u>\$ 207,631</u>	<u>\$ 7,713</u>	<u>\$ 215,344</u>

**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

The following balances at April 30, 2013, represents due from/to balances among all funds.

Fund	Due From	Due To
Governmental activities		
General fund	\$ 21,563,928	\$ 16,892,767
911 Emergency Services Fund	134,013	5,166,757
Bond Escrow Fund	6,043,085	-
Non-major Governmental Funds	<u>14,087,666</u>	<u>8,978,231</u>
Total governmental	<u>41,828,692</u>	<u>31,037,755</u>
Business-type activities		
Water fund	16,697,892	8,208,667
Recreation fund	-	4,540,679
Dorchester fund	290,824	15,002,174
Sewer fund	<u>40,797</u>	<u>68,930</u>
Total business-type	<u>17,029,513</u>	<u>27,820,450</u>
Total	<u>\$ 58,858,205</u>	<u>\$ 58,858,205</u>

The balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments are made.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 6- INTERFUND TRANSFERS

Multiple transfers between funds were made during the fiscal year between the Village's funds. Transfers include transfers of bond proceeds to fund capital projects, revenue reclassifications, and administrative fees.

Fund	Transfer In	Transfer Out
Governmental activities		
General fund	\$ 3,091,134	\$ 111,233
Non-major Governmental Funds	<u>111,233</u>	<u>3,091,134</u>
Total governmental	<u>3,202,367</u>	<u>3,202,367</u>
 Total	 <u>\$ 3,202,367</u>	 <u>\$ 3,202,367</u>

Please note in the statement of activities that capital contributions reported in the proprietary funds are reported as transfers from governmental activities in the amount of \$1,033,997, as assets used by individual proprietary funds were paid for by the general fund.

### NOTE 7- DEFINED BENEFIT PLAN

#### Illinois Municipal Retirement Fund

##### *Plan Description*

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

##### *Funding Policy*

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate used by the Village for calendar year 2012 was 9.64% of covered payroll. The employer annual required contribution for calendar year 2012 was 9.64%. The employer contribution requirements are established and may be amended by IMRF Board of Trustees. IMRF's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### **NOTE 7 - DEFINED BENEFIT PLAN (Continued)**

#### ***Annual Pension Cost***

For December 31, 2012, the Village's actual contributions for pension cost were \$242,337. Its required contribution for calendar year 2012 was \$242,337. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions 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 increased ranging from 0.40% to 10.00% per year depending on age and service, attributable to senior/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

#### ***Basis of Accounting***

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer and employee contributions are recognized as revenues in the period in which the employee services are performed. Benefits and refunds are recognized when payable.

#### ***Method Used to Value Investments***

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fixed income securities are valued principally using quoted market prices provided by independent pricing services. For collective investments, the net asset value is determined and certified by the investment managers as of the reporting date. Investments that do not have an established market price are reported at estimated fair value.

Analysis of the dollar amounts of net position available for benefits, pension benefit obligation and unfunded pension benefit obligation in isolation can be misleading. Expressing the net position available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage becomes, the stronger the PERS gets. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis made in accumulating sufficient assets to pay benefits when due.

#### **Police Pension**

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The Police Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.91% of their annual covered payroll. The Village is required to contribute at an actuarially

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 7 - DEFINED BENEFIT PLAN (Continued)

determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois Legislature. Administrative costs are financed through investment earnings.

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

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	32
Current employees	<u>42</u>
Total	<u>74</u>

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 7 - DEFINED BENEFIT PLAN (Continued)

Police Pension Plan is 90% by the year 2040. For the year ended April 30, 2013, the Village's contribution was 16.10% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

#### Firefighters' Pension

The Firefighters' Pension Plan is a single-employer defined benefits pension plan that covers all sworn Firefighters' personnel. The Firefighters' Pension Plan provides retirement, disability, and death benefits, as well as automatic annual costs of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.46% of their annual covered payroll. The Village is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. The Village accounts for the plan as a pension trust fund.

At April 30, 2012, the date of the latest actuarial valuation, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees	
entitled to benefits but not yet receiving them	15
Current employees	<u>22</u>
Total	<u>37</u>

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Fund as provided for in the Illinois Compiled Statutes.

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service.



## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### **NOTE 7 - DEFINED BENEFIT PLAN (Continued)**

The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2013, the contribution percentage was 9.46%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2012, the Village's contributions must accumulate to the point where past service cost for the Firefighters' Pension Plan is 90% by the year 2040. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

### **Summary of Significant Accounting Policies**

#### **Police and Firefighters' Pension Plans**

*Basis of Accounting.* The financial statements of the pension funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 7 - DEFINED BENEFIT PLAN (Continued)

#### Annual Pension Cost and Actuarial Assumptions

The Village's annual required contribution, actuarial assumptions and related information for each plan is as follows:

	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Actuarial valuation date	12/31/2012	4/30/2012	4/30/2012
Contributions rate:			
Employer	9.64%	16.49%	18.30%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$ 242,337	\$ 813,874	\$ 517,644
Contributions made	242,337	955,535	562,775
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Amortization method	Level percentage of payroll, open	Level percent of payroll, closed	Level percent of payroll, closed
Amortization period	30 years	28 years	28 years
Actuarial assumption:			
	7.50%	7.00%	7.00%
	compounded	compounded	compounded
Investment rate of return	annually	annually	annually
Projected salary increases	0.4 to 10%	6% to 9.5%	5.5% to 13.5%
Inflation rate included	4.00%	3.00%	3.00%
Cost of living adjustment	3.00%	3.00%	3.00%

#### Net Pension Obligation

The following is the net pension obligation calculation for the IMRF plan. Net pension obligations have not been calculated for the police and firefighters' pension plans in accordance with Governmental Accounting Standards Board Statement No. 27, Accounting for Pensions by State and Local Governmental Employers.

