

FY 2015
 ANNUAL TAX INCREMENT FINANCE
 REPORT



STATE OF ILLINOIS
 COMPTROLLER
 LESLIE GEISSLER MUNGER

Name of Municipality: South Holland Reporting Fiscal Year: 2015
 County: Cook Fiscal Year End: 4/30/2015
 Unit Code: 016/540/32

TIF Administrator Contact Information			
First Name:	<u>Beth</u>	Last Name:	<u>Herman</u>
Address:	<u>16226 Wausau Ave.</u>	Title:	<u>Treasurer</u>
Telephone:	<u>708/210-2900</u>	City:	<u>South Holland</u> Zip: <u>60473-2156</u>
Mobile	<u>required</u>	E-mail:	<u>bherman@southholland.org</u>
Mobile Provider	<u></u>	Best way to contact	<input checked="" type="checkbox"/> <u>X</u> Email <u>Phone</u> <input type="checkbox"/> <u>Mobile</u> <u>Mail</u>

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of South Holland is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Beth Herman 12/9/15
 Written signature of TIF Administrator Date

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

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Downtown TIF	9/2/2003	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

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

FY 2015

Name of Redevelopment Project Area:	Downtown
Primary Use of Redevelopment Project Area*:	Central Business District
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

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

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

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

Provide an analysis of the special tax allocation fund.

FY 2015

TIF NAME: Downtown TIF

Fund Balance at Beginning of Reporting Period \$ 3,824,649

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 129,930	\$ 737,185	2%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 3	\$ 5,752	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources	\$ 2,000,000	\$ 10,550,356	33%
Private Sources		\$ 19,243,000	59%
Other (identify source "Rental Income"; if multiple other sources, attach schedule)	\$ 143,531	\$ 1,889,027	6%

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

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 2,273,464

Cumulative Total Revenues/Cash Receipts \$ 32,425,320 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,412,399

Distribution of Surplus

Total Expenditures/Disbursements \$ 1,412,399

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 861,065

FUND BALANCE, END OF REPORTING PERIOD* \$ 4,685,714

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

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (1,424,286)

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

FY 2015

TIF NAME: Downtown TIF

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

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

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Central Government, Administration	4,515	
		\$ 4,515
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Capital Outlay	1,407,884	
		\$ 1,407,884
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -

TOTAL ITEMIZED EXPENDITURES		\$ 1,412,399
------------------------------------	--	---------------------

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

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

FY 2015

TIF NAME: Downtown TIF

FUND BALANCE, END OF REPORTING PERIOD \$ 4,685,714

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Series 2003A Taxable Bonds	\$ 1,500,000	
Series 2007A G.O. Bonds (refunded)	\$ 4,415,000	\$ 85,000
Series 2007C G.O. Bonds (refunded)	\$ 4,150,000	\$ 140,000
Series 2015A G.O. Bonds	\$ 2,665,000	\$ 2,665,000
Series 2015B G.O. Bonds	\$ 3,220,000	\$ 3,220,000

Total Amount Designated for Obligations \$ 15,950,000 \$ 6,110,000

2. Description of Project Costs to be Paid

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 6,110,000

SURPLUS*/(DEFICIT) \$ (1,424,286)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

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

FY 2015

TIF NAME: Downtown TIF

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

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	Purchased per installment contract - 3 yr. term
Street address:	226 E. 161st Place
Approximate size or description of property:	Lots 5, 6
Purchase price:	1,320,000.00
Seller of property:	Wausau Lumber and Coal Company

Property (2):	
Street address:	The purchase of Wausau Lumber was pursuant to an Installment
Approximate size or description of property:	contract and the balance of the purchase was made over 3 years.
Purchase price:	The auditors have reclassified the entire purchase payments
Seller of property:	pursuant to the contract as Property Acquisition in FY15.

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

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

FY 2015

TIF NAME:Downtown TIF

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

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*. _____1_____			
	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 218,268	\$ -	\$ -
Ratio of Private/Public Investment	0		0

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

Panera Bread			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken	\$ 218,268		
Ratio of Private/Public Investment	0		0

Project 2:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

SECTION 6

FY 2015

TIF NAME: Downtown TIF

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

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2003	\$ 2,588,039	\$ 3,278,069

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

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

SECTION 8

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

--

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



THE VILLAGE OF SOUTH HOLLAND

Don A. De Graff, President

Sallie D. Penman, **Clerk** Beth Herman, **Treasurer**

Trustees

N. Keith Chambers
Cynthia L. Nylen
Andrew Johnson

Larry W. De Young
Mathew James
John F. Sullivan

Re: Downtown TIF District

I, Don A. DeGraff, the duly elected Chief Executive Officer of the Village of South Holland, County of Cook, State of Illinois, do hereby certify that, to the best of my knowledge, the Village has complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning May 1, 2014 and ending April 30, 2015.

November 16, 2015
DATE

Downtown TIF District
South Holland Fiscal Year Beginning May 1, 2014 and ending April 30, 2015

December 7, 2015

RE: Attorney Review Downtown TIF

To Whom It May Concern:

This will confirm that I am the Village Attorney for the Village of South Holland, Illinois. I have reviewed all information provided to me by the Village, staff and consultants, and I find that the Village has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the fiscal year beginning May 1, 2014 and ending April 30, 2015, to the best of my knowledge and belief.

Sincerely,

HISKES, DILLNER, O'DONNELL,
MAROVICH & LAPP, LTD.
Village Attorneys - Village of South Holland

By: 

Timothy C. Lapp

TCL/db

Attachment D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the reporting Fiscal Year, and
- B. A description of the redevelopment activities undertaken.

The Village continued to assemble properties for redevelopment and used municipal funds including bond proceeds in order to fund redevelopment activities. The Village issued two General Obligation Refunding Bond series in the reporting Fiscal Year, and Official Statements are hereto attached as Exhibit B. The new issues were used to achieve greater cost savings and to retire existing 2007A & 2007C G.O. Bond series. The Village continued to undertake planning and review activities associated with coordinated TOD planning and related redevelopment improvements.

The Village completed the final payments regarding the acquisition of the former Wausau Lumber site in the reporting fiscal year. The purchase was pursuant to an Installment contract and the balance of the purchase was made over 3 years. The auditors reclassified the entire purchase payments pursuant to the contract as Property acquisition in the reporting fiscal year.

Additional redevelopment activities continued in the reporting Fiscal Year.

Tax Increment Financing Districts
Joint Review Board Meeting
 South Suburban College TIF District
 Route 6 TIF District
 Gateway East TIF District
 I-80 TIF District
 Downtown TIF District

Dated: January 7, 2015
Fiscal Year Ended April 30, 2014

Members Present: Rich Zimmerman (Resident Representative), Paul Woehlke (School District 151), Bob Charnot (School District 205), Jason Huisman (Village of South Holland Representative)

Others Present: Beth Herman (South Holland Village Treasurer), Tim Lapp (South Holland Village Attorney)

Meeting was called to order at 9:05 a.m. January 7, 2015.

Discussion

Notice was sent out to all JRB members on November 21, 2014 calling for a JRB meeting on January 7, 2015. Members were mailed copies of the Annual TIF report for each TIF District with the meeting notice.

No additional materials or handouts were provided and no formal presentations were made.

Village Treasurer Herman informed members of the Termination Dates for each of the 5 TIF Districts. Village Treasurer Herman also informed members of the current Incremental EAV for each district.

School district 205 representative Charnot inquired about the South East Service line. Village Administrator Huisman led a general discussion of the status of the SES line.

No additional questions were raised by the members and the meeting was adjourned at 9:21 a.m.

Submitted,
Beth Herman
Treasurer
Village of South Holland

Final Official Statement Dated April 6, 2015

In the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), interest on the Series 2015A Bonds is includable in gross income of the owners thereof for federal income tax purposes. Interest on the Series 2015A Bonds is not exempt from present State of Illinois (the "State") income taxes. See "TAX TREATMENT - THE SERIES 2015A BONDS" herein for a more complete discussion.

Subject to compliance by the Village with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series 2015B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2015B Bonds is not exempt from present State income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Series 2015B Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS - THE SERIES 2015B BONDS" herein.

**VILLAGE OF SOUTH HOLLAND**

Cook County, Illinois

\$2,665,000 Taxable General Obligation Refunding Bonds, Series 2015A**\$3,220,000 General Obligation Refunding Bonds, Series 2015B****Dated April 21, 2015****Book-Entry****Non-Callable****Due Serially as Detailed Herein**

The \$2,665,000 Taxable General Obligation Refunding Bonds, Series 2015A (the "Series 2015A Bonds"), and the \$3,220,000 General Obligation Refunding Bonds, Series 2015B (the "Series 2015B Bonds", and together with the Series 2015A Bonds, the "Bonds") are being issued by the Village of South Holland, Cook County, Illinois (the "Village"). Interest on the Bonds is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2015. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 15 as detailed herein.

OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

PURPOSE, LEGALITY AND SECURITY

The Series 2015A Bond proceeds will be used to advance refund a portion of the Village's outstanding Taxable General Obligation Bonds, Series 2007A, and to pay costs of issuing the Series 2015A Bonds. See "**PLAN OF FINANCING - The Series 2015A Bonds**" herein.

The Series 2015B Bond proceeds will be used to advance refund a portion of the Village's outstanding General Obligation Bonds, Series 2007C, and to pay costs of issuing the Series 2015B Bonds. See "**PLAN OF FINANCING - The Series 2015B Bonds**" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the Village and are payable from any funds of the Village legally available for such purpose, and all taxable property of the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Final Official Statement is dated April 6, 2015, and has been prepared under the authority of the Village. An electronic copy of this Final Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Jason Huisman, Village Administrator, Village of South Holland, 16226 Wausau Avenue, South Holland, Illinois 60473-2156, or from the Independent Public Finance Consultants to the Village:

Established 1954

*Speer Financial, Inc.***INDEPENDENT PUBLIC FINANCE CONSULTANTS**

ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602

Telephone: (312) 346-3700; Facsimile: (312) 346-8833

www.speerfinancial.com

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

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

TABLE OF CONTENTS

	<u>Page</u>
BOND ISSUE SUMMARY	1
THE SERIES 2015A BONDS	2
THE SERIES 2015B BONDS	2
VILLAGE OF SOUTH HOLLAND - Trustees and Officials	3
THE VILLAGE	3
Village Organization.....	3
Community Services.....	4
Transportation.....	4
Education	4
SOCIOECONOMIC INFORMATION	5
Employment	5
Building Permits.....	7
Housing	7
Income	8
Retail Activity	9
PLAN OF FINANCING.....	10
DEBT INFORMATION.....	11
PROPERTY ASSESSMENT AND TAX INFORMATION	13
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES	14
Real Property Assessment	14
Equalization.....	16
Exemptions	16
Tax Levy.....	18
Property Tax Extension Limitation Law.....	19
Extensions	19
Collections.....	20
Truth in Taxation Law	21
FINANCIAL INFORMATION	21
Investment Policy	21
Financial Reports.....	21
No Consent or Updated Information Requested of the Auditor.....	21
Summary Financial Information	22
PENSION AND RETIREMENT OBLIGATIONS	26
REGISTRATION, TRANSFER AND EXCHANGE.....	26
TAX TREATMENT - THE SERIES 2015A BONDS.....	27
TAX EXEMPTION - THE SERIES 2015B BONDS.....	28
QUALIFIED TAX-EXEMPT OBLIGATIONS - THE SERIES 2015B BONDS	30
CONTINUING DISCLOSURE.....	30
THE UNDERTAKING	31
Annual Financial Information Disclosure.....	31
Reportable Events Disclosure.....	31
Consequences of Failure of the Village to Provide Information	32
Amendment; Waiver.....	32
Termination of Undertaking	33
Additional Information	33
Dissemination of Information; Dissemination Agent	33
NO OPTIONAL REDEMPTION	33
LITIGATION	34
CERTAIN LEGAL MATTERS	34
FINAL OFFICIAL STATEMENT AUTHORIZATION	34
INVESTMENT RATING.....	34
UNDERWRITING	35
MUNICIPAL ADVISOR	35
CERTIFICATION	35
APPENDIX A - EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS	
APPENDIX B - DESCRIBING BOOK-ENTRY-ONLY ISSUANCE	
APPENDIX C - PROPOSED FORMS OF LEGAL OPINION	
APPENDIX D - EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS RELATING TO THE VILLAGE'S PENSION PLANS	

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors. The following descriptions apply equally to the Series 2015A Bonds and the Series 2015B Bonds. Other terms specific to each series are provided separately herein.

Issuer:	Village of South Holland, Cook County, Illinois.
Dated Date:	Date of delivery, expected to be on or about April 21, 2015.
Interest Due:	Each June 15 and December 15, commencing December 15, 2015.
Principal Due:	Serially each December 15, commencing December 15, 2016 through 2026, as detailed herein.
No Optional Redemption:	The Bonds are not subject to optional redemption prior to maturity.
Authorization:	The Village is a home rule unit under the 1970 Constitution of the State of Illinois and as such has no debt limitation and is not required to seek referendum approval to issue the Bonds.
Security:	The Bonds are valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
Credit Rating:	Moody's Investors Service has rated the Bonds "Aa3".
Bond Registrar/Paying Agent/ Escrow Agent:	The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about April 21, 2015.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

THE SERIES 2015A BONDS

Issue: \$2,665,000 Taxable General Obligation Refunding Bonds, Series 2015A.

Purpose: The Series 2015A Bond proceeds will be used to advance refund a portion of the Village's outstanding Taxable General Obligation Bonds, Series 2007A, and to pay costs of issuing the Series 2015A Bonds. See "**PLAN OF FINANCING - The Series 2015A Bonds**" herein.

Tax Treatment: Interest on the Series 2015A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Bond Counsel will provide an opinion as to the federal tax treatment of the interest on the Series 2015A Bonds. See "**TAX TREATMENT - THE SERIES 2015A BONDS**" herein. Interest on the Series 2015A Bonds is not exempt from present State of Illinois income taxes.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Principal Amount	Due Dec. 15	Interest Rate	Yield	CUSIP Number(1)	Principal Amount	Due Dec. 15	Interest Rate	Yield	CUSIP Number(1)
\$140,000	2016	1.500%	0.750%	838345 KD7	\$255,000	2022	2.500%	2.500%	838345 KK1
155,000	2017	1.500%	1.200%	838345 KE5	280,000	2023	2.700%	2.700%	838345 KL9
175,000	2018	1.600%	1.600%	838345 KF2	310,000	2024	2.900%	2.900%	838345 KM7
195,000	2019	1.900%	1.900%	838345 KG0	340,000	2025	3.100%	3.100%	838345 KN5
210,000	2020	2.100%	2.100%	838345 KH8	370,000	2026	3.250%	3.250%	838345 KP0
235,000	2021	2.300%	2.300%	838345 KJ4					

THE SERIES 2015B BONDS

Issue: \$3,220,000 General Obligation Refunding Bonds, Series 2015B.

Purpose: The Series 2015B Bond proceeds will be used to advance refund a portion of the Village's outstanding General Obligation Bonds, Series 2007C, and to pay costs of issuing the Series 2015B Bonds. See "**PLAN OF FINANCING - The Series 2015B Bonds**" herein.

Tax Exemption: Bond Counsel will provide an opinion as to the federal tax exemption of the interest on the Series 2015B Bonds as discussed under "**TAX EXEMPTION - THE SERIES 2015B BONDS**" herein. Interest on the Series 2015B Bonds is not exempt from present State of Illinois income taxes.

Bank Qualification: The Series 2015B Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "**QUALIFIED TAX-EXEMPT OBLIGATIONS - THE SERIES 2015B BONDS**" herein.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Principal Amount	Due Dec. 15	Interest Rate	Yield	CUSIP Number(1)	Principal Amount	Due Dec. 15	Interest Rate	Yield	CUSIP Number(1)
\$140,000	2016	4.000%	0.600%	838345 KQ8	\$310,000	2022	4.000%	2.000%	838345 KW5
160,000	2017	4.000%	1.000%	838345 KR6	350,000	2023	4.000%	2.150%	838345 KX3
185,000	2018	4.000%	1.250%	838345 KS4	395,000	2024	5.000%	2.200%	838345 KY1
215,000	2019	4.000%	1.400%	838345 KT2	445,000	2025	5.000%	2.350%	838345 KZ8
245,000	2020	4.000%	1.600%	838345 KU9	495,000	2026	5.000%	2.500%	838345 LA2
280,000	2021	4.000%	1.800%	838345 KV7					

(1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Final Official Statement.