**VILLAGE OF DOLTON, ILLINOIS**

Notes to financial statements  
April 30, 2013

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**NOTE 7 - DEFINED BENEFIT PLAN (Continued)**

<u>Net Pension Obligation</u>	<u>IMRF</u>
Annual required contribution	\$ 236,911
Interest on NPO	2,801
Adjustment to the ARC	(2,002)
Annual pension cost	237,710
Actual contributions	236,911
Increase in the NPO	799
NPO at April 30, 2011	37,340
NPO at April 30, 2012	<u>\$ 38,139</u>

**Trend Information**

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	<u>Fiscal</u> <u>Year</u>	<u>IMRF</u>	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>
Annual Pension Cost (APC)	2013	\$ 242,337	\$ 813,874	517,644
	2012	240,998	771,175	N/A
	2011	282,168	N/A	N/A
Actual Contribution	2013	242,337	955,535	562,775
	2012	234,973	494,118	246,426
	2011	253,951	511,480	240,420
Percent of APC Contributed	2013	100.00%	117.41%	108.72%
	2012	97.50%	64.07%	N/A
	2011	90.00%	N/A	N/A
Net Pension Obligation	2013	38,139	N/A	N/A
	2012	37,340	N/A	N/A
	2011	33,382	N/A	N/A

N/A - Information is not available

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 7 - DEFINED BENEFIT PLAN (Continued)

#### Funded Status and Funding Progress

The Village's actuarial value of plan assets for the current year and related information is as follows:

	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Actuarial Valuation Date	12/31/2012	4/30/2012	4/30/2012
Actuarial Value of Assets	\$ 9,055,996	\$ 23,854,776	\$ 11,351,841
Actuarial Accrued Liability	8,868,101	30,151,549	15,998,362
Unfunded Actuarial Liability	(187,895)	6,296,773	4,646,521
Funded Ratio	102.12%	79.12%	70.96%
Covered Payroll	2,513,868	2,927,107	1,502,340
Unfunded Liability as a Percent of Covered Payroll	0.00%	215.12%	309.29%

### NOTE 8 – POST EMPLOYMENT BENEFITS

#### Plan Description

The Village provides certain healthcare insurance benefits for retired employees. In accordance with the personnel policy, substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The retirees pay an annual premium that is equal to the actuarially determined costs for each plan year. Accordingly, no liability has been recorded for post-retirement health care benefits.

#### Annual OPEB Cost and Net OPEB Obligation

The Village's annual other post employment benefit (OPEB) cost is calculated on the annual required contribution (ARC). Actuarial calculations reflect a long-term perspective. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The Village also provides COBRA health and dental benefits to all prior employees as required by federal law. The prior employee pays 100 percent of the premium.

### NOTE 9 – RISK MANAGEMENT

The Village is insured by Near North Insurance Brokerage, Inc., which provides comprehensive protection. Coverage includes Worker's Compensation, General Liability, Inland Marine, Crime, Property, Auto, Law Enforcement, Boiler and Machinery, Umbrella and Public Officials Liability.

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## **VILLAGE OF DOLTON, ILLINOIS**

Notes to financial statements

April 30, 2013

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### **NOTE 10 – COMMUNITY DEVELOPMENT**

The Village participates in various community development projects and secures funding from the United States Department of Housing and Urban Development (HUD). The primary objective of the Cook County Development Block Grant Program (CDBG) is to develop viable urban communities by providing affordable housing with a comfortable living environment and by expanding economic opportunities principally for persons with low to moderate income levels. Housing activities will conserve and expand the urban county's housing availability and will provide equal access to housing for all persons. The stimulation of private investment and job creation will preserve economic development and address public health and safety for the overall quality of life in the community.

### **NOTE 11 – DEFERRED COMPENSATION PLAN**

The Village provides a 457 deferred compensation plan to its employees, administered by the United States Conference of Mayors (UCSM) contracted with Nationwide Retirement Solutions, Inc. (formerly PEBSCO). The intent of the plan is to assist employees in establishing an increased measure of financial security by providing additional retirement income through the deferral of before-tax dollars and the reduction of current income tax liability. The plan is offered to all full-time employees and is non-participatory by the Village.

### **NOTE 12 – LOANS TO OTHER GOVERNMENTS**

In 2007, the Village extended a non-interest bearing loan, in the amount of \$300,000 to the Dolton Park District for purposes of working capital. The loan is to be repaid when it is financially feasible for the Park District. As of April 30, 2013 the total amount is outstanding.

### **NOTE 13 – PENDING LITIGATION**

The Village is a party to several cases in active or pending litigation involving civil rights, personal and property damage and employee discrimination and wrongful termination. The majority of the cases are being handled by the Village's insurance company and will result in no cost to the Village. The outcome of other cases cannot be reasonably estimated as to outcome as of April 30, 2013.

### **NOTE 14 - NEW PRONOUNCEMENTS**

GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, were amended to better meet users needs and to address reporting entity issues that have arisen since the issuance of those Statements.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 14 - NEW PRONOUNCEMENTS (continued)

GASB Statement No. 66, Technical Corrections -2012 –an Amendment of GASB Statement No. 10 and No. 62, will be effective for the Village beginning with its fiscal year ending April 30, 2014. This statement removes the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. It also modifies the specific guidance on accounting for 1) operating lease payments that vary from a straight line basis, 2) the difference between the initial investment and the principal amount of a purchased loan or group of loans and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate.

GASB Statement No. 67, Financial Reporting for Pension Plans, is effective for the Village's pension plans beginning with their fiscal year ending April 30, 2015. This statement supersedes Statements No. 25 and No. 50 as they relate to pension plans that are administered through trust or similar arrangements meeting certain criteria. It modifies the format of financial statements for plans and mandates various disclosures for the total pension liability and net pension liability, including significant assumptions and rates of return. The statement also requires the presentation of new information about annual money weighted rates of return in the notes to the financial statements and in 10 year RSI schedules.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, is effective for the Village beginning with its fiscal year ending April 30, 2016. This statement supersedes Statements No. 27 and No. 50 as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. The statement requires governments providing defined benefit pensions to recognize their long term obligation for pension benefits as a liability for the first time. It also requires more comprehensive and comparable measurements of the annual costs of pension benefits and requires revised and new note disclosure and RSI.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, is effective for the Village beginning with its fiscal year ending April 30, 2015. It establishes accounting and financial reporting requirements for government combinations and disposal of government operations.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, is effective for the Village beginning with its fiscal year ending April 30, 2015. The statement requires governments that extend a nonexchange financial guarantee to recognize a liability under certain circumstances and provides for disclosure requirements for governments giving or receiving guarantees.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68, is effective for the Village beginning with its fiscal year ending April 30, 2016. This statement amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

Management has not determined the impact, if any, these Statements will have on the financial position and results of operations of the Village.

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## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 15 – FUND DISCLOSURES

The following funds had deficit fund balances/net assets at April 30, 2013:

<u>Fund</u>	<u>Deficit</u>
Governmental funds:	
911 emergency	\$ 5,105,541
Sibley TIF #2	498,759
Greenwood residential rehab TIF #4	11,915
General Obligation 2009A	18,584
General Obligation 2009C	32,987
General Obligation 2010A	244,449
General Obligation 2010B	879,940
Enterprise funds:	
Recreation center	2,249,332
Dorchester	4,588,981
Sewer	14,569

### NOTE 16 – SUBSEQUENT EVENTS

On March 1, 2014, the Village issued General Obligation Bonds, Series 2014A, in the amount of \$1,500,000 with a maturity date of December 1, 2014 and interest rate of 4.0%. The sole purpose of the bonds is to be able to dedicate property tax revenues to pay outstanding debts to Homewood Disposal Service, Inc., the company that handles refuse removal services for the Village and its residents.

On October 15, 2014, the Village entered into an installment agreement for \$1,400,000 with Municipal Funding Solutions, LLC for the sole purpose of purchasing equipment at an interest rate of 9.0%. The Village is to pay four installments of principal and interest through December 15, 2016.

## VILLAGE OF DOLTON, ILLINOIS

Notes to financial statements  
April 30, 2013

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### NOTE 17 – PRIOR PERIOD ADJUSTMENTS

During the year, an adjustment to the beginning fund balance in the general fund and net position for governmental activities was made to correctly account for the establishment of a payable for general liability claims. Additionally, an adjustment was made for retroactive payroll for police patrolmen and supervisors for time worked in fiscal years 2011 and 2012, but not yet paid until fiscal year 2014. Furthermore, bond issuance costs that were capitalized as deferred charges in the prior year statement of net assets and amortized annually were restated against beginning net position through the implementation of Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities.

The reconciliation between the prior year fund balance and the current year adjustments per fund is as follows:

#### Governmental Funds:

	<u>Beginning Fund Balance, May 1, 2012</u>	<u>Workers Compensation Payable Adjustment</u>	<u>Retroactive Payroll Accrual Adjustment</u>	<u>Restated Beginning Fund Balance, May 1, 2012</u>
<b>Major Funds</b>				
General	\$ 5,110,768	\$ (1,380,249)	\$ (178,324)	\$ 3,552,195

#### Governmental Activities:

Beginning Net Position for Governmental Activities, May 1, 2012	\$ (17,879,025)
Adjustments to Governmental Funds (from above)	(1,558,573)
Adjustment to eliminated Deferred Charges for Bond Issuance Costs through implementation of GASB Statement No. 65	<u>(1,184,956)</u>
Restated Beginning Net Position for Governmental Activities, May 1, 2012	<u><u>\$ (20,622,554)</u></u>