VILLAGE OF SOUTH HOLLAND
Cook County, Illinois

Don A. De Graff
President

Trustees

Andrew Johnson, Jr.
N. Keith Chambers

Larry W. DeYoung
Cynthia L. Doorn-Nylen

Matthew James
Dr. John F. Sullivan

Officials

Sallie D. Penman
Village Clerk

Jason Huisman
Village Administrator

Beth Herman
Treasurer/Finance Officer

Speer Financial, Inc.
Municipal Advisor

Hiskes, Dillner, O'Donnell,
Marovich & Lapp, Ltd.
Legal Counsel

THE VILLAGE

Village Organization

The Village of South Holland, (the "Village") is located 23 miles southeast of downtown Chicago. Founded in the 1840's, the Village is 8.8 square miles. The Village refers to itself as "A Community of Churches" and is home to 31 churches. Substantial growth occurred during the 1946-1970 period, with little area left for new housing. Open land is available in industrial areas. The 1990 Census population was reported at 22,105, down from 24,997 at the time of the 1980 Census. The 2000 Census population was reported at 22,147, and the 2010 Census population was reported at 22,030.

The Village is governed by a President and Board of six Trustees. The Village is home-rule by election. There are 138 full-time employees, including 24 full-time fire department employees and 48 full-time police department employees.

The Village has a class 3 insurance rating for both Fire and Building. The Village is the 27th community in the State of Illinois to achieve a Class 3 rating. Nationwide, only 144 communities have a better rating and only 1,286 have achieved a Class 3 rating. The Metropolitan Water Reclamation District of Greater Chicago treats the Village's sewerage. Municipal services include garbage collection, police protection, paramedic service, fire protection, library services and recreation.

Utility services are provided by Commonwealth Edison and Northern Illinois Gas Company.

Community Services

The \$1.2 million Gouwens Park and Sports Complex was completed in 1992. The 27 acre park has sports fields, tennis courts, a playground, a picnic area with concession stand and more than two miles of walking trails. The park also features Natureville, a unique playground, and Windmill Island.

The \$6.2 million community center, which opened in 2000, continues the Village's investment in the community. This facility houses the park department offices, a health club, a swimming pool, a running track and meeting rooms.

The \$3.5 million renovation of Veteran's Park was completed in 2009. New playground equipment, redesigned ball fields providing better drainage, a new concession and reviewing stand, new washrooms, a new maintenance building and walking paths were constructed as part of the initial project. Grant funds were subsequently secured to complete a Memorial Gardens, fountain and gazebo. An additional grant-funded gazebo will be added to the park in Spring 2015.

The parks and recreation department offers activities for residents of all ages. Facilities include 30 parks, six tennis courts and two jogging paths.

Annual community events include a Fourth of July village picnic, a Halloween party, a Labor Day Heritage Fest and a Memorial Day parade and ceremony.

Transportation

The Bishop Ford Expressway (I-94) runs north-south on the east side, and the Tri-State Tollroad (I-80/294) runs east-west on the south side of town. The Kingery and Borman expressways run just east of the Village.

Metra commuter trains from two Harvey stations reach the Loop in approximately 35 minutes. Commuter parking is available adjacent to both stations. Midway Airport is a 35-minute drive, while O'Hare will take about an hour. Bus service is also available.

Education

Districts 150 and 151 serve the elementary school population for the Village. In addition, one parochial high school and three parochial elementary schools are located within the Village. Opportunities for higher education are available at South Suburban Community College District Number 510 with an approximate student enrollment of 17,000 and an employment of approximately 800 people. In addition, higher education opportunities are available to Village residents in the many private and public colleges and universities throughout the Chicago metropolitan area.

Most high school students in the community attend Thornwood High School in District 205. Students may attend Thornridge or Thornton Township high schools, also in District 205. The elementary and high schools offer strong computer literacy programs and courses for gifted students. A high school program called "Writer's Work Bench" combines computers with language arts.

SOCIOECONOMIC INFORMATION

The following statistics principally pertain to the Village. Additional comparisons are made with Cook County (the “County”) and the State of Illinois (the “State”).

Employment

Following are large employers located in the Village and in immediately surrounding areas. Village residents also have access to employment throughout the Chicago metropolitan area.

Major Village Employers(1)

Name	Product/Service	Approximate Employment
Carl Buddig & Co.	Processed Meat	850
South Suburban Community College	Community College.....	800(2)
Ed Miniati, LLC	Meat Processing	450
Rupari Food Services, Inc.	Meat Processing	250
HCR Manor Care	Skilled Nursing Care.....	240
UPS	Trucking	220
Accurate Dispersions.....	Color Pigment and Dispersions.....	200
Windmill Nursing Pavillion Ltd.	Nursing Home.....	114
Robinson Engineering Ltd.	Civil Engineers and Land Surveyors.....	100
Calumet Carton Co.	Folding Paperboard Boxes	100
Niagara LaSalle Corp.	Cold Finishing of Steel Shapes	90
Armacell, LLC	Insulation Foam.....	80
Grier Abrasive Co., Inc.	Abrasive Grinding Wheels.....	80

Notes: (1) Source: 2015 Illinois Manufacturers Directory, 2015 Illinois Services Directory and a selective telephone survey.
 (2) Includes full and part-time employees.

Major Area Employers(1)

Location	Name	Business or Product	Approximate Employment
Harvey.....	Ingalls Memorial Hospital	General Hospital	2,000
Chicago Heights.....	YRC, Inc.....	Local and Long Distance Trucking Services.....	1,500
Chicago Heights.....	Franciscan Alliance, Inc.....	General Hospital	1,500
Hazel Crest.....	Advocate South Suburban Hospital	General Hospital	1,400
Harvey.....	Atkore International Holdings, Inc.	Steel Pipe and Tubes.....	900
Chicago Heights.....	Ford Motor Co., Chicago Stamping Plt.....	Automobile Body Stamping.....	893
Chicago Heights.....	Prairie State College.....	Community College.....	480(2)
Hazel Crest.....	Lanco International, Inc.....	Railroad International Services	350
Hazel Crest.....	Mi-Jack Products, Inc.....	Materials Handling and Construction Equipment.....	350
Dolton.....	Ardagh Group.....	Glass Containers.....	348
Chicago Heights.....	ESMARK Steel Group-Midwest, LLC.....	Company Headquarters and Metal Working	315
Chicago Heights.....	Chicago Heights Steel	Steel Bars and Fenceposts	250
Chicago Heights.....	Gerresheimer Glass	Glass Containers.....	250
Chicago Heights.....	UGN, Inc.....	Automotive Sound Deadening Equipment	250
Thornton	Skyline Furniture.....	Upholstered Furniture.....	220
Chicago Heights.....	Behr Process Corp.....	House Paint.....	200
Harvey.....	Cresco Lines, Inc.	Local and Long-Distance Trucking Services.....	200
Harvey.....	LB Steel LLC	Company Headquarters, Steel Plates, Counterweights and Precision Machining	200
Chicago Heights.....	SouthStar Services	Industrial Packaging, Sorting and Assembly.....	200

Notes: (1) Source: 2015 Illinois Manufacturers Directory, 2015 Illinois Services Directory and a selective telephone survey.
 (2) Includes full and part-time employees.

The following tables show employment by industry and by occupation for the Village, the County and the State as reported by the U.S. Census Bureau 2009-2013 American Community Survey 5-year estimated values.

Employment By Industry(I)

Classification	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	7	0.1%	4,274	0.2%	63,113	1.1%
Construction	574	6.3%	110,281	4.6%	310,368	5.2%
Manufacturing	761	8.3%	257,608	10.7%	756,029	12.6%
Wholesale Trade	131	1.4%	67,710	2.8%	184,209	3.1%
Retail Trade	651	7.1%	240,490	10.0%	655,654	10.9%
Transportation and Warehousing, and Utilities	957	10.5%	150,690	6.2%	348,569	5.8%
Information.....	311	3.4%	57,227	2.4%	126,311	2.1%
Finance and Insurance, and Real Estate and Rental and Leasing.....	956	10.4%	199,758	8.3%	447,732	7.5%
Professional, Scientific, and Management, and Administrative and Waste Management Services.....	686	7.5%	325,145	13.5%	666,163	11.1%
Educational Services and Health Care and Social Assistance	2,612	28.5%	549,874	22.8%	1,379,821	23.0%
Arts, Entertainment and Recreation and Accommodation and Food Services.....	450	4.9%	238,442	9.9%	538,646	9.0%
Other Services, Except Public Administration	527	5.8%	122,019	5.1%	286,928	4.8%
Public Administration	527	5.8%	91,280	3.8%	234,777	3.9%
Total	9,150	100.0%	2,414,798	100.0%	5,998,320	100.0%

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

Employment By Occupation(I)

Classification	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	3,258	35.6%	912,843	37.8%	2,183,077	36.4%
Service	1,488	16.3%	437,136	18.1%	1,036,503	17.3%
Sales and Office	2,496	27.3%	601,021	24.9%	1,509,578	25.2%
Natural Resources, Construction, and Maintenance	611	6.7%	149,865	6.2%	444,958	7.4%
Production, Transportation, and Material Moving	1,297	14.2%	313,933	13.0%	824,204	13.7%
Total	9,150	100.0%	2,414,798	100.0%	5,998,320	100.0%

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

Annual Average Unemployment Rates(I)

Calendar Year	The Village	The County	The State
2005	7.3%	6.4%	5.8%
2006	5.6%	4.8%	4.6%
2007	6.1%	5.2%	5.1%
2008	7.7%	6.4%	6.4%
2009	11.8%	10.4%	10.0%
2010	12.8%	10.8%	10.5%
2011	12.2%	10.3%	9.7%
2012	10.9%	9.3%	8.9%
2013	11.7%	9.6%	9.2%
2014	10.6%	7.4%	7.1%
2015(2)	5.3%	6.8%	6.5%

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

Building Permits

Residential building permits have averaged \$16,952,052 over the last five full years in the Village, excluding the value of land.

Village Building Permits(1) (Excludes the Value of Land)

Calendar Year	Single-Family		Miscellaneous	Total
	Units	Value	Value(2)	Value(2)
2005.....	20	\$ 7,607,485	\$ 14,110,628	\$21,718,113
2006.....	21	7,429,779	13,579,284	21,009,063
2007.....	2	781,500	24,319,389	25,100,889
2008.....	67	24,088,664	650,000	24,738,664
2009.....	0	0	1,116,078	1,116,078
2010.....	0	0	9,851,171	9,851,171
2011.....	0	0	16,913,050	16,913,050
2012.....	0	0	13,532,473	13,532,473
2013.....	0	0	17,152,855	17,152,855
2014.....	0	0	27,310,709	27,310,709

Notes: (1) Source: LaSalle Bank FSB Survey of Building/Bell Federal Savings and the Village.
 (2) Includes Commercial, Industrial and Multi-Family values.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was \$160,100. This compares to \$231,200 for the County and \$182,300 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, the County and the State at the time of the 2009-2013 American Community Survey.

Specified Owner-Occupied Units(1)

Value	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000.....	217	3.3%	42,873	3.8%	235,268	7.3%
\$50,000 to \$99,999.....	881	13.4%	88,787	7.9%	493,044	15.3%
\$100,000 to \$149,999.....	1,531	23.3%	141,643	12.6%	504,066	15.7%
\$150,000 to \$199,999.....	2,444	37.3%	191,498	17.0%	538,003	16.7%
\$200,000 to \$299,999.....	1,286	19.6%	289,740	25.7%	692,499	21.5%
\$300,000 to \$499,999.....	190	2.9%	243,231	21.6%	513,968	16.0%
\$500,000 to \$999,999.....	0	0.0%	103,942	9.2%	196,905	6.1%
\$1,000,000 or more	9	0.1%	26,223	2.3%	46,285	1.4%
Total.....	6,558	100.0%	1,127,937	100.0%	3,220,038	100.0%

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

Mortgage Status(1)

Value	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	4,965	75.7%	789,894	70.0%	2,190,976	68.0%
Housing Units without a Mortgage	1,593	24.3%	338,043	30.0%	1,029,062	32.0%
Total.....	6,558	100.0%	1,127,937	100.0%	3,220,038	100.0%

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

Income

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

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

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

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

Ranking of Median Family Income(1)

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

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

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of \$72,096. This compares to \$66,187 for the County and \$70,344 for the State. The following table represents the distribution of family incomes for the Village, the County and the State at the time of the 2009-2013 American Community Survey.

Median Family Income(1)

<u>Value</u>	<u>The Village</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	154	2.8%	65,038	5.5%	137,093	4.4%
\$10,000 to \$14,999.....	107	2.0%	39,441	3.3%	84,866	2.7%
\$15,000 to \$24,999.....	400	7.3%	99,856	8.4%	225,548	7.2%
\$25,000 to \$34,999.....	333	6.1%	105,160	8.9%	257,251	8.2%
\$35,000 to \$49,999.....	622	11.4%	144,738	12.2%	381,248	12.2%
\$50,000 to \$74,999.....	1,300	23.7%	205,731	17.3%	583,037	18.6%
\$75,000 to \$99,999.....	1,060	19.3%	158,823	13.4%	470,717	15.0%
\$100,000 to \$149,999.....	1,112	20.3%	190,840	16.1%	553,739	17.7%
\$150,000 to \$199,999.....	325	5.9%	83,248	7.0%	222,115	7.1%
\$200,000 or more	66	1.2%	93,734	7.9%	220,748	7.0%
Total.....	5,479	100.0%	1,186,609	100.0%	3,136,362	100.0%

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

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$64,516. This compares to \$54,548 for the County and \$56,797 for the State. The following table represents the distribution of household incomes for the Village, the County and the State at the time of the 2009-2013 American Community Survey.

Median Household Income(1)

Value	The Village		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000.....	258	3.5%	164,182	8.5%	337,875	7.1%
\$10,000 to \$14,999.....	248	3.4%	94,737	4.9%	219,468	4.6%
\$15,000 to \$24,999.....	745	10.1%	202,394	10.5%	484,449	10.2%
\$25,000 to \$34,999.....	543	7.4%	188,026	9.7%	462,771	9.7%
\$35,000 to \$49,999.....	868	11.8%	246,880	12.8%	618,005	12.9%
\$50,000 to \$74,999.....	1,707	23.2%	332,109	17.2%	856,630	17.9%
\$75,000 to \$99,999.....	1,230	16.7%	232,994	12.1%	615,943	12.9%
\$100,000 to \$149,999.....	1,279	17.4%	253,214	13.1%	667,146	14.0%
\$150,000 to \$199,999.....	373	5.1%	103,691	5.4%	255,728	5.4%
\$200,000 or more.....	114	1.5%	115,108	6.0%	254,708	5.3%
Total.....	7,365	100.0%	1,933,335	100.0%	4,772,723	100.0%

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

Retail Activity

Following is a summary of the Village’s sales tax receipts as collected and disbursed by the State of Illinois.

Retailers’ Occupation, Service Occupation and Use Tax(1)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percent Change + (-)
2005.....	\$2,099,170	(1.47%)(3)
2006.....	2,330,035	11.00%
2007.....	2,577,920	10.64%
2008.....	2,437,569	(5.44%)
2009.....	2,098,852	(13.90%)(4)
2010.....	1,727,380	(17.70%)(4)
2011.....	1,592,043	(7.83%)
2012.....	1,664,631	4.56%
2013.....	1,706,005	2.49%
2014.....	1,715,764	0.57%

- Notes: (1) Source: Illinois Department of Revenue.
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers’ Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
 (3) The 2005 percentage is based on a 2004 sales tax of \$2,130,422.
 (4) Large declines are a result of the 2008 economic recession and subsequent loss of five car dealerships.