**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
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**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
<b>Revenues</b>			
Property taxes	\$ 4,900,000	\$ 5,429,154	\$ 529,154
Sales taxes	2,265,000	2,207,191	(57,809)
Utility and other local taxes	2,247,000	3,015,102	768,102
State income tax	1,800,000	2,171,935	371,935
State replacement tax	230,000	228,628	(1,372)
Grants	390,000	257,314	(132,686)
Licenses	500,000	512,937	12,937
Permits	115,000	257,129	142,129
Fines and forfeitures	371,000	403,395	32,395
Fees and service charges	345,000	300,428	(44,572)
Interest	-	117,242	117,242
Rentals	165,000	205,623	40,623
Refuse collection fees	1,400,000	1,398,088	(1,912)
Reimbursements	350,000	278,930	(71,070)
Miscellaneous	598,000	129,883	(468,117)
Total revenues	<u>15,676,000</u>	<u>16,912,979</u>	<u>1,236,979</u>
<b>Expenditures</b>			
General government			
General			
Salaries	632,434	667,251	34,817
Benefits	3,428,320	2,892,738	(535,582)
Printing and publishing	35,200	35,305	105
Office supplies	15,000	21,901	6,901
Postage and shipping	30,000	19,415	(10,585)
Insurance	650,000	562,642	(87,358)
Repairs and maintenance	10,000	68,767	58,767
Maintenance supplies	7,500	3,113	(4,387)
Utilities	-	158,020	158,020
Training, travel and meetings	-	1,256	1,256
Membership dues	4,000	23,237	19,237
Special event activities	4,000	7,716	3,716
Equipment	-	8,624	8,624
Capital outlay - Build America Bonds	-	1,093,148	1,093,148
Auditing	110,000	14,230	(95,770)
Legal services	312,000	375,991	63,991
Settlements	120,000	83,448	(36,552)
Contracted services	210,000	154,111	(55,889)
Professional services	109,978	163,347	53,369
Purchase of real estate	-	15,315	15,315
Miscellaneous	143,095	289,090	145,995
Total general	<u>5,821,527</u>	<u>6,658,665</u>	<u>837,138</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
<b>Expenditures (continued)</b>			
General government (continued)			
Board and commission			
Professional services	-	6,555	6,555
Repairs and maintenance	80,861	-	(80,861)
Miscellaneous	30,700	1,248	(29,452)
Total board and commission	<u>111,561</u>	<u>7,803</u>	<u>(103,758)</u>
Communication			
Salaries	35,000	44,112	9,112
Security system	2,500	3,178	678
Telephones	290,000	768,968	478,968
Equipment maintenance	-	439	439
Other professional services	-	24,049	24,049
Radio/communications	5,000	5,151	151
Total communication	<u>332,500</u>	<u>845,897</u>	<u>513,397</u>
Media center			
Salaries	56,787	73,280	16,493
Professional services	30,000	30,320	320
Total media center	<u>86,787</u>	<u>103,600</u>	<u>16,813</u>
Health			
Salaries	12,000	12,885	885
Professional services	8,000	18,220	10,220
Total health	<u>20,000</u>	<u>31,105</u>	<u>11,105</u>
Revenue department			
Salaries	96,051	64,243	(31,808)
Total revenue department	<u>96,051</u>	<u>64,243</u>	<u>(31,808)</u>
Total general government	<u>6,468,426</u>	<u>7,711,313</u>	<u>1,242,887</u>
Public safety			
Police department			
Salaries	3,995,000	4,856,130	861,130
Pension	-	955,535	955,535
Office supplies	4,000	7,916	3,916
Operating supplies	22,200	19,990	(2,210)
Contracted services	30,000	5,978	(24,022)
Legal services	230,000	255,618	25,618
Bank fees	-	9	9
Uniform allowance	16,000	15,125	(875)
Repairs and maintenance	22,000	79,026	57,026
Training, travel and meetings	25,000	39,050	14,050
Membership and dues	4,500	1,966	(2,534)
Equipment	-	53,211	53,211
Capital outlay - Build America Bonds	-	283,060	283,060
Miscellaneous	7,000	12,810	5,810
Total police department	<u>4,355,700</u>	<u>6,585,424</u>	<u>2,229,724</u>

**VILLAGE OF DOLTON, ILLINOIS**  
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**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
<b>Expenditures (continued)</b>			
Public safety (continued)			
Fire department			
Salaries	1,788,860	2,055,349	266,489
Pension	-	562,775	562,775
Uniform allowance	11,000	10,250	(750)
Office supplies	500	-	(500)
Professional services	8,000	17,871	9,871
Legal services	55,000	46,039	(8,961)
Radio/dispatch	1,000	2,782	1,782
Equipment	43,000	41,332	(1,668)
Repairs and maintenance	12,000	58,238	46,238
Training	12,500	2,951	(9,549)
Memberships	150	805	655
Telephone	-	86	86
Tools and supplies	1,850	-	(1,850)
Janitorial supplies	150	-	(150)
Operating supplies	2,000	-	(2,000)
Vehicle	172,744	-	(172,744)
Lease Principal	-	156,153	156,153
Interest	-	16,591	16,591
Capital outlay - Build America Bonds	-	17,150	17,150
Miscellaneous	800	25,925	25,125
Total fire department	<u>2,109,554</u>	<u>3,014,297</u>	<u>904,743</u>
Emergency disaster agency			
Salaries	3,130	3,139	9
Repairs and maintenance	-	2,532	2,532
Miscellaneous	225	-	(225)
Total emergency disaster agency	<u>3,355</u>	<u>5,671</u>	<u>2,316</u>
Total public safety	<u>6,468,609</u>	<u>9,605,392</u>	<u>3,136,783</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
<b>Expenditures (continued)</b>			
Public works			
Street division			
Salaries	741,504	804,931	63,427
Uniform allowance	8,500	6,250	(2,250)
Contracted services	20,000	25,582	5,582
Repairs and maintenance	43,575	208,714	165,139
Gasoline	-	92,036	92,036
Tools and supplies	24,000	-	(24,000)
Office supplies	200	-	(200)
Utilities	-	-	-
Maintenance supplies	114,000	44,787	(69,213)
Rented equipment	4,000	8,199	4,199
Lease principal	-	-	-
Interest	-	-	-
Capital outlay - Build America Bonds	-	549,457	549,457
Miscellaneous	1,000	2,331	1,331
Total street division	<u>956,779</u>	<u>1,742,287</u>	<u>785,508</u>
Building			
Salaries	17,000	24,556	7,556
Engineering services	20,000	23,442	3,442
Total building	<u>37,000</u>	<u>47,998</u>	<u>10,998</u>
Housing			
Salaries	206,135	260,267	54,132
Office supplies	-	6,111	6,111
Postage	3,500	4,618	1,118
Contracted services	39,000	51,354	12,354
Training, travel and meetings	-	1,119	1,119
Miscellaneous	-	11,485	11,485
Total housing	<u>248,635</u>	<u>334,954</u>	<u>86,319</u>
Total public works	<u>1,242,414</u>	<u>2,125,239</u>	<u>882,825</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
<b>Expenditures (continued)</b>			
Public property maintenance			
Sanitation			
Contract collection	1,000,000	1,739,215	739,215
Landfill Charges	15,000	(45,072)	(60,072)
Total sanitation	<u>1,015,000</u>	<u>1,694,143</u>	<u>679,143</u>
 Dorchester/Melanie Buildings & Grounds			
Salaries	115,000	115,000	-
Supplies	30,000	-	30,000
Repairs and maintenance	111,861	101,179	10,682
Capital outlay - Build America Bonds	-	763,039	(763,039)
Total Dorechester/Melanie Building & Grounds	<u>256,861</u>	<u>979,218</u>	<u>722,357</u>
 Total public property maintenance	<u>1,271,861</u>	<u>2,673,361</u>	<u>1,401,500</u>
 Total expenditures	<u>15,451,310</u>	<u>22,115,305</u>	<u>6,663,995</u>
 <b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>224,690</u>	<u>(5,202,326)</u>	<u>(5,427,016)</u>
 <b>Other Financing Sources (Uses)</b>			
Transfers in	-	3,091,134	3,091,134
Transfers out	-	(111,233)	(111,233)
Total other financing sources (uses)	<u>-</u>	<u>2,979,901</u>	<u>2,979,901</u>
 <b>Net Change in Fund Balance</b>	<u>\$ 224,690</u>	<u>(2,222,425)</u>	<u>\$ (2,447,115)</u>
 <b>Fund Balance - Beginning of Year</b>		<u>3,552,195</u>	
 <b>Fund Balance - End of Year</b>		<u>\$ 1,329,770</u>	