PLAN OF FINANCING

Bond proceeds will be used to fund an escrow (the “Escrow”) to advance refund a portion of the Village’s outstanding Taxable General Obligation Bonds, Series 2007A (the “Series 2007A Bonds”), to advance refund a portion of the Village’s outstanding General Obligation Bonds, Series 2007C (the “Series 2007C Bonds” and, together with the Series 2007A Bonds, the “Refunded Bonds”), as listed below, and to pay the costs of issuance of the Bonds.

The Refunded Bonds

The Series 2007A Bonds

Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date	CUSIP Number(1)
12/15/2015	\$ 85,000	\$ 0	N/A	N/A	N/A
12/15/2016	105,000	105,000	100%	12/15/15	838345 GR1
12/15/2017	125,000	125,000	100%	12/15/15	838345 GS9
12/15/2018	145,000(2)	145,000	100%	12/15/15	(2)
12/15/2019	170,000(2)	170,000	100%	12/15/15	(2)
12/15/2020	190,000(2)	190,000	100%	12/15/15	(2)
12/15/2021	220,000	220,000	100%	12/15/15	838345 GW0(3)
12/15/2022	250,000(2)	250,000	100%	12/15/15	(2)
12/15/2023	280,000	280,000	100%	12/15/15	838345 GY6(3)
12/15/2024	315,000(2)	315,000	100%	12/15/15	(2)
12/15/2025	355,000(2)	355,000	100%	12/15/15	(2)
12/15/2026	395,000	395,000	100%	12/15/15	838345 HB5(3)
Total	\$2,635,000	\$2,550,000			

- Notes: (1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Series 2007A Bonds.
- (2) Mandatory sinking fund payment.
- (3) Term Bond.

The Series 2007C Bonds

Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date	CUSIP Number(1)
12/15/2015	\$ 140,000	\$ 0	N/A	N/A	N/A
12/15/2016	165,000(2)	165,000	100%	12/15/15	(2)
12/15/2017	190,000	190,000	100%	12/15/15	838345 HT6(3)
12/15/2018	215,000(2)	215,000	100%	12/15/15	(2)
12/15/2019	245,000	245,000	100%	12/15/15	838345 HV1(3)
12/15/2020	275,000(2)	275,000	100%	12/15/15	(2)
12/15/2021	310,000	310,000	100%	12/15/15	838345 HX7(3)
12/15/2022	345,000(2)	345,000	100%	12/15/15	(2)
12/15/2023	385,000	385,000	100%	12/15/15	838345 HZ2(3)
12/15/2024	430,000	430,000	100%	12/15/15	838345 JA5
12/15/2025	475,000	475,000	100%	12/15/15	838345 JB3
12/15/2026	525,000	525,000	100%	12/15/15	838345 JC1
Total	\$3,700,000	\$3,560,000			

- Notes: (1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Series 2007C Bonds.
- (2) Mandatory sinking fund payment.
- (3) Term Bond.

Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the “Government Securities”), the principal of which together with interest to be earned thereon will be sufficient (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of and interest on the Refunded Bonds on their redemption date. The remaining bond proceeds will be used to pay the costs of issuing the Bonds.

The Government Securities will be held in an escrow account created pursuant to an escrow letter agreement (the “Escrow Agreement”) dated as of date of delivery of the Bonds, between the Village and The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois, as Escrow Agent (the “Escrow Agent”). All moneys and Government Securities deposited for the payment of Refunded Bonds, including interest thereon, are required to be applied solely and irrevocably to the payment of the Refunded Bonds.

DEBT INFORMATION

After issuance of the Bonds and the refunding, the Village will have outstanding \$19,456,902 principal amount of general obligation debt. As of the Village's April 30, 2014 fiscal year report, the Village has outstanding \$3,534,541 of IEPA Loans and \$89,934 of Capital Lease obligations.

The Village does not expect to issue additional debt in the next six months.

General Obligation Bonded Debt (1) (Principal Only)

Calendar Year	Series 2005		Series 2006		Series 2007A		Series 2007B		Series 2007C		The Bonds			Less: The Refunded Bonds		Total Outstanding Debt		Cumulative Retirement	
	2005	Series 2005	2006	Series 2006	2007A	Series 2007A	2007B	Series 2007B	2007C	Series 2007C	Series 2012	Series 2015A	Series 2015B	Series 2015A	Series 2015B	Series 2007A	Series 2007C	Amount	Percent
2015	\$395,000	\$395,000	\$395,000	\$395,000	\$85,000	\$140,000	\$466,174	\$466,174	\$140,000	\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,591,174	8.18%
2016	410,000	415,000	415,000	415,000	105,000	165,000	446,602	446,602	165,000	110,000	140,000	140,000	140,000	(105,000)	(165,000)	(105,000)	(165,000)	3,252,776	16.72%
2017	0	0	0	0	125,000	190,000	427,427	427,427	190,000	965,000	160,000	160,000	160,000	(125,000)	(190,000)	(125,000)	(190,000)	4,960,203	25.49%
2018	0	0	0	0	145,000	215,000	409,149	409,149	215,000	990,000	185,000	185,000	185,000	(145,000)	(215,000)	(145,000)	(215,000)	6,719,352	34.53%
2019	0	0	0	0	170,000	245,000	252,550	252,550	245,000	1,005,000	215,000	215,000	215,000	(170,000)	(245,000)	(170,000)	(245,000)	8,386,902	43.11%
2020	0	0	0	0	190,000	275,000	0	0	275,000	1,030,000	210,000	245,000	245,000	(190,000)	(275,000)	(190,000)	(275,000)	9,871,902	50.74%
2021	0	0	0	0	220,000	310,000	0	0	310,000	1,055,000	280,000	280,000	280,000	(220,000)	(310,000)	(220,000)	(310,000)	11,441,902	58.81%
2022	0	0	0	0	250,000	345,000	0	0	345,000	1,080,000	310,000	310,000	310,000	(250,000)	(345,000)	(250,000)	(345,000)	13,086,902	67.26%
2023	0	0	0	0	280,000	385,000	0	0	385,000	1,105,000	350,000	350,000	350,000	(280,000)	(385,000)	(280,000)	(385,000)	14,821,902	76.18%
2024	0	0	0	0	315,000	430,000	0	0	430,000	1,125,000	310,000	395,000	395,000	(310,000)	(430,000)	(310,000)	(430,000)	16,651,902	85.58%
2025	0	0	0	0	355,000	475,000	0	0	475,000	1,155,000	340,000	445,000	445,000	(355,000)	(475,000)	(355,000)	(475,000)	18,591,902	95.55%
2026	0	0	0	0	395,000	525,000	0	0	525,000	0	370,000	495,000	495,000	(395,000)	(525,000)	(395,000)	(525,000)	19,456,902	100.00%
Total	\$805,000	\$810,000	\$810,000	\$810,000	\$2,635,000	\$3,700,000	\$2,001,902	\$2,001,902	\$3,700,000	\$9,730,000	\$2,665,000	\$3,220,000	\$3,220,000	\$2,665,000	\$(3,560,000)	\$(2,550,000)	\$(3,560,000)	\$19,456,902	

Note: (1) Source: the Village.

Detailed Overlapping Bonded Debt(1)
 (As of October 15, 2014)

	Outstanding Debt	Applicable to Village Percent(2)	Amount
Schools:			
School District Number 148.....	\$ 55,637,823	3.09%	\$ 1,719,209
School District Number 149.....	15,005,134	6.85%	1,027,852
School District Number 150.....	4,270,000	76.63%	3,272,101
School District Number 151.....	15,850,000	82.38%	13,057,230
School District Number 152.....	654,713	2.13%	13,945
School District Number 154.....	1,695,000	10.56%	178,992
High School District Number 205.....	46,952,870	27.78%	13,043,507
Community College District Number 510.....	12,437,209	10.80%	1,343,219
Total Schools.....			<u>\$33,656,055</u>
Other:			
Cook County.....	\$3,578,905,000	0.27%	\$ 9,663,044
Cook County Forest Preserve District.....	179,655,000	0.27%	485,069
Metropolitan Water Reclamation District.....	2,168,368,889	0.27%	5,854,596
Calumet Memorial Park District.....	2,880,000	2.90%	83,520
Dolton Park District.....	0	7.30%	0
South Holland Special Service Area Number 3.....	0	100.00%	0
Total Other.....			<u>\$16,086,229</u>
Total Schools and Other Overlapping Bonded Debt.....			<u>\$49,742,284</u>

Notes: (1) Source: Cook County Clerk.
 (2) Overlapping debt percentages based on 2013 EAV, the most current available.

Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To Equalized Assessed	Estimated Actual	Per Capita (2010 Census Pop. 22,030)
Village EAV of Taxable Property, 2013.....	\$ 339,782,561	100.00%	33.33%	\$15,423.63
Estimated Actual Value, 2013.....	\$1,019,347,683	300.00%	100.00%	\$46,270.89
 Total Direct Bonded Debt(2).....	 \$ 19,456,902	 5.73%	 1.91%	 \$ 883.20
Overlapping Bonded Debt(3):				
Schools.....	\$ 33,656,055	9.91%	3.30%	\$ 1,527.74
All Others.....	16,086,229	4.73%	1.58%	730.20
Total Overlapping Bonded Debt.....	<u>\$ 49,742,284</u>	<u>14.64%</u>	<u>4.88%</u>	<u>\$ 2,257.94</u>
Total Direct and Overlapping Bonded Debt(2).....	\$ 69,199,186	20.37%	6.79%	\$ 3,141.14

Notes: (1) Source: Cook County Clerk.
 (2) Includes the Bonds and excludes the Refunded Bonds.
 (3) Overlapping debt is as of October 15, 2014.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2013 levy year the Village's EAV was comprised of 63.44% residential, 24.01% industrial, 10.84% commercial, 1.71% railroad and less than 1% for farm property valuations.

Village Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2009	2010	2011(2)	2012	2013
Residential.....	\$340,884,698	\$347,916,194	\$259,505,469	\$232,111,688	\$215,551,482
Farm.....	55,448	54,323	10,396	9,798	9,798
Commercial.....	50,950,933	46,187,959	39,792,920	39,027,838	36,823,145
Industrial.....	112,756,590	103,382,227	94,147,755	85,735,333	81,589,858
Railroad.....	3,820,061	4,467,613	4,675,824	5,140,378	5,808,278
Total.....	\$508,467,730	\$502,008,316	\$398,132,364	\$362,025,035	\$339,782,561
Percent Change + (-).....	0.50%(3)	(1.27%)	(20.69%)	(9.07%)	(6.14%)

- Notes: (1) Source: Cook County Clerk.
 (2) Triennial reassessment year.
 (3) Percentage change based on 2008 EAV of \$505,940,118.

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

	Levy Year				
	2009	2010	2011	2012	2013
Village Rates:					
Corporate.....	\$ 0.9248	\$ 1.1662	\$ 1.5380	\$ 1.7803	\$ 1.9995
Bonds and Interest.....	0.2856	0.2922	0.3442	0.3746	0.3738
Waste Disposal.....	0.0000	0.0000	0.0000	0.0000	0.0000
Police Pension.....	0.1448	0.1590	0.2268	0.2632	0.2951
Fire Pension.....	0.0841	0.0882	0.1138	0.1309	0.1440
IMRF.....	0.0000	0.0000	0.0000	0.0000	0.0000
Social Security.....	0.0000	0.0000	0.0000	0.0000	0.0000
Park Maintenance.....	0.3552	0.2042	0.2691	0.3114	0.3492
Public Benefit.....	0.0000	0.0000	0.0000	0.0000	0.0000
Corporate Notes.....	0.0000	0.0000	0.0000	0.0000	0.0000
Total Village Rates(2).....	\$ 1.7945	\$ 1.9098	\$ 2.4919	\$ 2.8604	\$ 3.1616
Cook County:					
Cook County.....	\$ 0.3940	\$ 0.4230	\$ 0.4620	\$ 0.5310	\$ 0.5600
Cook County Forest Preserve District.....	0.0490	0.0510	0.0580	0.0630	0.0690
Thornton Township(3).....	0.4750	0.5010	0.5940	0.6930	0.7610
Suburban T.B. Sanitarium.....	0.0000	0.0000	0.0000	0.0000	0.0000
Consolidated Elections.....	0.0210	0.0000	0.0250	0.0000	0.0310
Metro Water Reclamation District.....	0.2610	0.2740	0.3200	0.3700	0.4170
South Cook County Mosquito Abatement Dist.....	0.0090	0.0100	0.0120	0.0140	0.0160
Village of South Holland Library Fund.....	0.3110	0.3230	0.4270	0.4940	0.5540
School District Number 151.....	3.9730	4.2080	4.7930	5.7460	6.1850
Thornton Township High School Dist. No 205.....	3.6970	3.8710	4.9030	5.4250	5.9080
South Suburban College District No. 510.....	0.3480	0.3610	0.4500	0.5110	0.5590
Total Rates(4).....	\$11.3325	\$11.9318	\$14.5359	\$16.7074	\$18.2216

- Notes: (1) Source: Cook County Clerk.
 (2) The Village is a home rule unit and, as such, has no statutory tax rate limits.
 (3) Includes Road and Bridge and General Assistance.
 (4) Represents tax rates for other government units are from Thornton Township tax code 37059, which represents the largest portion of the Village's 2013 EAV, the most current available.

Village Tax Extensions and Collections(I)

Levy Year	Coll. Year	Taxes Extended	Total Collections	
			Amount	Percent
2007	2008	\$ 9,659,947	\$ 9,338,409	96.67%
2008	2009	10,238,115	9,896,352	96.66%
2009	2010	10,703,737	10,183,225	95.14%
2010	2011	11,204,671	10,746,268	95.91%
2011	2012	11,628,194	11,284,374	97.04%
2012	2013	12,172,897	11,643,970	95.65%
2013	2014(2)	12,623,397	11,861,104	93.96%

- Notes: (1) Source: Audited financial statements of the Village.
 (2) Represents collections as of February 23, 2015.

Principal Taxpayers(I)

Taxpayer Name	Business/Service	2013 EAV(2)
Manor Care Health Service	Health Care	\$ 6,784,591
Individual	Real Property	4,416,562
UPS Ground Freight, Inc.	Shipping Services	4,254,281
Hamilton Partners Inc	Commercial and Real Estate Development	3,790,964
Carl Budding Company	Processed Meat and Sausage	3,573,686
Rupari Food Services, Inc.	Meat Processing	3,557,396
Individual	Real Property	2,706,703
Shree Gokulesh Hospital	Hospital	2,638,988
Sherwin Williams Co.(3)	Paints and Coatings	2,555,222
Ed Miniati, Inc.	Prepared Meats	2,111,668
Total		\$36,390,061
Ten Largest Taxpayers as Percent of Village's 2013 EAV (\$339,782,561)		10.71%

- Notes: (1) Source: Cook County Clerk.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2013 EAV is the most current available for such purposes.
 (3) Previously Accurate Coatings.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including that in the Village, except for certain railroad property and pollution control facilities, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The Village is located in the South Tri and was reassessed for the 2011 tax levy year.

Real property in the County is separated into classes for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Prior to the 2009 tax levy year, the classification percentages ranged from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property. On September 17, 2008, the Cook County Board of Commissioners approved changes to the property classification ordinance. The changes reduced the percentages used to calculate the assessed value of real property in the County for real estate tax purposes. These reductions take effect in the 2009 tax levy year. Such new classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1) unimproved real estate - 10%; Class 2) residential - 10%; Class 3) rental-residential - 16%, in tax year 2009, 13% in assessment year 2010, and 10% in assessment year 2011 and subsequent years; Class 4) not-for-profit - 25%; Class 5a) commercial - 25%; Class 5b) industrial - 25%. There are also seven additional categories. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 10% for the first 10 years and for any subsequent 10-year renewal periods. However, if the incentive is not renewed, the 6b assessment level is 15% in year 11 and 20% in year 12, hereafter reverting to Class 5b. Real estate, which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation, may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones may be eligible for Class 9 categorization. The Class 9 assessment level is 10% for an initial 10-year period, renewable upon application for additional 10-year periods. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level. The Class S assessment level is 10% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4 or 5b properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 15% in year 11 and 20% in year 12, thereafter reverting to Class 3, 4 or 5b. Class L commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review, which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of both residential property having six or fewer units and owners of real estate other than residential property with six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the “Equalization Factor”), commonly called the “multiplier,” for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in Cook County, regardless of its assessment category, except for some farmland property which is not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the “EAV”) of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the “Assessment Base”). The following table sets forth the Equalization Factor for Cook County for the last 10 tax levy years.

<u>TAX LEVY YEAR</u>	<u>EQUALIZATION FACTOR</u>
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621

Exemptions

Public Act 95-644, effective October 17, 2007, made changes to and added a number of property tax exemptions taken by residential property owners. Public Act 98-0007, effective April 23, 2013, (together with Public Act 95-644, (the “Acts”)) increased certain exemptions. The changes made by the Acts are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced up to a maximum reduction of \$5,000 for assessment years 2004 through assessment year 2007. The maximum reduction is \$5,500 for assessment year 2008, and \$6,000 for assessment years 2009 through 2011. For assessment years 2012 and thereafter, the maximum reduction is \$7,000.

The Alternative General Homestead Exemption caps EAV increases for homeowners (who also reside on the property as their principal place of residence) at 7% a year, up to a certain maximum each year as defined by the statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property’s taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

The Base Year for purposes of calculation of the Alternative General Homestead Exemption is 2002 for properties located in the City Tri, 2003 for properties located in the North Tri and 2004 for properties located in the South Tri. The Base Homestead Value is the EAV of the homestead property minus the General Homestead Exemption for that year: \$4,500 for years prior to 2004; \$5,000 for 2004 through 2007; \$5,500 for 2008 and \$6,000 for the year 2009 and thereafter.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$33,000 for assessment year 2006 (except as noted below), \$26,000 for assessment year 2007, \$20,000 for assessment year 2008 and \$6,000 thereafter. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2006, \$33,000 for assessment year 2007, \$26,000 for assessment year 2008, \$20,000 for assessment year 2009 and \$6,000 thereafter. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2006 and 2007, \$33,000 for assessment year 2008, \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and \$6,000 thereafter.

Furthermore, only in the City Tri and only for assessment year 2006, the maximum exemption amount may be increased to: (i) \$40,000, provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount equal to or greater than 100%, or (ii) \$35,000 provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount greater than 80% but not more than 100%.

Finally, the Long-Time Occupant Homestead Exemption applies to those counties subject to the Alternative General Homestead Exemption, including Cook County. Beginning with assessment year 2007 and thereafter, the EAV of homestead property of a taxpayer who has owned the property for at least 10 years (or 5 years if purchased with certain government assistance) and who has a household income of \$100,000 or less ("Qualified Homestead Property") may increase by no more than 10% per year. If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties. Individuals applying for this exemption must comply with the following guidelines: (i) continuously occupy their property for 10 years, as of January 1st of the assessment year, and occupy such property as their principal residence or, (ii) continuously occupy their property as their principal place of residence for 5 years, as of January 1st of the assessment year, provided that the property was purchased with certain government assistance.

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

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by \$2,500 in counties with 3,000,000 inhabitants or more. For assessment years 2004 through 2005, the maximum reduction is \$3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is \$3,500 in all counties. For assessment years 2008 through 2011, the maximum reduction is \$4,000 for all counties. For assessment year 2012, the maximum reduction is \$5,000 in counties with 3,000,000 or more inhabitants. For the assessment years 2013 and thereafter, the maximum reduction is \$5,000 in all counties. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$50,000 for assessment years 2006 and 2007; for assessment years 2008 and after, the maximum income limitation is \$55,000. In general, the exemption grants qualifying senior citizens an exemption based upon a “freeze” of their home’s assessed valuation.

Another exemption, available to disabled veterans, may be applied annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons’ Homestead Exemption or the hereinafter defined Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

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

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

Also, beginning with assessment year 2007, the Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Tax Levy

As part of the annual budgetary process of governmental units (the “Units”) with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The Cook County Clerk uses the prior year’s EAV to compute the taxing district’s maximum allowable levy. The maximum levy that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year, EAV for all property currently in the district. The prior year’s EAV includes the prior year’s EAV plus the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (“Limitation Law”). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year’s EAV.

Property Tax Extension Limitation Law

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the Village. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

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

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the Village, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the “Warrant Books”) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector’s authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to one-half of the prior year's tax bill; beginning in collection year 2010, this estimated amount was raised to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

<u>TAX LEVY YEAR</u>	<u>SECOND INSTALLMENT PENALTY DATE</u>
2004	November 2, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the “Scavenger Sale”), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years’ taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Truth in Taxation Law

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

FINANCIAL INFORMATION

Investment Policy

The Village is authorized to make deposits in commercial banks and savings and loan institutions and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of States and their political subdivisions, savings accounts, credit union shares, repurchase agreements, under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurers’ Investment Pool. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran’s loans, and life insurance company contracts.

Financial Reports

The Village’s financial statements are audited annually by certified public accountants. The Village’s financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principals applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the “Excerpted Financial Information”) contained in this “**FINANCIAL INFORMATION**” section and in **APPENDIX A** are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended April 30, 2014 (the “2014 Audit”), which was approved by formal action of the Village Board. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2014 Audit. The inclusion of the Excerpted Financial Information in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2014 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2014 Audit should be directed to the Village.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the Village's 2014 fiscal year audit.

Statement of Net Position(1) Governmental Activities

	Audited as of April 30				
	2010	2011	2012	2013	2014
ASSETS:					
Cash and Investments	\$ 5,037,424	\$ 9,647,558	\$12,315,153	\$15,174,957	\$15,958,217
Property Taxes, Net.....	5,934,309	6,125,541	6,146,751	5,475,469	5,732,656
Intergovernmental.....	921,921	949,696	1,050,582	798,104	981,738
Accounts.....	378,459	419,559	484,538	478,397	499,851
Due From Other Governmental Unit	4,252,536	0	0	0	0
Prepaid Insurance.....	186,939	26,365	53,774	551,731	962,527
Inventories.....	25,600	20,482	35,434	38,435	34,999
Internal Balances	1,253	0	0	0	185,434
Other Receivables.....	2,008,800	2,008,800	0	1,001,576	951,124
Deferred Charges	593,623	522,807	451,991	0	0
Net Pension Asset.....	258,578	308,777	354,873	330,818	311,701
Capital Assets, Not Being Depreciated	30,690,508	32,493,147	32,118,521	32,205,207	32,171,535
Capital Assets, Net of Accumulated Dep.	39,852,050	39,575,441	38,664,464	37,148,897	35,615,584
Total Assets	\$90,142,000	\$92,098,173	\$91,676,081	\$93,203,591	\$93,405,366
DEFERRED OUTFLOWS OF RESOURCES:					
Unamortized Losses Related To Debt Refundings	\$ 0	\$ 0	\$ 0	\$ 675,837	\$ 615,715
Total Assets and Deferred Outflows of Resources..	\$90,142,000	\$92,098,173	\$91,676,081	\$93,879,428	\$94,021,081
LIABILITIES:					
Accounts Payable	\$ 980,725	\$ 632,174	\$ 519,189	\$ 705,611	\$ 564,685
Accrued Payroll.....	600,790	380,015	470,414	514,517	533,890
Accrued Interest.....	434,819	404,414	367,976	365,507	175,028
Deferred Revenue.....	11,640,380	10,880,504	11,374,974	0	0
Claims Payable	0	274,062	144,465	176,319	269,036
Compensated Absences.....	445,615	476,396	480,837	0	0
Employer Contributions Payable.....	0	0	0	521,133	557,602
Pension Obligation	0	76,902	130,785	173,950	182,486
General Obligation Bonds.....	13,634,696	12,651,498	11,698,299	11,687,039	9,257,843
Tax Increment Financing Bonds.....	18,307,011	16,314,674	13,847,337	13,390,126	12,646,705
Other Postemployment Benefits.....	4,034,686	4,695,050	5,747,309	6,319,193	6,816,953
Capital Lease	0	0	0	0	89,934
Other Deferred Revenue	2,112,367	2,675,078	35,911	0	0
Total Liabilities.....	\$52,191,089	\$49,460,767	\$44,817,496	\$33,853,395	\$31,094,162
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes Receivable	\$ 0	\$ 0	\$ 0	\$ 5,770,767	\$12,032,948
Property Tax Advance Collections	0	0	0	5,633,940	0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$11,404,707	\$12,032,948
NET POSITION:					
Invested In Capital Assets, Net	\$38,600,851	\$44,057,322	\$45,237,349	\$44,284,891	\$45,756,301
Restricted.....	0	3,359,950	4,269,525	6,170,726	7,608,002
Unrestricted.....	(649,940)	(4,779,866)	(2,648,289)	(1,834,291)	(2,470,332)
Total Net Position.....	\$37,950,911	\$42,637,406	\$46,858,585	\$48,621,326	\$50,893,971

Note: (1) Source: the Village's audited financial statements.

Statement of Activities(I)

	Audited as of April 30				
	2010	2011	2012	2013	2014
Functions/Programs:					
Governmental Activities:					
General Government.....	\$ (6,434,273)	\$ (6,248,362)	\$ (5,941,669)	\$ (6,467,243)	\$ (7,226,712)
Fire Department.....	(2,827,690)	(3,157,850)	(3,824,282)	(3,693,429)	(3,869,414)
Police Department.....	(5,570,431)	(5,047,856)	(5,014,597)	(5,939,251)	(5,907,575)
Building Department.....	(650,856)	(608,509)	(613,797)	(493,023)	(509,985)
Civil Defense.....	(61,713)	(47,634)	(41,738)	(43,484)	(37,453)
Public Works.....	(1,451,254)	(1,015,102)	(1,161,198)	(1,695,860)	(1,952,129)
Garbage Department.....	(16,979)	57,727	(154,784)	10,841	29,973
Amortization.....	(60,279)	(60,281)	(60,280)	(12,919)	(53,094)
Interest Expense.....	(1,215,476)	(1,157,037)	(1,049,080)	(1,575,168)	(665,788)
Total Governmental Activities.....	<u>\$(18,288,951)</u>	<u>\$(17,284,904)</u>	<u>\$(17,861,425)</u>	<u>\$(19,909,536)</u>	<u>\$(20,192,177)</u>
General Revenues:					
Taxes.....	\$ 19,360,578	\$ 20,275,265	\$ 20,718,577	\$ 20,850,558	\$14,096,786
Intergovernmental.....	0	0	0	0	7,104,762
Investment Income.....	10,385	9,613	5,517	10,537	3,891
Miscellaneous.....	1,490,155	1,686,521	1,373,510	1,350,317	1,259,383
Transfers.....	(35,000)	0	(15,000)	(87,144)	0
Total General Revenues and Transfers.....	<u>\$ 20,826,118</u>	<u>\$ 21,971,399</u>	<u>\$ 22,082,604</u>	<u>\$ 22,124,268</u>	<u>\$22,464,822</u>
Change In Net Position.....	\$ 2,537,167	\$ 4,686,495	\$ 4,221,179	\$ 2,214,732	\$ 2,272,645
Net Position, Beginning.....	<u>35,413,744</u>	<u>37,950,911</u>	<u>42,637,406</u>	<u>46,406,594(2)</u>	<u>48,621,326</u>
Net Position, Ending.....	<u><u>\$ 37,950,911</u></u>	<u><u>\$ 42,637,406</u></u>	<u><u>\$ 46,858,585</u></u>	<u><u>\$ 48,621,326</u></u>	<u><u>\$50,893,971</u></u>

Note: (1) Source: the Village's audited financial statements.
 (2) Restated.

**General Fund(I)
 Balance Sheet**

	Audited As of April 30				
	2010	2011	2012	2013	2014
ASSETS:					
Cash and Investments	\$ 343,373	\$ 2,617,848	\$ 4,366,158	\$ 5,701,192	\$ 5,800,369
Receivables:					
Property Taxes	4,205,617	4,817,646	4,912,957	4,179,743	4,410,580
Other	3,199,257	3,267,291	1,416,039	1,001,576	951,124
Intergovernmental	0	0	0	760,218	844,948
Accounts	0	0	0	407,057	433,446
Prepaid and Deposits	186,939	26,365	53,774	51,731	52,527
Due from Other Funds	1,036,568	441,591	374,931	388,575	505,102
Advances to Other Funds	1,666,670	1,250,003	908,336	866,670	0
Inventories	25,600	20,482	35,434	38,435	34,999
Total Assets	<u>\$10,664,024</u>	<u>\$12,441,226</u>	<u>\$12,067,629</u>	<u>\$13,395,197</u>	<u>\$13,033,095</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 354,752	\$ 261,187	\$ 248,091	\$ 297,080	\$ 439,169
Accrued Liabilities	558,911	336,427	419,334	457,558	478,822
Claims Payable	0	74,399	0	0	0
Deferred Revenue	7,816,172	9,137,438	7,379,099	7,591,126	0
Total Liabilities	<u>\$ 8,729,835</u>	<u>\$ 9,809,451</u>	<u>\$ 8,046,524</u>	<u>\$ 8,345,764</u>	<u>\$ 917,991</u>
Deferred Inflows of Resources:					
Deferred Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,528,109
Deferred Intergovernmental Revenues	0	0	0	0	332,971
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,861,080</u>
Fund Balances:					
Nonspendable for Prepays and Inventories	\$ 0	\$ 0	\$ 89,208	\$ 90,166	\$ 87,526
Restricted	1,879,209	1,296,850	0	0	0
Unassigned	54,980	1,334,925	3,931,897	4,959,267	4,166,498
Total Fund Balances	<u>\$ 1,934,189</u>	<u>\$ 2,631,775</u>	<u>\$ 4,021,105</u>	<u>\$ 5,049,433</u>	<u>\$ 4,254,024</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$10,664,024</u>	<u>\$12,441,226</u>	<u>\$12,067,629</u>	<u>\$13,395,197</u>	<u>\$13,033,095</u>

Note: (1) Source: the Village's audited financial statements.

General Fund(I) Revenues and Expenditures

	Audited Years Ending April 30				
	2010	2011	2012	2013	2014
REVENUES:					
Property Taxes.....	\$ 5,398,213	\$ 5,639,938	\$ 6,879,882	\$ 7,318,793	\$ 7,699,988
Other Taxes	5,084,803	5,003,259	5,051,796	5,005,135	0
Intergovernmental Revenues	1,371,719	1,794,402	1,766,624	2,176,002	7,147,669
Fines and Forfeits.....	939,959	1,268,038	2,094,450	1,178,822	1,573,057
Licenses and Permits.....	1,509,289	1,670,101	1,788,989	1,989,316	1,914,854
Interest Income	2,976	4,364	4,336	7,490	3,261
Charges for Services.....	1,851,869	1,887,899	1,964,087	2,034,498	2,136,100
Grants	0	0	0	0	33,424
Other Revenues	1,492,732	1,522,005	1,395,146	943,612	989,337
Total Revenues.....	\$17,651,560	\$18,790,006	\$20,945,310	\$20,653,668	\$21,497,690
EXPENDITURES:					
General Administration.....	\$ 6,543,323	\$ 5,862,931	\$ 5,139,620	\$ 5,076,410	\$ 5,444,249
Police Department	5,724,352	5,629,195	6,156,070	6,486,903	6,747,860
Fire Department.....	2,999,661	2,961,700	3,456,733	3,308,650	3,476,581
Public Works/Building Department	2,190,414	2,217,584	2,279,292	2,347,116	2,527,363
Garbage System.....	1,616,518	1,665,108	1,734,189	1,787,302	1,875,889
Civil Defense.....	52,104	43,338	31,233	26,721	23,559
Debt Service:					
Principal.....	0	0	0	0	1,515,000
Interest and Fees.....	74,235	74,431	74,235	74,235	74,235
Capital Outlay.....	424,001	403,133	480,878	268,003	358,363
Total Expenditures	\$19,624,608	\$18,857,420	\$19,352,250	\$19,375,340	\$22,043,099
Excess (Deficit) of Revenues Over (Under) Expenditures	\$(1,973,048)	\$ (67,414)	\$ 1,593,060	\$ 1,278,328	\$ (545,409)
Other Financing Sources:					
Operating Transfers In	\$ 300,000	\$ 780,000	\$ 5,420	\$ 0	\$ 0
Operating Transfers Out	(65,000)	(15,000)	(209,150)	(250,000)	(250,000)
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures	\$(1,738,048)	\$ 697,586	\$ 1,389,330	\$ 1,028,328	\$ (795,409)
Beginning Fund Balance	3,672,237	1,934,189	2,631,775	4,021,105	5,049,433
Ending Fund Balance.....	\$ 1,934,189	\$ 2,631,775	\$ 4,021,105	\$ 5,049,433	\$ 4,254,024

Note: (1) Source: the Village's audited financial statements.