**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**911 EMERGENCY SERVICES FUND**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
<b>Revenues</b>			
Property taxes	\$ 120,000	\$ 125,261	\$ 5,261
911 service surcharges	85,000	113,578	28,578
Total revenues	<u>205,000</u>	<u>238,839</u>	<u>33,839</u>
<b>Expenditures</b>			
Public Safety			
Maintenance service - equipment	3,000	12,322	9,322
Telephone	12,000	17,806	5,806
Other miscellaneous expenses	980,000	635,245	(344,755)
Total public safety	<u>995,000</u>	<u>665,373</u>	<u>(329,627)</u>
 Total public safety	 <u>995,000</u>	 <u>665,373</u>	 <u>(329,627)</u>
 Total expenditures	 <u>995,000</u>	 <u>665,373</u>	 <u>(329,627)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(790,000)</u>	<u>(426,534)</u>	<u>363,466</u>
<b>Net Change in Fund Balance</b>	<u>\$ (790,000)</u>	<u>(426,534)</u>	<u>\$ 363,466</u>
<b>Fund Balance - Beginning of Year</b>		<u>(4,679,007)</u>	
<b>Fund Balance - End of Year</b>		<u>\$ (5,105,541)</u>	

**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**AS OF APRIL 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Employer Contributions</b>	<b>Annual Pension Cost</b>	<b>Percent Contributed</b>
12/31/2012	\$ 242,337	\$ 242,337	100.00%
12/31/2011	236,283	240,998	98.04%
12/31/2010	253,981	282,168	90.01%
12/31/2009	141,966	141,966	100.00%
12/31/2008	139,519	139,519	100.00%

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/2012	\$ 9,055,996	\$ 8,868,101	\$ (187,895)	102.12%	\$ 2,513,868	0.00%
12/31/2011	9,471,347	9,627,424	156,077	98.38%	2,481,961	6.29%
12/31/2010	9,639,744	10,214,970	575,226	94.37%	2,936,193	19.59%
12/31/2009	9,003,002	9,642,517	639,515	93.37%	3,033,461	21.08%
12/31/2008	9,768,833	10,243,434	474,601	95.37%	3,479,287	13.64%

**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS**  
**POLICE PENSION FUND**  
**AS OF APRIL 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Employer Contributions</b>	<b>Annual Pension Cost</b>	<b>Percent Contributed</b>
4/30/2013	955,535	1,113,611	85.81%
4/30/2012	494,118	813,874	60.71%
4/30/2011	511,480	916,722	55.79%
4/30/2010	509,152	900,328	56.55%
4/30/2009	532,898	593,086	89.85%
4/30/2008	521,067	428,136	121.71%

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
4/30/2013	\$ 24,820,661	\$ 34,695,748	9,875,087	71.54%	\$ 1,113,611	886.76%
4/30/2012	23,854,776	30,151,549	6,296,773	79.12%	813,874	773.68%
4/30/2011	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2010	21,630,240	28,267,605	6,637,365	76.52%	3,189,802	208.08%
4/30/2009	18,556,208	26,264,018	7,707,810	70.65%	2,909,552	264.91%
4/30/2008	23,025,914	24,910,900	1,884,986	92.43%	2,815,249	66.96%

N/A - Not Available



**VILLAGE OF DOLTON, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS**  
**FIRE PENSION FUND**  
**AS OF APRIL 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Employer Contributions</b>	<b>Annual Pension Cost</b>	<b>Percent Contributed</b>
4/30/2013	562,775	679,271	82.85%
4/30/2012	246,426	517,644	47.61%
4/30/2011	240,420	N/A	N/A
4/30/2010	245,930	499,646	49.22%
4/30/2009	265,292	321,994	82.39%
4/30/2008	252,659	241,118	104.79%

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
4/30/2013	11,886,330	18,125,305	6,238,975	65.58%	1,553,363	401.64%
4/30/2012	11,351,841	15,998,362	4,646,521	70.96%	1,502,340	309.29%
4/30/2011	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2010	10,063,231	14,120,974	4,057,743	71.26%	957,474	423.80%
4/30/2009	8,723,809	12,581,463	3,857,654	69.34%	636,513	606.06%
4/30/2008	10,385,392	11,299,508	914,116	91.91%	241,118	379.12%

N/A - Not Available

## VILLAGE OF DOLTON, ILLINOIS

Notes to the required supplementary information  
April 30, 2013

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### NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 30, the Treasurer submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance.
- The Treasurer is authorized to transfer budgeted amounts between departments within any fund however; revisions that alter the total expenditures of any fund must be approved by the Village Board. The budget was not amended this year.
- Formal budgetary integration is employed as a management control device during the year.
- Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

Appropriations lapse at the end of the fiscal year.