General Fund Estimated and Budget Financial Information

	Estimated Twelve Months Ending 4/30/15	Budget Twelve Months Ending 4/30/15
REVENUES:		
Property Taxes	\$ 6,464,000	\$ 6,596,000
Other Taxes	5,070,000	5,000,000
Intergovernmental Revenues	2,462,900	2,385,000
Fines and Forfeits	990,000	1,057,500
Licenses and Permits	2,036,000	1,977,000
Interest Income	2,500	5,000
Charges for Services	2,210,000	2,210,000
Other Revenues	865,000	854,500
Total Revenues	\$20,100,400	\$20,085,000
EXPENDITURES:		
General Administration	\$ 6,260,000	\$ 6,431,043
Building Department	852,950	884,167
Boards and Commissions	36,000	31,550
Police Department	5,790,600	5,851,554
Fire Department	2,986,100	2,923,615
Public Works	1,985,000	1,991,650
Garbage System	1,958,000	1,925,000
Civil Defense	36,200	46,419
Miscellaneous	0	0
Total Expenditures	\$19,904,850	\$20,084,998
Excess (Deficit) of Revenues (Over) Under Expenditures	\$ 195,550	\$ 2

Note: (1) Source: the Village.

PENSION AND RETIREMENT OBLIGATIONS

The latest audited pension information is contained in **APPENDIX D** herein.

The police and fire pensions are subject to audit. Currently, the pensions are not fully funded. The state law provides for fully funding over an extended period. The Village annually funds the actuarially required contribution. In the event that contributions and investment revenue are insufficient for the pension obligation, the Village will be required to increase its contribution by increasing revenues or decreasing expenditures on other services.

The Illinois Municipal Retirement Fund (IMRF) is held by the State of Illinois, which sets the annual contribution by the Village. The full annual amount is funded each year.

REGISTRATION, TRANSFER AND EXCHANGE

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

The Village shall cause books (the "Register") for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office maintained for the purpose by The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois (the "Bond Registrar"). The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the bond ordinance adopted by the President and Board of Trustees of the Village on the 6th day of April, 2015 (the "Ordinance"). Upon surrender for transfer or exchange of any Bond at the principal corporate trust office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same series, maturity and interest rate of authorized denominations, for a like aggregate principal amount.

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

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the first day of the month of any interest payment date on such Bond (known as the record date) and ending at the opening of business on such interest payment date.

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

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

TAX TREATMENT - THE SERIES 2015A BONDS

Interest on the Series 2015A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Series 2015A Bonds may result in other federal income tax consequences to certain taxpayers. Series 2015A Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series 2015A Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the Series 2015A Bonds is not exempt from present State income taxes. Ownership of the Series 2015A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2015A Bonds. Prospective purchasers of the Series 2015A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

TAX EXEMPTION - THE SERIES 2015B BONDS

Federal tax law contains a number of requirements and restrictions which apply to the Series 2015B Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2015B Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2015B Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015B Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2015B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Series 2015B Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

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

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Series 2015B Bonds.

Ownership of the Series 2015B Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2015B Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Series 2015B Bonds is the price at which a substantial amount of such maturity of the Series 2015B Bonds is first sold to the public. The Issue Price of a maturity of the Series 2015B Bonds may be different from the price set forth, or the price corresponding to the yield set forth, in this Final Official Statement.

If the Issue Price of a maturity of the Series 2015B Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Series 2015B Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

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

Owners of Series 2015B Bonds who dispose of Series 2015B Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2015B Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2015B Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2015B Bond is purchased at any time for a price that is less than the Series 2015B Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Series 2015B Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2015B Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2015B Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2015B Bonds.

An investor may purchase a Series 2015B Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2015B Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2015B Bond. Investors who purchase a Series 2015B Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2015B Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2015B Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2015B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2015B Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2015B Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Series 2015B Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2015B Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2015B Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2015B Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2015B Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Series 2015B Bonds is not exempt from present State income taxes. Ownership of the Series 2015B Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2015B Bonds. Prospective purchasers of the Series 2015B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS - THE SERIES 2015B BONDS

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Series 2015B Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

CONTINUING DISCLOSURE

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

A failure by the Village to comply with the Undertaking will not constitute a default under the Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "**THE UNDERTAKING - Consequences of Failure of the Village to Provide Information.**" The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the past five years there have been numerous rating actions reported by Moody's Investors Service, Standard & Poor's Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the Village. Due to widespread knowledge of these rating actions, material event notices were not filed by the Village.

Moody's Investors Service upgraded many of the Village's outstanding bonds, as a result of its recalibration of US Municipal Ratings to its Global Rating Scale on April 16, 2010. Due to widespread knowledge of such recalibration, material event notices were not filed by the Village.

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

THE UNDERTAKING

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

Annual Financial Information Disclosure

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

"Annual Financial Information" means:

1. The table under the heading of "**Retailers' Occupation, Service Occupation and Use Tax**" within this Final Official Statement;
2. All of the tables under the heading "**PROPERTY ASSESSMENT AND TAX INFORMATION**" within this Final Official Statement;
3. All of the tables under the heading "**DEBT INFORMATION**" within this Final Official Statement; and
4. All of the tables under the heading "**FINANCIAL INFORMATION**" (**Excluding Budget and Interim Financial Information**) within this Final Official Statement.

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

Reportable Events Disclosure

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

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

Consequences of Failure of the Village to Provide Information

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

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

Amendment; Waiver

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

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

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

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

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

Termination of Undertaking

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

Additional Information

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

Dissemination of Information; Dissemination Agent

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

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

NO OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the Village, threatened against the Village that is expected to materially impact the financial condition of the Village.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Final Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax treatment of the interest on the Bonds and the "bank-qualified" status of the Series 2015B Bonds, if any. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

FINAL OFFICIAL STATEMENT AUTHORIZATION

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

INVESTMENT RATING

Moody's Investors Service has rated the Bonds "Aa3". The Village has supplied certain information and material concerning the Bonds and the Village to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. The Village will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Series 2015A Bonds were offered for sale by the Village at a public, competitive sale on April 6, 2015. The best bid submitted at the sale was submitted by BMO Capital Markets GKST Inc., Chicago, Illinois (the “Series 2015A Underwriter”). The Village awarded the contract for sale of the Series 2015A Bonds to the Series 2015A Underwriter at a price of \$2,645,939.00 (reflecting the par amount of \$2,665,000, plus a reoffering premium of \$2,925.25, and less an Underwriter’s discount of \$21,986.25). The Series 2015A Underwriter has represented to the Village that the Series 2015A Bonds have been subsequently re-offered to the public initially at the yields set forth in this Final Official Statement.

The Series 2015B Bonds were offered for sale by the Village at a public, competitive sale on April 6, 2015. The best bid submitted at the sale was submitted by BOSC, Inc., a subsidiary of BOK Financial Corp., Oklahoma City, Oklahoma (the “Series 2015B Underwriter”). The Village awarded the contract for sale of the Series 2015B Bonds to the Series 2015B Underwriter at a price of \$3,718,476.72 (reflecting the par amount of \$3,220,000, plus a reoffering premium of \$558,769.45, and less an Underwriter’s discount of \$60,292.73). The Series 2015B Underwriter has represented to the Village that the Series 2015B Bonds have been subsequently re-offered to the public initially at the yields set forth in this Final Official Statement.

MUNICIPAL ADVISOR

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

CERTIFICATION

We have examined this Final Official Statement dated April 6, 2015, for the \$2,665,000 Taxable General Obligation Refunding Bonds, Series 2015A, and the \$3,220,000 General Obligation Refunding Bonds, Series 2015B, believe it to be true and correct and will provide to the purchasers of the Bonds at the time of delivery certificates confirming to the purchasers that to the best of our knowledge and belief information in the Official Statement, as supplemented by the Final Official Statement, was at the time of acceptance of the bids for the Bonds and, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **DON A. DE GRAFF**
Village President
VILLAGE OF SOUTH HOLLAND
Cook County, Illinois

/s/ **BETH HERMAN**
Treasurer/Finance Officer
VILLAGE OF SOUTH HOLLAND
Cook County, Illinois

APPENDIX A

**VILLAGE OF SOUTH HOLLAND
COOK COUNTY, ILLINOIS**

EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS

Village of South Holland, Illinois

Statement of Net Position
April 30, 2014

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit	
				Public Library	Library
Assets					
Current					
Cash and cash equivalents	\$ 15,958,217	\$ -	\$ 15,958,217	\$ 841,324	
Receivables:					
Property taxes	5,732,656	-	5,732,656	1,018,666	
Other taxes	951,124	-	951,124	-	
Intergovernmental	981,738	-	981,738	27,538	
Accounts, customers	499,851	1,017,331	1,517,182	-	
Prepays and deposits	962,527	-	962,527	-	
Internal balances	185,434	(185,434)	-	-	
Inventories	34,999	-	34,999	-	
Total current assets	25,306,546	831,897	26,138,443	1,887,528	
Noncurrent					
Pension asset	311,701	-	311,701	-	
Capital assets, not being depreciated	32,171,535	-	32,171,535	-	
Capital assets being depreciated, net of accumulated depreciation	35,615,584	10,492,350	46,107,934	2,214,330	
Total noncurrent assets	68,098,820	10,492,350	78,591,170	2,214,330	
Total assets	93,405,366	11,324,247	104,729,613	4,101,858	
Deferred Outflows of Resources					
Deferred loss on refundings	615,715	-	615,715	-	

	Governmental Activities	Business-Type Activities	Total	Component Unit	
				Public Library	Library
Liabilities					
Current					
Accounts payable	\$ 564,685	\$ 420,010	\$ 984,695	\$ 90,551	
Claims payable	242,132	-	242,132	-	
Accrued payroll	533,890	33,660	567,550	40,614	
Accrued interest	175,028	-	175,028	-	
Compensated absences	557,602	38,603	596,205	47,549	
General obligation bonds	1,040,000	-	1,040,000	-	
Tax incremental financing bonds	620,000	-	620,000	-	
Capital lease	22,142	-	22,142	-	
IEPA loan	-	170,942	170,942	-	
Total current liabilities	3,755,479	663,215	4,418,694	178,714	
Noncurrent					
Claims payable	26,904	-	26,904	-	
General obligation bonds, net	5,616,961	-	5,616,961	-	
Tax incremental financing bonds, net	12,026,705	-	12,026,705	-	
General obligation capital appreciation bonds	2,600,882	-	2,600,882	-	
IEPA loan	-	3,363,599	3,363,599	-	
Capital lease	67,792	-	67,792	-	
IMRF pension obligation	182,486	-	182,486	44,945	
Other postemployment benefits	6,816,953	-	6,816,953	-	
Total noncurrent liabilities	27,338,683	3,363,599	30,702,282	44,945	
Total liabilities	31,094,162	4,026,814	35,120,976	223,659	
Deferred Inflows of Resources					
Deferred property taxes	12,032,948	-	12,032,948	1,861,972	
Net Position					
Net investment in capital assets	45,756,301	6,957,809	52,714,110	2,214,330	
Restricted for:					
MFT projects	1,517,792	-	1,517,792	-	
Sewer costs	376,377	-	376,377	-	
Debt service	50,446	-	50,446	-	
Capital projects	5,663,387	-	5,663,387	-	
Unrestricted (deficit)	(2,470,332)	339,624	(2,130,708)	(198,103)	
Total net position	\$ 50,893,971	\$ 7,297,433	\$ 58,191,404	\$ 2,016,227	

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Activities
Year Ended April 30, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions
Primary government:				
Governmental activities	\$ 11,488,843	\$ 3,422,481	\$ 769,650	\$ 70,000
Public safety:				
Fire department	3,902,838	33,424	-	-
Police department	7,095,479	1,187,904	-	-
Building department	785,311	275,326	-	-
Civil defense	37,453	-	-	-
Public works	1,952,129	-	-	-
Garbage department	2,106,127	2,136,100	-	-
Interest expense	665,788	-	-	-
Amortization	53,094	-	-	-
Total governmental activities	28,087,062	7,055,235	769,650	70,000
Business-type activities				
Water	5,157,409	4,680,102	9,666	-
Total business-type activities	5,157,409	4,680,102	9,666	-
Total primary government	\$ 33,244,471	\$ 11,735,337	\$ 779,316	\$ 70,000
Component unit:				
Library	\$ 1,813,140	\$ 47,895	\$ 55,177	\$ -

General revenues
Property taxes
Intergovernmental
Investment income
Miscellaneous
Total general revenues

Change in net position

Net position:
May 1, 2013
April 30, 2014

Net (Expense), Revenue and Changes in Net Position	Component Unit		
	Governmental Activities	Business-Type Activities	Total
\$	(7,226,712)	\$ -	\$ (7,226,712)
	(3,869,414)	-	(3,869,414)
	(5,907,575)	-	(5,907,575)
	(509,985)	-	(509,985)
	(37,453)	-	(37,453)
	(1,952,129)	-	(1,952,129)
	29,973	-	29,973
	(665,788)	-	(665,788)
	(53,094)	-	(53,094)
	(20,192,177)	-	(20,192,177)
	-	(467,641)	(467,641)
	-	(467,641)	(467,641)
	(20,192,177)	(467,641)	(20,659,818)
	-	-	-
	-	-	(1,710,068)
	14,096,786	-	14,096,786
	7,104,762	-	7,104,762
	3,891	32	3,923
	1,259,383	-	1,259,383
	22,464,822	32	22,464,854
	2,272,645	(467,609)	1,805,036
	48,621,326	7,765,042	56,386,368
	50,893,971	\$ 7,297,433	\$ 58,191,404
			\$ 2,016,227

See Notes to Financial Statements.

Village of South Holland, Illinois

Balance Sheet - Governmental Funds
April 30, 2014

	General Fund	Downtown TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,800,369	\$ 2,976,055	\$ 7,181,793	\$ 15,958,217
Receivables:				
Property taxes	4,410,580	-	1,322,076	5,732,656
Other taxes	951,124	-	-	951,124
Intergovernmental	844,948	-	136,790	981,738
Accounts	433,446	-	66,405	499,851
Prepays and deposits	52,527	910,000	-	962,527
Inventories	34,999	-	-	34,999
Due from other funds	505,102	-	471,923	977,025
Total assets	\$ 13,033,095	\$ 3,886,055	\$ 9,178,987	\$ 26,098,137
Liabilities				
Accounts payable	\$ 439,169	\$ 20,790	\$ 104,726	\$ 564,685
Accrued payroll	478,822	-	55,068	533,890
Due to other funds	-	-	791,591	791,591
Total liabilities	917,991	20,790	951,385	1,890,166
Deferred Inflows of Resources				
Deferred property taxes	7,528,109	40,616	4,464,223	12,032,948
Deferred intergovernmental revenue	332,971	-	-	332,971
Total deferred inflows of resources	7,861,080	40,616	4,464,223	12,365,919
Fund Balances				
Nonspendable for prepaids, deposits and inventories	87,526	910,000	-	997,526
Restricted	-	2,914,649	4,693,353	7,608,002
Unassigned (deficit)	4,166,498	-	(929,974)	3,236,524
Total fund balances	4,254,024	3,824,649	3,763,379	11,842,052
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,033,095	\$ 3,886,055	\$ 9,178,987	\$ 26,098,137

See Notes to Financial Statements.

Village of South Holland, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2014

Total fund balances-governmental funds	\$ 11,842,052
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	67,787,119
State intergovernmental revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the Statement of Activities.	332,971
Discounts related to refundings of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	36,334
Deferred losses on debt refundings are not considered to represent a financial resource and, therefore, are not reported in the funds.	615,715
The net pension asset resulting from contributions in excess of the annual required contribution are not financial resources, and therefore, are not reported in the funds.	311,701
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Claims payable	(269,036)
General obligation bonds	(6,675,000)
Tax incremental financing bonds	(12,665,000)
Capital appreciation bonds	(2,600,882)
Accrued interest	(175,028)
Compensated absences	(557,602)
IMRF pension obligation	(182,486)
Capital lease	(89,934)
Other postemployment benefits	(6,816,953)
Net position of governmental activities	\$ 50,893,971

See Notes to Financial Statements.

Village of South Holland, Illinois

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

	General Fund	Downtown TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 7,699,988	\$ 92,042	\$ 6,304,756	\$ 14,096,786
Intergovernmental	7,147,669	-	736,226	7,883,895
Licenses and permits	1,914,854	-	-	1,914,854
Fines and forfeitures	1,573,057	-	-	1,573,057
Charges for services	2,136,100	-	1,431,224	3,567,324
Grants	33,424	-	-	33,424
Investment income	3,261	5	625	3,891
Rental income	-	154,150	-	154,150
Miscellaneous	989,337	-	115,896	1,105,233
Total revenues	21,497,690	246,197	8,588,727	30,332,614
Expenditures:				
Current:				
General government	5,444,249	10,492	3,238,279	8,693,020
Public safety:				
Fire department	3,476,581	-	-	3,476,581
Police department	6,747,860	-	-	6,747,860
Building department	762,385	-	-	762,385
Civil defense	23,559	-	-	23,559
Public works	1,764,978	-	-	1,764,978
Garbage department	1,875,889	-	-	1,875,889
Capital outlay	358,363	268,891	1,105,070	1,732,324
Debt service:				
Principal	1,515,000	-	1,750,000	3,265,000
Interest, fees and debt issuance costs	74,235	-	682,621	756,856
Total expenditures	22,043,099	279,383	6,775,970	29,098,452
Excess (deficiency) of revenues over (under) expenditures	(545,409)	(33,186)	1,812,757	1,234,162
Other financing sources (uses):				
Proceeds from capital lease	-	-	89,934	89,934
Transfers in	-	2,800,000	2,032,333	4,832,333
Transfers (out)	(250,000)	(950,000)	(3,632,333)	(4,832,333)
Total other financing sources (uses)	(250,000)	1,850,000	(1,510,066)	89,934
Net change in fund balances	(795,409)	1,816,814	302,691	1,324,096
Fund balances:				
May 1, 2013	5,049,433	2,007,835	3,460,688	10,517,956
April 30, 2014	\$ 4,254,024	\$ 3,824,649	\$ 3,763,379	\$ 11,842,052

See Notes to Financial Statements.

Village of South Holland, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2014

Net change in fund balances-total governmental funds	\$	1,324,096
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlays in the current period.		(73,672)
Capital outlay		(1,557,970)
Depreciation		
Governmental funds do not report certain capital asset activities that are reflected in governmental activities:		
Disposal of capital assets		(5,343)
Contribution of capital assets		70,000
State revenues that are deferred in the fund financial statements because they are not available but are recognized in the Statement of Activities.		(42,907)
The following are expenditures in the governmental funds, but the repayment or defeasance of debt reduces long-term liabilities in the Statement of Net Position:		
General obligation bonds		2,520,000
Tax incremental financing bonds		745,000
Accretion of interest on capital appreciation bonds		(99,411)
In the fund financial statements, the issuance of long-term debt is considered other financing sources, but in the Statement of Net Position, debt is reported as a liability.		(89,934)
Losses on refunding of bonds are not reflected in the fund financial statements but are recorded as part of liabilities in the Statement of Net Position.		(60,122)
Amortization of all losses on refunding		
Premiums and discounts on the issuance of bonds are recorded as other financing sources/uses in the fund financial statements, but recorded as contra-liabilities in the Statement of Net Position and amortized over the life of the bonds.		
Amortization of premium		10,164
Amortization of discount		(3,136)
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 governmental funds. These activities consist of:		
Change in claims payable		(92,717)
Change in accrued interest		190,479
Change in pension asset		(19,117)
Change in IMRF pension obligation		(8,536)
Change in compensated absences		(36,469)
Change in other postemployment benefits		(497,760)
Change in net position of governmental activities	\$	2,272,645

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Net Position
Enterprise Fund
April 30, 2014

	Water Fund
Assets	
Current Assets	
Receivables:	
Accounts, customers	\$ 1,017,331
Noncurrent Assets	
Buildings	2,603,574
Equipment	3,773,621
Waterworks and sewerage system	12,654,936
	19,032,131
Less accumulated depreciation	8,539,781
Total noncurrent assets	<u>10,492,350</u>
Total assets	<u>\$ 11,509,681</u>
Liabilities	
Current Liabilities	
Accounts payable	420,010
Accrued liabilities	33,660
Compensated absences	38,603
Due to other funds	185,434
IEPA loan	170,942
	848,649
Total current liabilities	<u>848,649</u>
Noncurrent Liabilities	
IEPA loan	3,363,599
Total noncurrent liabilities	<u>3,363,599</u>
Total liabilities	<u>4,212,248</u>
Net Position	
Net investment in capital assets	6,957,809
Unrestricted	339,624
Total net position	<u>\$ 7,297,433</u>

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Revenues, Expenses and
Changes in Net Position
Enterprise Fund
Year Ended April 30, 2014

	Water Fund
Operating revenues:	
Water sales	\$ 4,387,899
Miscellaneous	292,203
Total operating revenues	<u>4,680,102</u>
Operating expenses:	
Personnel	1,012,861
Contractual	3,461,327
Commodities	263,875
Depreciation	373,579
Total operating expenses	<u>5,111,642</u>
Operating loss	(431,540)
Nonoperating income (expense):	
Grants	9,666
Investment income	32
Interest expense	(45,767)
Total nonoperating income (expense)	<u>(36,069)</u>
Change in net position	(467,609)
Net position:	
May 1, 2013	7,765,042
April 30, 2014	\$ <u>7,297,433</u>

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Cash Flows - Enterprise Fund
Year Ended April 30, 2014

	Water Fund
Cash Flows from Operating Activities	
Cash received from residents for services	\$ 4,677,078
Payments to employees	(1,017,510)
Payments to suppliers	(3,608,833)
Net cash provided by operating activities	50,735
Cash Flows from Investing Activities	
Investment income	32
Cash Flows from Non-Capital Financing Activities	
Due to other funds	185,434
Cash Flows from Capital Financing Activities	
Purchases of capital assets	(253,073)
Grant received	9,666
Principal payments on debt	(168,825)
Interest paid	(45,767)
Net cash used in capital financing activities	(457,999)
Net decrease in cash and cash equivalents	(221,798)
Cash and cash equivalents:	
May 1, 2013	221,798
April 30, 2014	\$ -
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (431,540)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	373,579
Changes in assets and liabilities:	
Accounts receivable	(3,024)
Accounts payable	116,369
Accrued liabilities	(1,729)
Compensated absences	(2,920)
Total adjustments	482,275
Net cash provided by operating activities	\$ 50,735

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2014

	Pension Trust Funds	Agency Fund	Total
Assets			
Cash and cash equivalents	\$ 1,335,026	\$ 17,213	\$ 1,352,239
Investments, at fair value:			
Municipal bonds	1,479,929	-	1,479,929
Corporate bonds	5,422,550	-	5,422,550
U.S. Government and agency obligations	6,212,546	-	6,212,546
Stock equities	10,484,053	-	10,484,053
Equity mutual funds	9,075,511	-	9,075,511
Other assets	168,329	-	168,329
Total assets	34,177,944	17,213	34,195,157
Liabilities			
Accounts payable	-	-	-
Due to bondholders	-	266	266
Escrow deposits	-	15,547	15,547
Other	9,983	1,400	11,383
Total liabilities	9,983	17,213	27,196
Net position			
Held in trust for pension benefits	\$ 34,167,961	\$ -	\$ 34,167,961

See Notes to Financial Statements.

Village of South Holland, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2014

Additions	
Contributions:	
Employer	\$ 1,398,442
Plan members	553,129
Total contributions	<u>1,951,571</u>
Investment income:	
Net appreciation in fair value of investments	1,829,043
Interest and dividends	1,084,952
Total investment income	2,913,995
Less: Investment expense	88,619
Net investment income	<u>2,825,376</u>
Total additions	<u>4,776,947</u>
Deductions	
Benefits and refunds	1,966,033
Administrative expenses	62,052
Total deductions	<u>2,028,085</u>
Net increase	2,748,862
Net position held in trust for pension benefits:	
May 1, 2013	31,419,099
April 30, 2014	<u>\$ 34,167,961</u>

See Notes to Financial Statements.

Village of South Holland, Illinois
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Village of South Holland provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the funds and account groups of the Village of South Holland, the primary government, and South Holland Public Library, its component unit, which is included in the Village's reporting entity because of its operational and financial relationship with the Village.

The South Holland Public Library provides library services to the residents of the Village of South Holland, but is governed by a board which is separately elected by the public. Financial data of the Library has been discretely presented in the component unit column in the general purpose financial statements to emphasize that it is legally separate from the Village. Separate financial statements of the Library are not prepared.

The accounting policies of the Village of South Holland conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

The Village of South Holland Public Library is responsible for providing services to the Village's residents. The members of the governing board of the South Holland Public Library are elected by the voters of the Village; however, the Library is fiscally dependent on the Village as the tax levy established by the Library and bonded debt must be approved by the Village. The Village implemented GASB Statement No. 61 during fiscal year 2013, which requires, in addition to the criteria above, that a financial benefit and burden relationship exist in order for a component unit to be included in the primary government's financial statements. Based on the applicable criteria, the Library is a discretely presented component unit within these financial statements.

Government-wide and Fund Financial Statements

Government-Wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

Village of South Holland, Illinois
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

Downtown TIF Fund - This Capital Projects fund is used to account for the incremental property taxes and related redevelopment costs pertaining to the Downtown TIF District.

The Village administers the following major proprietary fund:

Water Fund - accounts for the provision of water services 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.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and an agency fund that is used to account for assets held by the Village for others in an agency capacity.

Village of South Holland, Illinois
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)
Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds 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 60 days of the end of the current fiscal year, subject to judgment and consistency so as not to artificially distort normal revenue patterns, except for property taxes which are further explained in Note 3.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities, which should be recognized when due. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

Assets, liabilities, and net position or equity

1. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider 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.

2. Investments

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value which approximates fair value.

Village of South Holland, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

3. Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net position.

Reimbursements—payments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

4. Inventories

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

6. Deferred Outflows of Resources

Deferred outflows of resources arise when the consumption of net position in one period is applicable to future periods. The Village reflects its deferred losses on bond refunding as deferred outflows of resources.

7. Capital and Intangible Assets

Capital assets which include land, streets, buildings, storm sewers, sanitary sewers, water mains, vehicles and intangible assets, which include easements and similar items, 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 \$30,000, 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

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

Village of South Holland, Illinois

Notes to Financial Statements

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:

	Estimated Useful Lives
Land improvements	15 – 30 years
Buildings	40 – 50 years
Machinery and equipment	10 – 20 years
Streets	20 years
Sidewalks	20 years
Storm	25 years
Streetlights	10 years
Distribution system	40 years

8. Deferred Inflows of Resources and Unearned Revenue

The Village reports both deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period for the governmental funds. Additionally, deferred inflows of resources arise when revenues associated with imposed nonexchange revenue transactions (property taxes) are received or reported as receivable before the period for which they are levied. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to occurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the deferred inflows of resources or unearned revenue are removed from the financial statements and revenue is recognized.

9. Compensated Absences

Village employees accumulate vacation hours for subsequent use or for payment upon termination, death or retirement. All accrued vacation pay is recognized as an expense and as a liability of the enterprise funds at the time the liability is incurred. Governmental fund types record accumulated vacation pay as an expenditure in the current year to the extent it is paid or is expected to be paid with available financial resources; otherwise it is accounted for as a long-term liability in the Statement of Net Position.

10. 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 proprietary fund Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized on a straight-line basis over the life of the bonds.

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

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. 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.

Village of South Holland, Illinois
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

11. Fund Equity

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

- Nonspendable – includes amounts that cannot be spent because they are either a) in spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. At April 30, 2014, the Village has no committed fund balances.

Assigned – Includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not authorized any other body or official to assign amounts for specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At April 30, 2014, the Village has no assigned balances.

Unassigned – includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the Village's policy for the General Fund to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

For all other governmental funds, it is the Village's policy to consider unrestricted resources (i.e. committed, assigned) to have been spent first, followed by restricted resources.

At April 30, 2014, the Village's fund balance restrictions were for the following purposes:

Restricted purpose:	
MFT projects	\$ 1,517,792
Sewer expenditures	376,377
Debt service	50,446
Capital projects:	
Downtown TIF District	2,914,649
Other TIF Districts and capital projects	<u>2,748,738</u>
Total Restricted	<u>\$ 7,608,002</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

12. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

New Pronouncements Implemented in the Current Year

During the fiscal year ended April 30, 2014, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statements No. 66 *Technical Corrections – an amendment of GASB Statements No. 10 and No. 62*. This statement did not have a significant impact on the Village's financial statements.

Note 2. Cash and Investments

The Village is authorized to make deposits in commercial banks and savings and loan institutions and make investments in obligations of the U.S. Treasury and U.S. Government Agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, and life insurance company contracts.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price the investment could be sold for.

Custodial credit risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2014, the carrying amount of the Village's deposits with financial institutions, excluding cash on hand of \$350, totaled \$4,598,258. As of April 30, 2014, the carrying amount of the Village's deposits, excluding cash on hand of \$100, was \$841,224. Total bank balances relating to the Village's and Library's deposits with financial institutions totaled \$5,715,045. These bank balances are fully insured and collateralized.

Village of South Holland, Illinois
Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investments: As of April 30, 2014, the Village had the following investments (in debt securities) and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	6-10
Corporate bonds	\$ 5,422,550	\$ 527,739	\$ 3,593,345	\$ 1,301,466
Municipal bonds	1,479,929	-	1,479,929	-
U.S. Government Agencies	5,695,351	281,225	4,345,479	1,068,647
U.S. Treasuries	517,195	-	517,195	-
	<u>\$ 13,115,025</u>	<u>\$ 808,964</u>	<u>\$ 9,935,948</u>	<u>\$ 2,370,113</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific maturity. However, the Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments in stock equities, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these types to the top rating issued by NRSROs. As of April 30, 2014, the Village's investments in U.S. Government Agencies and Treasuries were rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The municipal bonds were not rated. Corporate bond ratings ranged from BBB+ to AAA by Standard & Poor's and Baa3 to AAA by Moody's Investors Service.

Concentration of Credit Risk. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification required is as follows:

- Up to a 100% investment in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities;
- Up to a 90% investment in interest-bearing saving accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, or certificates of deposits with federally insured institutions that are collateralized or insured at levels acceptable to the Village in excess of the \$250,000 provided by the Federal Deposit Insurance Corporation coverage limit; and
- Up to a 33% investment in collateralized repurchase agreements, commercial paper, the Illinois Funds or the Illinois Municipal League Liquid Asset Fund.

More than 5% of the Village's investments are in the following U.S. Government Agency: Federal Home Loan Banks. This investment is 7.84% respectively, of the Village's total investments.

As of April 30, 2014, the Village's fair values of investments that are not included in the totals above are stock equities, equity mutual funds and Illinois Funds of \$10,484,054, \$9,075,511, and \$12,711,847, respectively.