The Village budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year.

As of April 30, 2013, excess expenditures over appropriations are as follows:

Fund	Budget	Actual	Variance
Governmental Funds			
General	\$ 15,451,310	\$ 22,115,305	\$ (6,663,995)
Sibley TIF #2	210,000	284,020	\$ (74,020)
Enterprise Funds			
Water	3,631,733	3,820,275	(188,542)
Recreation Center	301,500	453,886	(152,386)
Dorchester	1,518,458	2,209,644	(691,186)
Sewer	135,000	248,973	(113,973)

**VILLAGE OF DOLTON, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2013**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash	\$ 50,564	\$ 5,101	\$ 55,665
Property taxes receivable	39,817	3,333,245	3,373,062
Grant receivable	12,854	-	12,854
Interfund receivables	6,400,854	7,686,812	14,087,666
Total assets	<u>\$ 6,504,089</u>	<u>\$ 11,025,158</u>	<u>\$ 17,529,247</u>
<b>Liabilities</b>			
Accounts payable	\$ 48,516	\$ -	\$ 48,516
Checks issued in excess of bank balances	11,915	-	11,915
Interfund payables	1,348,724	7,629,507	8,978,231
Total liabilities	<u>1,409,155</u>	<u>7,629,507</u>	<u>9,038,662</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues - property taxes	-	3,333,244	3,333,244
Total deferred inflows of resources	<u>-</u>	<u>3,333,244</u>	<u>3,333,244</u>
<b>Fund Balances</b>			
Restricted	5,605,608	1,238,367	6,843,975
Unassigned	(510,674)	(1,175,960)	(1,686,634)
Total fund balances	<u>5,094,934</u>	<u>62,407</u>	<u>5,157,341</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,504,089</u>	<u>\$ 11,025,158</u>	<u>\$ 17,529,247</u>

**VILLAGE OF DOLTON ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 1,226,378	\$ 4,468,402	\$ 5,694,780
Motor fuel tax allotments	663,576	-	663,576
Interest	83	1,332	1,415
Grants	104,477	-	104,477
Other revenues	6,316	104,985	111,301
Total revenues	<u>2,000,830</u>	<u>4,574,719</u>	<u>6,575,549</u>
<b>Expenditures</b>			
Professional services	7,679	-	7,679
Maintenance	381,045	-	381,045
Debt service			
Principal	-	2,765,000	2,765,000
Interest and fees	-	1,715,892	1,715,892
Agent fees	-	4,619	4,619
Miscellaneous	330,277	-	330,277
Total expenditures	<u>719,001</u>	<u>4,485,511</u>	<u>5,204,512</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>1,281,829</u>	<u>89,208</u>	<u>1,371,037</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	111,233	-	111,233
Transfers out	(240,000)	(2,851,134)	(3,091,134)
Total other financing sources (uses)	<u>(128,767)</u>	<u>(2,851,134)</u>	<u>(2,979,901)</u>
<b>Net Change in Fund Balances</b>	<u>1,153,062</u>	<u>(2,761,926)</u>	<u>(1,608,864)</u>
<b>Fund Balances - Beginning of Year</b>	<u>3,941,872</u>	<u>2,824,333</u>	<u>6,766,205</u>
<b>Fund Balances - End of Year</b>	<u>\$ 5,094,934</u>	<u>\$ 62,407</u>	<u>\$ 5,157,341</u>