Village of South Holland, Illinois
Notes to Financial Statements

Note 2. Cash and Investments (Continued)

The above cash and investments totaling \$50,826,369 are reported in the financial statements as follows:

	Governmental Activities	Fiduciary Funds	Component Unit	Total
Cash and cash equivalents	\$ 15,958,217	\$ 1,352,239	\$ 841,324	\$ 18,151,780
Investments	-	32,674,589	-	32,674,589
Total	<u>\$ 15,958,217</u>	<u>\$ 34,026,828</u>	<u>\$ 841,324</u>	<u>\$ 50,826,369</u>

Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village. Property taxes are recognized as a receivable at the time they are levied. In the governmental activities of the GVFS and the governmental funds of the FFS, since the 2012 tax levy is intended to finance the expenditures for the year ended April 30, 2014, revenue from the entire 2013 tax levy has been deferred for recognition to the year ended April 30, 2015. Property taxes in the pension trust funds are recognized as revenue based on the year they are budgeted to fund; therefore the 2012 tax levy was recognized as revenue for the year ended April 30, 2014. The 2012 property tax levy, together with any prior year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2014. A 1% reduction of the tax levy amount for collection losses has been made to reduce the property taxes receivable to the estimated amount to be collected.

Village of South Holland, Illinois
Notes to Financial Statements

Note 4. Capital Assets

Governmental Activities

A summary of the changes in capital assets for governmental activities of the Village is as follows:

	Balance, May 1, 2013	Additions	Retirements	Balance, April 30, 2014
Governmental activities:				
Capital assets not being depreciated				
Land and rights of way	\$ 31,364,121	\$ 176,000	\$ -	\$ 31,540,121
Construction in progress	841,086	566,439	776,111	631,414
	<u>32,205,207</u>	<u>742,439</u>	<u>776,111</u>	<u>32,171,535</u>
Capital assets being depreciated:				
Infrastructure	49,154,847	-	-	49,154,847
Land improvements	4,009,111	-	-	4,009,111
Municipal buildings and grounds	15,066,048	-	-	15,066,048
Equipment	5,132,056	30,000	53,434	5,108,622
	<u>73,362,062</u>	<u>30,000</u>	<u>53,434</u>	<u>73,338,628</u>
Less accumulated depreciation for:				
Infrastructure	26,942,685	678,320	-	27,621,005
Land improvements	1,286,134	195,546	-	1,481,680
Municipal buildings and grounds	4,831,578	293,917	-	5,125,495
Equipment	3,152,768	390,187	48,091	3,494,864
	<u>36,213,165</u>	<u>1,557,970</u>	<u>48,091</u>	<u>37,723,044</u>
Total capital assets being depreciated, net	<u>37,148,897</u>	<u>(1,527,970)</u>	<u>5,343</u>	<u>35,615,584</u>
Governmental activities capital assets, net	<u>\$ 69,354,104</u>	<u>\$ (785,531)</u>	<u>\$ 781,454</u>	<u>\$ 67,787,119</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 4. Capital Assets (Continued)

Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance, May 1, 2013	Additions	Retirements	Balance, April 30, 2014
Business-type activities:				
Capital assets being depreciated:				
Water system	\$ 12,401,863	\$ 253,073	\$ -	\$ 12,654,936
Buildings	2,603,574	-	-	2,603,574
Operating equipment	3,773,621	-	-	3,773,621
	<u>18,779,058</u>	<u>253,073</u>	<u>-</u>	<u>19,032,131</u>
Less accumulated depreciation for:				
Waterworks system	5,528,194	213,240	-	5,741,434
Buildings	1,400,768	59,969	-	1,460,737
Operating equipment	1,237,240	100,370	-	1,337,610
	<u>8,166,202</u>	<u>373,579</u>	<u>-</u>	<u>8,539,781</u>
Total capital assets being depreciated, net	<u>10,612,856</u>	<u>(120,506)</u>	<u>-</u>	<u>10,492,350</u>
Business-type activities capital assets, net	<u>\$ 10,612,856</u>	<u>\$ (120,506)</u>	<u>\$ -</u>	<u>\$ 10,492,350</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 4. Capital Assets (Continued)

Component Unit

A summary of changes in capital assets for the component unit of the Village is as follows:

	Balance, May 1, 2013	Additions	Retirements	Balance, April 30, 2014
Capital assets being depreciated:				
Library building	\$ 6,273,780	\$ -	\$ -	\$ 6,273,780
Infrastructure	350,164	-	-	350,164
Land improvements	-	49,868	-	49,868
Equipment	31,032	-	-	31,032
	<u>6,654,976</u>	<u>49,868</u>	<u>-</u>	<u>6,704,844</u>
Less accumulated depreciation for:				
Library building	4,306,892	125,476	-	4,432,368
Infrastructure	38,517	7,003	-	45,520
Land improvements	-	1,247	-	1,247
Equipment	9,310	2,069	-	11,379
	<u>4,354,719</u>	<u>135,795</u>	<u>-</u>	<u>4,490,514</u>
Capital assets being depreciated, net	<u>\$ 2,300,257</u>	<u>\$ (85,927)</u>	<u>\$ -</u>	<u>\$ 2,214,330</u>

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities	Component Unit
General government	\$ 947,052	\$ -	\$ -
Public safety	342,322	-	-
Public works	268,596	-	-
Water	-	373,579	-
Library	-	-	135,795
	<u>\$ 1,557,970</u>	<u>\$ 373,579</u>	<u>\$ 135,795</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 5. Long-Term Obligations

The following is a summary of long-term obligation transactions of the Village's governmental activities for the year ended April 30, 2014:

	May 1, 2013	Additions	Reductions	April 30, 2014	Due Within One Year
General obligation bonds	\$ 9,195,000	\$ -	\$ 2,520,000	\$ 6,675,000	\$ 1,040,000
Premium on general obligation bonds	10,164	-	10,164	-	-
Discount on general obligation bonds	(19,596)	-	(1,557)	(18,039)	-
	<u>9,185,568</u>	<u>-</u>	<u>2,528,607</u>	<u>6,656,961</u>	<u>1,040,000</u>
General obligation TIF bonds	13,410,000	-	745,000	12,665,000	620,000
Discount on general obligation TIF bonds	(19,874)	-	(1,579)	(21,453)	-
	<u>13,390,126</u>	<u>-</u>	<u>743,421</u>	<u>12,643,547</u>	<u>1,660,000</u>
Capital appreciation bonds	2,501,471	99,411	-	2,600,882	-
Capital lease	-	89,934	-	89,934	22,142
Compensated absences	521,133	557,602	521,133	557,602	557,602
Other postemployment benefits	6,319,193	982,087	464,327	6,816,953	-
	<u>\$ 31,917,491</u>	<u>\$ 1,619,100</u>	<u>\$ 4,257,488</u>	<u>\$ 29,279,103</u>	<u>\$ 3,257,602</u>

Additions include \$99,411 in accreted interest on capital appreciation bonds which are included in long-term liabilities.

The General Fund is typically used to liquidate compensated absences and other postemployment benefits.

The following is a summary of changes in long-term debt transactions of the Village's business-type activity for the year ended April 30, 2014:

	May 1, 2013	Additions	Reductions	April 30, 2014	Due Within One Year
IEPA Loan	\$ 3,703,366	\$ -	\$ 168,825	\$ 3,534,541	\$ 170,942
Compensated absences	41,523	38,603	41,523	38,603	38,603
	<u>\$ 3,744,889</u>	<u>\$ 38,603</u>	<u>\$ 210,348</u>	<u>\$ 3,573,144</u>	<u>\$ 209,545</u>

The following is a summary of changes in compensated absences of the Village's component unit for the year ended April 30, 2014:

	May 1, 2013	Additions	Reductions	April 30, 2014	Due Within One Year
Compensated absences	\$ 42,918	\$ 47,549	\$ 42,918	\$ 47,549	\$ 47,549

Village of South Holland, Illinois
Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Details of the Village's long-term obligations as of April 30, 2014, are as follows:

General Obligation Bonds:

A general obligation corporate purpose bond issue for the improvement of public streets and other Village public infrastructure dated June 15, 2005 provides for the serial retirement of the principal semiannually on December 15 and June 15, principal retired will be \$375,000 in fiscal year 2015, \$395,000 in fiscal year 2016, \$410,000 in fiscal year 2017. Interest is payable on June 15 and December 15 at rates between 3.70% and 4.25%. The remainder of the principal balance was partially refunded in advance through the general obligation series 2012 issuance.

\$ 1,180,000

A general obligation refunding bond issue dated December 2, 2008 provides for the serial retirement of the principal annually on December 15. Principal retired will be \$610,000 in fiscal year 2015. Interest is payable on June 15 and December 15 at rates between 3.00% and 5.00%.

610,000

A general obligation corporate purpose bond issued for refunding the prior issue of 2005 associated with the improvement of public streets and other Village infrastructure, dated December 20, 2012 provides for serial retirement of the principal annually on December 15. Principal retired will be \$55,000 in fiscal year 2015, \$55,000 in fiscal year 2016, \$55,000 in fiscal year 2017, \$480,000 in fiscal year 2018, \$490,000 in fiscal year 2019, \$500,000 in fiscal year 2020, \$515,000 in fiscal year 2021, \$520,000 in fiscal year 2022, \$535,000 in fiscal year 2023, \$550,000 in fiscal year 2024, \$555,000 in fiscal year 2025 and \$575,000 in fiscal year 2026. Interest is payable between rates of 2.0% and 2.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.

4,885,000

\$ 6,675,000

Total general obligation bonds

Village of South Holland, Illinois
Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

General Obligation TIF Bonds:

A general obligation corporate purpose bond issue for capital infrastructure improvements, associated with the Route 6 TIF, dated November 28, 2006 provides for the serial retirement of the principal annually on December 15. Principal retired will be \$380,000 in fiscal year 2015, \$395,000 in fiscal year 2016, \$415,000 in fiscal year 2017. Interest is payable on June 15 and December 15 at rates between 3.95% and 4.05%. \$ 1,190,000

A general obligation corporate purpose bond issue for property acquisitions related to the Downtown TIF reconstruction dated March 27, 2007 provides for the serial retirement of the principal annually on December 15. Principal retired will be \$70,000 in fiscal year 2015, \$85,000 in fiscal year 2016, \$105,000 in fiscal year 2017, \$125,000 in fiscal year 2018, \$145,000 in fiscal year 2019, \$170,000 in fiscal year 2020, \$190,000 in fiscal year 2021, \$220,000 in fiscal year 2022, \$250,000 in fiscal year 2023, \$280,000 in fiscal year 2024, \$315,000 in fiscal year 2025, \$355,000 in fiscal year 2026, and \$395,000 in fiscal year 2027. Interest is payable on June 15 and December 15 at rates between 4.90% and 5.45%. 2,705,000

A general obligation corporate purpose bond issued for redevelopment costs associated with the Downtown Tax Incremental Financing District dated March 27, 2007 provides for the retirement of the principal on December 15 at a rate of \$115,000 in fiscal year 2015, \$140,000 in fiscal year 2016, \$165,000 in fiscal year 2017, \$190,000 in fiscal year 2018, \$215,000 in fiscal year 2019, \$245,000 in fiscal year 2020, \$275,000 in fiscal year 2021, \$310,000 in fiscal year 2022, \$345,000 in fiscal year 2023, \$385,000 in fiscal year 2024, \$430,000 in fiscal year 2025, \$475,000 in fiscal year 2026 and \$525,000 in 2027. Interest is payable on June 15 and December 15 at a rates between 3.80% and 4.00%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy. 3,815,000

Village of South Holland, Illinois
Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

General Obligation TIF Funds (Continued):

A general obligation corporate purpose bond issued for refunding the prior issue of 2006 associated with Route 6/ South Park Avenue Tax Incremental Financing District, dated December 20, 2012 provides for serial retirement of the principal annually on December 15. Principal retired will be \$55,000 in fiscal year 2015, \$55,000 in fiscal year 2016, \$55,000 in fiscal year 2017, \$485,000 in fiscal year 2018, \$500,000 in fiscal year 2019, \$505,000 in fiscal year 2020, \$515,000 in fiscal year 2021, \$535,000 in fiscal year 2022, \$545,000 in fiscal year 2023, \$555,000 in fiscal year 2024, \$570,000 in fiscal year 2025 and \$580,000 in fiscal year 2026. Interest is payable between rates of 2.0% and 2.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.

Total general obligation TIF bonds

4,955,000
\$ 12,665,000

A general obligation capital appreciation bond issue for Veterans Park reconstruction dated March 27, 2007 provides for the serial retirement of the principal annually on December 15. Principal retired will be \$466,174 in fiscal year 2016, \$446,602 in fiscal year 2017, \$427,427 in fiscal year 2018, \$409,149 in fiscal year 2019, and \$252,550 in fiscal year 2020. Interest is payable on June 15 and December 15 at rates between 3.85% and 4.04%. Included in the principal balance outstanding is \$598,980 of accumulated accreted interest.

\$ 2,600,882

A capital lease purchase agreement entered into with Municipal Asset Management, Inc. dated September 23, 2013 provides for the serial retirement of principal annually on September 23. Principal retired will be \$22,142 in fiscal year 2015, \$24,071 in fiscal year 2016, \$26,169 in fiscal year 2017, and \$17,552 in fiscal year 2017. Interest is payable on September 23 at a rate 9.77%.

\$ 89,934

Total long-term debt obligations

\$ 22,030,816

Village of South Holland, Illinois
Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The future debt service requirements to amortize the total long-term debt obligations of the Village, excluding compensated absences and other postemployment benefits, including interest as of April 30, 2014, are as follows:

Fiscal Year	Principal	Interest	Total
2015	\$ 1,682,142	\$ 619,686	\$ 2,301,828
2016	1,615,245	738,040	2,353,285
2017	1,677,771	713,287	2,391,058
2018	1,724,979	684,589	2,409,568
2019	1,759,149	668,380	2,427,529
2020-2024	8,197,550	1,712,057	9,909,607
2025-2027	4,775,000	315,836	5,090,836
	21,431,836	5,451,875	26,883,711
	598,980	(598,980)	-
	<u>\$ 22,030,816</u>	<u>\$ 4,852,895</u>	<u>\$ 26,883,711</u>

Accumulated accreted interest

The future debt service requirements to amortize the total long-term debt obligations of the Village's business-type activities, excluding compensated absences and other postemployment benefits, including interest as of April 30, 2014, are as follows:

Fiscal Year	Principal	Interest	Total
2015	\$ 170,942	\$ 43,649	\$ 214,591
2016	173,086	41,506	214,592
2017	175,256	39,335	214,591
2018	177,454	37,138	214,592
2019	179,679	34,913	214,592
2020-2024	932,760	140,200	1,072,960
2025-2029	992,725	80,234	1,072,959
2030-2034	732,639	18,429	751,068
	<u>\$ 3,534,541</u>	<u>\$ 435,404</u>	<u>\$ 3,969,945</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans:

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village 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.

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rates for calendar years ended December 31, 2014 and 2013 were 24.39 percent and 24.73 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The following table shows the components of the Village's annual pension costs for the fiscal year ended April 30, 2014, the amount actually contributed to the plan, and changes in the Village's net pension obligation to the plan:

Annual required contribution	\$ 1,200,063
Interest on net pension obligation	16,421
Adjustment to annual requirement contribution	(11,738)
Annual pension cost	<u>1,204,746</u>
Contributions made	<u>1,200,063</u>
Increase in pension obligation	4,683
Net pension obligation, beginning of year	<u>222,748</u>
Net pension obligation, end of year	<u>\$ 227,431</u>

Of the net pension obligation above, \$182,486 is reflected in the Village's government-wide financial statements, and the remaining \$44,945 is reflected in the Library's financial statements.

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Village Net Pension Obligation	Library Net Pension Obligation
12/31/2013	\$ 1,204,746	95%	\$ 182,486	\$ 44,945
12/31/2012	1,188,074	94%	173,950	48,798
12/31/2011	960,571	92%	130,785	36,483

The required contributions for 2013 were determined as part of the December 31, 2011, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 57.01 percent funded. The actuarial accrued liability for benefits was \$13,545,370 the actuarial value of assets was \$7,722,577, resulting in an underfunded actuarial accrued liability (UAAAL) of \$5,822,793. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$4,799,120 and the ratio of UAAAL to covered payroll was 121 percent.