**VILLAGE OF DOLTON, ILLINOIS  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
APRIL 30, 2013**

	Motor Fuel Tax Fund	Housing Authority Fund	NSP Fund	Sibley TIF #2 Fund	I-94 Sibley TIF Fund	TIF #3 Indulux Fund	TIF #4 Greenwood Residential Rehab Fund	Total Special Revenue Funds
<b>Assets</b>								
Cash	\$ 730	\$ 6,090	\$ -	\$ 43,744	\$ -	\$ -	\$ -	\$ 50,564
Taxes receivable	39,817	-	-	-	-	-	-	39,817
Grant receivable	-	-	12,854	-	-	-	-	12,854
Interfund receivables	3,402,809	-	93,434	320,000	1,478,280	1,106,331	-	6,400,854
Total assets	<u>\$ 3,443,356</u>	<u>\$ 6,090</u>	<u>\$ 106,288</u>	<u>\$ 363,744</u>	<u>\$ 1,478,280</u>	<u>\$ 1,106,331</u>	<u>\$ -</u>	<u>\$ 6,504,089</u>
<b>Liabilities</b>								
Accounts payable	\$ 8,516	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 48,516
Checks issued in excess of bank balances	-	-	-	-	-	-	11,915	11,915
Interfund payables	211,179	-	106,288	822,503	13,281	195,473	-	1,348,724
Total liabilities	<u>219,695</u>	<u>-</u>	<u>106,288</u>	<u>862,503</u>	<u>13,281</u>	<u>195,473</u>	<u>11,915</u>	<u>1,409,155</u>
<b>Fund Balances</b>								
Restricted	3,223,661	6,090	-	-	1,464,999	910,858	-	5,605,608
Unassigned	-	-	-	(498,759)	-	-	(11,915)	(510,674)
Total fund balances	<u>3,223,661</u>	<u>6,090</u>	<u>-</u>	<u>(498,759)</u>	<u>1,464,999</u>	<u>910,858</u>	<u>(11,915)</u>	<u>5,094,934</u>
Total liabilities and fund balances	<u>\$ 3,443,356</u>	<u>\$ 6,090</u>	<u>\$ 106,288</u>	<u>\$ 363,744</u>	<u>\$ 1,478,280</u>	<u>\$ 1,106,331</u>	<u>\$ -</u>	<u>\$ 6,504,089</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	<b>Motor Fuel Tax Fund</b>	<b>Housing Authority Fund</b>	<b>NSP Fund</b>	<b>Sibley TIF #2 Fund</b>	<b>I-94 Sibley TIF Fund</b>	<b>TIF #3 Indulux Fund</b>	<b>TIF #4 Greenwood Residential Rehab Fund</b>	<b>Total Special Revenue Funds</b>
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ 296,536	\$ 687,258	\$ 242,584	\$ -	\$ 1,226,378
Motor fuel tax allotments	663,576	-	-	-	-	-	-	663,576
Interest	18	4	-	45	12	4	-	83
Grants	-	-	104,477	-	-	-	-	104,477
Other revenues	-	-	6,316	-	-	-	-	6,316
Total revenues	<u>663,594</u>	<u>4</u>	<u>110,793</u>	<u>296,581</u>	<u>687,270</u>	<u>242,588</u>	<u>-</u>	<u>2,000,830</u>
<b>Expenditures</b>								
Professional services	-	-	-	4,020	3,465	194	-	7,679
Maintenance	381,045	-	-	-	-	-	-	381,045
Miscellaneous	-	-	50,277	280,000	-	-	-	330,277
Total expenditures	<u>381,045</u>	<u>-</u>	<u>50,277</u>	<u>284,020</u>	<u>3,465</u>	<u>194</u>	<u>-</u>	<u>719,001</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>282,549</u>	<u>4</u>	<u>60,516</u>	<u>12,561</u>	<u>683,805</u>	<u>242,394</u>	<u>-</u>	<u>1,281,829</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	111,233	-	-	-	-	-	-	111,233
Transfers out	-	-	-	(240,000)	-	-	-	(240,000)
Total other financing sources (uses)	<u>111,233</u>	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,767)</u>
<b>Net Change in Fund Balances</b>	<u>393,782</u>	<u>4</u>	<u>60,516</u>	<u>(227,439)</u>	<u>683,805</u>	<u>242,394</u>	<u>-</u>	<u>1,153,062</u>
<b>Fund Balances - Beginning of Year</b>	<u>2,829,879</u>	<u>6,086</u>	<u>(60,516)</u>	<u>(271,320)</u>	<u>781,194</u>	<u>668,464</u>	<u>(11,915)</u>	<u>3,941,872</u>
<b>Fund Balances - End of Year</b>	<u>\$ 3,223,661</u>	<u>\$ 6,090</u>	<u>\$ -</u>	<u>\$ (498,759)</u>	<u>\$ 1,464,999</u>	<u>\$ 910,858</u>	<u>\$ (11,915)</u>	<u>\$ 5,094,934</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**APRIL 30, 2013**

	General Obligation 2004A Fund	General Obligation 2004C Fund	General Obligation 2004D Fund	General Obligation 2009A Fund	General Obligation 2009B Fund	General Obligation 2009C Fund	General Obligation 2010A Fund	General Obligation 2010B Fund	Total Debt Service Funds
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ 5,101	\$ -	\$ -	\$ -	\$ -	\$ 5,101
Taxes receivable	234,660	204,328	172,329	321,325	247,660	1,197,301	-	955,642	3,333,245
Interfund receivables	544,906	452,944	933,170	1,567,585	1,660,610	507,815	779,880	1,239,902	7,686,812
Total assets	<u>\$ 779,566</u>	<u>\$ 657,272</u>	<u>\$ 1,105,499</u>	<u>\$ 1,894,011</u>	<u>\$ 1,908,270</u>	<u>\$ 1,705,116</u>	<u>\$ 779,880</u>	<u>\$ 2,195,544</u>	<u>\$ 11,025,158</u>
<b>Liabilities</b>									
Interfund Payables	\$ 349,940	\$ 315,114	\$ 816,453	\$ 1,591,270	\$ 871,756	\$ 540,802	\$ 1,024,329	\$ 2,119,843	\$ 7,629,507
Total liabilities	<u>349,940</u>	<u>315,114</u>	<u>816,453</u>	<u>1,591,270</u>	<u>871,756</u>	<u>540,802</u>	<u>1,024,329</u>	<u>2,119,843</u>	<u>7,629,507</u>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue - property taxes	234,660	204,328	172,329	321,325	247,660	1,197,301	-	955,641	3,333,244
Total deferred inflows of resources	<u>234,660</u>	<u>204,328</u>	<u>172,329</u>	<u>321,325</u>	<u>247,660</u>	<u>1,197,301</u>	<u>-</u>	<u>955,641</u>	<u>3,333,244</u>
<b>Fund Balances</b>									
Restricted	194,966	137,830	116,717	-	788,854	-	-	-	1,238,367
Unassigned	-	-	-	(18,584)	-	(32,987)	(244,449)	(879,940)	(1,175,960)
Total fund balances	<u>194,966</u>	<u>137,830</u>	<u>116,717</u>	<u>(18,584)</u>	<u>788,854</u>	<u>(32,987)</u>	<u>(244,449)</u>	<u>(879,940)</u>	<u>62,407</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 779,566</u>	<u>\$ 657,272</u>	<u>\$ 1,105,499</u>	<u>\$ 1,894,011</u>	<u>\$ 1,908,270</u>	<u>\$ 1,705,116</u>	<u>\$ 779,880</u>	<u>\$ 2,195,544</u>	<u>\$ 11,025,158</u>

**VILLAGE OF DOLTON, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	<b>General Obligation 2004A Fund</b>	<b>General Obligation 2004C Fund</b>	<b>General Obligation 2004D Fund</b>	<b>General Obligation 2009A Fund</b>	<b>General Obligation 2009B Fund</b>	<b>General Obligation 2009C Fund</b>	<b>General Obligation 2010A Fund</b>	<b>General Obligation 2010B Fund</b>	<b>Total Debt Service Funds</b>
<b>Revenues</b>									
Property taxes	\$ 357,362	\$ 298,312	\$ 255,741	\$ 750,388	\$ 310,696	\$ 1,042,023	\$ 375,185	\$ 1,078,695	\$ 4,468,402
Interest	-	-	-	-	1,332	-	-	-	1,332
Other	-	-	-	-	-	-	-	104,985	104,985
Total revenues	<u>357,362</u>	<u>298,312</u>	<u>255,741</u>	<u>750,388</u>	<u>312,028</u>	<u>1,042,023</u>	<u>375,185</u>	<u>1,183,680</u>	<u>4,574,719</u>
<b>Expenditures</b>									
Debt service									
Principal	290,000	200,000	150,000	-	-	1,000,000	-	1,125,000	2,765,000
Interest and fees	25,738	74,638	81,520	431,850	332,755	609,616	-	159,775	1,715,892
Agent fees	915	400	400	-	1,940	513	-	451	4,619
Total expenditures	<u>316,653</u>	<u>275,038</u>	<u>231,920</u>	<u>431,850</u>	<u>334,695</u>	<u>1,610,129</u>	<u>-</u>	<u>1,285,226</u>	<u>4,485,511</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>40,709</u>	<u>23,274</u>	<u>23,821</u>	<u>318,538</u>	<u>(22,667)</u>	<u>(568,106)</u>	<u>375,185</u>	<u>(101,546)</u>	<u>89,208</u>
<b>Other Financing Sources (Uses)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(2,851,134)	-	-	-	(2,851,134)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,851,134)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,851,134)</u>
<b>Net Change in Fund Balances</b>	<u>40,709</u>	<u>23,274</u>	<u>23,821</u>	<u>318,538</u>	<u>(2,873,801)</u>	<u>(568,106)</u>	<u>375,185</u>	<u>(101,546)</u>	<u>(2,761,926)</u>
<b>Fund Balances - Beginning of Year</b>	<u>154,257</u>	<u>114,556</u>	<u>92,896</u>	<u>(337,122)</u>	<u>3,662,655</u>	<u>535,119</u>	<u>(619,634)</u>	<u>(778,394)</u>	<u>2,824,333</u>
<b>Fund Balances - End of Year</b>	<u>\$ 194,966</u>	<u>\$ 137,830</u>	<u>\$ 116,717</u>	<u>\$ (18,584)</u>	<u>\$ 788,854</u>	<u>\$ (32,987)</u>	<u>\$ (244,449)</u>	<u>\$ (879,940)</u>	<u>\$ 62,407</u>



**VILLAGE OF DOLTON, ILLINOIS**  
**COMBINING STATEMENT OF PLAN NET POSITION**  
**PENSION TRUST FUNDS**  
**APRIL 30, 2013**

	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 235,942	\$ 5,133	\$ 241,075
Investments	23,163,267	11,265,728	34,428,995
Accrued interest	47,758	9,420	57,178
Due from Village	312,643	15,222	327,865
(allowance for uncollectable interfund)	(312,643)	-	(312,643)
Prepays	517	-	517
Total assets	<u>23,447,484</u>	<u>11,295,503</u>	<u>34,742,987</u>
<b>Liabilities</b>			
Other liabilities	<u>9,790</u>	<u>11,315</u>	<u>21,105</u>
Total liabilities	<u>9,790</u>	<u>11,315</u>	<u>21,105</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u><u>\$ 23,437,694</u></u>	<u><u>\$ 11,284,188</u></u>	<u><u>\$ 34,721,882</u></u>

**VILLAGE OF DOLTON, ILLINOIS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2013**

	<b>Police Pension Fund</b>	<b>Fire Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 952,019	\$ 562,775	\$ 1,514,794
Plan members	425,068	141,268	566,336
Total contributions	<u>1,377,087</u>	<u>704,043</u>	<u>2,081,130</u>
Investment earnings			
Interest and dividends earned	511,645	148,793	660,438
Net increase (decrease) in fair value	<u>1,225,069</u>	<u>548,428</u>	<u>1,773,497</u>
Total investment income	1,736,714	697,221	2,433,935
Less investment expense	<u>(32,750)</u>	<u>(15,153)</u>	<u>(47,903)</u>
Net investment earnings	<u>1,703,964</u>	<u>682,068</u>	<u>2,386,032</u>
Total additions	<u>3,081,051</u>	<u>1,386,111</u>	<u>4,467,162</u>
<b>Deductions</b>			
Benefits	1,384,333	756,929	2,141,262
Refunds	139,307	-	139,307
Administrative expenses	<u>75,322</u>	<u>28,674</u>	<u>103,996</u>
Total deductions	<u>1,598,962</u>	<u>785,603</u>	<u>2,384,565</u>
<b>Change in Net Position</b>	<u>1,482,089</u>	<u>600,508</u>	<u>2,082,597</u>
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning of Year	<u>21,955,605</u>	<u>10,683,680</u>	<u>32,639,285</u>
End of Year	<u>\$ 23,437,694</u>	<u>\$ 11,284,188</u>	<u>\$ 34,721,882</u>