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2013 was 26.31% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The most recent valuation date for the Police Pension Plan was April 30, 2013.

The Village's annual pension cost and net pension benefit to the Plan for the year ended April 30, 2014 were as follows:

Annual required contribution	\$ 957,021
Interest on net pension obligation	(10,618)
Adjustment to annual requirement contribution	6,833
Annual pension cost	<u>953,236</u>
Contributions made	944,381
Decrease in pension (asset)	<u>8,855</u>
Net pension (asset) beginning of year	<u>(227,242)</u>
Net pension (asset) end of year	<u>\$ (218,387)</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The annual required contribution for the year ended April 30, 2014, was determined as part of the April 30, 2013, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.25% investment rate of return, (b) projected salary increases of 5%, (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial asset is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at April 30, 2013 was 28 years.

At April 30, 2013, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	31
Current employees, vested and nonvested	46
Total	<u><u>77</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/2014	\$ 953,236	99%	\$ (218,387)
04/30/2013	925,000	99%	(227,242)
04/30/2012	819,215	100%	(239,615)

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The plan held one investment that represented over 5% of plan net position on an individual basis.

Funded Status and Funding Progress

As of April 30, 2013, the most recent actuarial valuation date, the plan was 67.7 percent funded. The actuarial accrued liability for benefits was \$29,981,667 and the actuarial value of the assets was \$20,307,131, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,674,536. The covered payroll (annual payroll of active employees covered by the plan) was \$3,469,120 and the ratio of the UAAL to the covered payroll was 267.6 percent.

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

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Plan

Fire-sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois State Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Firefighters' Pension Plan is a fund of the Village and does not issue separate financial statements.

Covered employees were required to contribute 9.46 percent of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2013 was 23.76% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contribution and benefits are recognized when due and payable. Refunds are recognized as paid.

The most recent valuation date for the Firefighters' Pension Plan was April 30, 2013.

The Village's annual pension cost and net pension benefit to the Plan for the year ended April 30, 2014 were as follows:

Annual required contribution	\$ 465,364
Interest on net pension obligation	(2,920)
Adjustment to annual requirement contribution	1,879
Annual pension cost	<u>464,323</u>
Contributions made	454,061
(Increase) in pension (asset)	10,262
Net pension (asset) beginning of year	<u>(103,576)</u>
Net pension (asset) end of year	<u>\$ (93,314)</u>

The annual required contribution for the year ended April 30, 2013, was determined as part of the April 30, 2013, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.25% investment rate of return, (b) projected salary increases of 5% (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at April 30, 2013 was 28 years.

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

At April 30, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	12
Current employees, vested and nonvested	<u>23</u>
Total	<u><u>35</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Contributed of APC	Net Pension Obligation (Asset)
4/30/2014	\$ 464,323	98%	\$ (93,314)
4/30/2013	436,312	97%	(103,576)
4/30/2012	391,229	112%	(115,258)

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The plan held two investments that represented over 5% of plan net position on an individual basis.

Funded Status and Funding Progress

As of April 30, 2013, the most recent actuarial valuation date, the plan was 79.1 percent funded. The actuarial accrued liability for benefits was \$13,548,008 and the actuarial value of the assets was \$10,723,112, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,824,896. The covered payroll (annual payroll of active employees covered by the plan) was \$1,787,295 and the ratio of the UAAL to the covered payroll was 158.3 percent.

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

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)
Combining Statement of Net Position
Pension Trust Funds
April 30, 2014

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 1,229,572	\$ 105,454	\$ 1,335,026
Investments, at fair value:			
Municipal bonds	861,795	618,134	1,479,929
Corporate bonds	3,174,521	2,248,029	5,422,550
U.S. Government and agency obligations	3,591,830	2,620,716	6,212,546
Stock equities	7,557,574	2,926,479	10,484,053
Equity mutual funds	6,070,559	3,004,952	9,075,511
	22,485,851	11,523,764	34,009,615
Other assets	100,164	68,165	168,329
Total assets	22,586,015	11,591,929	34,177,944
Liabilities			
Other liabilities	7,012	2,971	9,983
Net Position			
Held in trust for pension benefits	\$ 22,579,003	\$ 11,588,958	\$ 34,167,961

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)
Combining Statement of Changes in Net Position
Pension Trust Funds
Year Ended April 30, 2014

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 944,381	\$ 454,061	\$ 1,398,442
Plan members	380,096	173,033	553,129
Total contributions	1,324,477	627,094	1,951,571
Investment income:			
Net appreciation in fair value of investments	1,472,083	356,960	1,829,043
Interest and dividends	631,794	453,158	1,084,952
Total investment income	2,103,877	810,118	2,913,995
Less: Investment expense	57,637	30,982	88,619
Net investment income	2,046,240	779,136	2,825,376
Total additions	3,370,717	1,406,230	4,776,947
Deductions			
Benefits and refunds	1,456,738	509,295	1,966,033
Administrative expenses	34,523	27,529	62,052
Total deductions	1,491,261	536,824	2,028,085
Net increase	1,879,456	869,406	2,748,862
Net position held in trust for pension benefits:			
May 1, 2013	20,699,547	10,719,552	31,419,099
April 30, 2014	\$ 22,579,003	\$ 11,588,958	\$ 34,167,961

Village of South Holland, Illinois

Notes to Financial Statements

Note 7. Postemployment Healthcare Plan

Plan Description. The Village of South Holland (Village) provides employer paid retiree medical and dental insurance to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Dependents are provided access to coverage on a fully contributory basis. The Village provides employer paid insurance benefits to retirees above the age of 65 and their dependents if the retirement occurred before October 1, 1993. In addition, the Village provides employer-paid retiree life insurance to eligible retirees. The life insurance benefit is \$40,000 up to the age of 70 and \$20,000 for ages 70 and above. This is a single-employer plan. The Postemployment Healthcare Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's postemployment healthcare plan with an employer contribution rate of 85% of the premiums for the coverage elected by the employee. For fiscal year 2014, the Village contributed \$464,327 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 (or funding excess) over a period not to exceed 30 years. The most recent actuarial valuation date for the postemployment healthcare plan was May 1, 2012.

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2014, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 1,085,521
Interest on net OPEB obligation	189,576
Adjustment to annual requirement contribution	(313,010)
Annual OPEB cost	<u>962,087</u>
Contributions made	<u>464,327</u>
Increase in OPEB obligation	497,760
Net OPEB obligation beginning of year	<u>6,319,193</u>
Net OPEB obligation end of year	<u>\$ 6,816,953</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

<u>Trend Information</u>	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
Fiscal Year Ended			
4/30/2014	\$ 962,087	48%	\$ 6,816,953
4/30/2013	973,257	41%	6,319,193
4/30/2012	1,217,582	36%	5,747,309

Village of South Holland, Illinois

Notes to Financial Statements

Note 7. Postemployment Healthcare Plan (Continued)

Funded Status and Funding Progress. As of May 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$10,354,183, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAAL) of \$10,354,183. The covered payroll was \$9,298,310 and UAAAL to the covered payroll was 111.36 percent.

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

Actuarial Methods and Assumptions. Projected Unit Credit – Under this cost method, the costs attributable to past service and the current year's service are determined by prorating overall years of service the benefits expected to be paid from the plan. The normal cost for any year is determined equal to the present value of the current year's portion of the employer's expected postretirement medical benefit. The current year's portion is equal to the expected postretirement medical benefit divided by the total credited service at the anticipated retirement date. The accrued liability is determined equal to the present value of the past year's portion of the employee's expected postretirement medical benefit. The past year's portion is equal to the expected postretirement medical benefit times the ratio of the participant's credited service to the total credited service at the anticipated retirement date. The sum of these values for all employees determines the normal cost and the accrued liability for the plan.

In the May 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses) which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 9 years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at May 1, 2012 was 30 years.

Village of South Holland, Illinois
Notes to Financial Statements

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

The Village is self insured up to \$300,000 of each worker's compensation claim incident with an overall retention of \$950,000 per claim year. Property and casualty is a standard insurance component with various deductible amounts starting at \$5,000 per incident.

All incurred and not reported claims have been estimated based on historical experience and have been accrued. There has been no significant reduction in insurance coverage from the prior year. The Village's settlements did not exceed its insurance coverage during the past three years.

Changes in the balances of claims liabilities are as follows:

Unpaid Claims at April 30, 2012	\$ 144,465
Provision for claims	312,898
Claims paid	<u>(281,044)</u>
Unpaid Claims at April 30, 2013	176,319
Provision for claims	507,459
Claims paid	<u>(414,742)</u>
Unpaid Claims at April 30, 2014	<u>\$ 269,036</u>

Note 9. Commitments

The Village is committed to pay several developers within tax incremental financing (TIF) districts after the developers have completed certain project improvements and satisfied other conditions. These conditions vary from developer to developer, however, in all cases these amounts are only due to be paid from future revenues which will arise from the new development within the new districts.

The Village also has construction commitments of \$1,507,721 as of April 30, 2014.

During fiscal year 2013, the Village entered into an agreement to purchase piece of commercial property. The Village paid \$500,000 during fiscal year 2013 and \$410,000 during fiscal year 2014. This total of \$910,000 has been included as a deposit in the financial statements at April 30, 2014. The Village has agreed to pay another \$410,000 by February 20, 2015 to the seller at which time, title of the property will pass to the Village.

The Village has an agreement with a local retail store in the community to provide possible future economic assistance. The Village agreed to remit a percentage of total sales taxes received by the Village to the retailer. The Village has a remaining obligation of \$634,785 as of April 30, 2014.

Village of South Holland, Illinois
Notes to Financial Statements

Note 10. Other Financial Disclosures (FFS Level Only)

(a) Due To/From Other Funds

Individual interfund balances for the Village at April 30, 2014, are as follows:

Fund	Due from Other Funds
Major Governmental:	
General,	
Capital Projects Fund, Veteran's Park	\$ 319,668
Enterprise Fund, Water	185,434
Nonmajor Governmental:	
Special Revenue Fund, Park,	
Capital Projects Fund, Veteran's Park	<u>471,923</u>
Total	<u>\$ 977,025</u>
	Due to Other Funds
Nonmajor Governmental:	
Capital Projects Fund, Veterans Park,	
General	\$ 319,668
Special Revenue, Park	471,923
Business-Type Activities	
Water	185,434
General	
Total	<u>\$ 977,025</u>

Interfunds are used as loans to fund cash needs of individual funds.

Village of South Holland, Illinois
Notes to Financial Statements

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(b) Transfer In/Out

The interfund transfers in and out for the year ended April 30, 2014, are as follows:

Fund	Transfers In
Major Governmental:	
Capital Projects, Downtown TIF,	
Nonmajor Governmental Funds	\$ 2,800,000
Nonmajor Governmental Funds:	
General Fund	250,000
Capital Projects, Downtown TIF	950,000
Nonmajor Governmental Funds	832,333
Total	<u>\$ 4,832,333</u>
Fund	Transfers Out
Major Governmental	
General Fund,	
Nonmajor Governmental Funds	\$ 250,000
Capital Projects, Downtown TIF,	
Nonmajor Governmental Funds	950,000
Nonmajor Governmental Funds,	
Capital Projects, Downtown TIF,	2,800,000
Nonmajor Governmental Funds	832,333
Total	<u>\$ 4,832,333</u>

Transfers are used to (a) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (b) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund; and (c) use unrestricted revenue collections in the General Fund to finance various programs accounted for in accordance with budgetary authorizations.

Village of South Holland, Illinois
Notes to Financial Statements

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(c) Excess of Expenditures Over Budget

The following funds overexpended their budget by the following amounts during the year ended April 30, 2014:

Nonmajor Governmental:	Excess
Special Revenue:	
Motor Fuel Tax	\$ 26,689
Sewer	86,250
Debt Service:	
Public Benefit	721
Construction Fund	936
Major Business-Type	
Water	100,860

(d) Deficit Fund Balances

The following funds reported deficits in fund balance as of April 30, 2014:

Nonmajor Governmental:	Deficit
Special Revenue,	
Park	\$ 138,384
Capital Project,	
Construction Fund	791,591

These deficit fund balances are expected to be funded by future operating revenues.

Village of South Holland, Illinois
Notes to Financial Statements

Note 11. New Governmental Accounting Standards

GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, will be effective for the Village beginning with its year ending April 30, 2015. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, will be effective for the Village beginning with its year ending April 30, 2016. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, will be effective for the Village beginning with its year ended April 30, 2015. This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual basis of financial statements of employers and nonemployer contributing entities.

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

Village of South Holland, Illinois
Required Supplementary Information
Schedule of Funding Progress
Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b)-(a)	Funded Ratio (ab)	Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (b-a)/c
12/31/2013	\$ 7,722,577	\$ 13,545,370	\$ 5,822,793	57.01 %	\$ 4,799,120	121.33 %
12/31/2012	5,544,835	12,440,899	6,896,064	44.57	4,692,235	146.97
12/31/2011	3,781,931	11,194,137	7,412,206	33.78	4,541,311	163.22

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$10,471,945. On a market basis, the funded ratio would be 77.31%.

Village of South Holland, Illinois
 Required Supplementary Information
 Schedule of Funding Progress
 Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2013	\$ 20,307,131	\$ 29,981,667	\$ 9,674,536	67.70 %	\$ 3,469,120	267.60 %
4/30/2011	18,341,232	26,577,350	8,236,118	69.00	3,217,927	255.90
4/30/2010	16,838,691	24,370,492	7,531,801	69.10	3,231,690	233.10

Note: Information included for all periods available.

Required Supplementary Information
 Schedule of Employer Contributions
 Police Pension Fund

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 957,021	111.90 %
2013	925,000	98.66
2012	819,215	96.00

Note: Information included for all periods available.

Village of South Holland, Illinois

Required Supplementary Information
 Schedule of Funding Progress
 Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2013	\$ 10,723,112	\$ 13,548,008	\$ 2,824,896	79.10 %	\$ 1,787,295	158.05 %
4/30/2012	9,932,415	12,414,006	2,481,591	80.00	1,702,105	145.80
4/30/2011	9,215,840	11,177,556	1,961,716	82.40	1,629,894	120.40

Note: Information included for all periods available.

Required Supplementary Information
 Schedule of Employer Contributions
 Firefighters' Pension Fund

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 465,364	116.06 %
2013	437,345	97.09
2012	391,229	92.80

Note: Information included for all periods available.

Village of South Holland, Illinois

Required Supplementary Information
 Schedule of Funding Progress
 Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
05/01/2012	\$ -	\$ 10,354,183	\$ 10,354,183	-	\$ 9,298,310	111.36 %
05/01/2011	-	10,914,404	10,914,404	-	9,251,895	117.97
05/01/2010	-	10,914,404	10,914,404	-	9,098,432	119.96

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL - SERIES 2015A

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the President and Board of Trustees of the Village of South Holland, Cook County, Illinois (the “*Village*”), passed preliminary to the issue by the Village of its fully registered Taxable General Obligation Refunding Bonds, Series 2015A (the “*Bonds*”), to the amount of \$2,665,000, dated April 21, 2015, due serially on December 15 of the years and in the amounts and bearing interest as follows:

2016	\$140,000	1.50%
2017	155,000	1.50%
2018	175,000	1.60%
2019	195,000	1.90%
2020	210,000	2.10%
2021	235,000	2.30%
2022	255,000	2.50%
2023	280,000	2.70%
2024	310,000	2.90%
2025	340,000	3.10%
2026	370,000	3.25%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and is payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the President and Board of Trustees of the Village of South Holland, Cook County, Illinois (the “*Village*”), passed preliminary to the issue by the Village of its fully registered General Obligation Refunding Bonds, Series 2015B (the “*Bonds*”), to the amount of \$3,220,000, dated April 21, 2015, due serially on December 15 of the years and in the amounts and bearing interest as follows:

2016	\$140,000	4.00%
2017	160,000	4.00%
2018	185,000	4.00%
2019	215,000	4.00%
2020	245,000	4.00%
2021	280,000	4.00%
2022	310,000	4.00%
2023	350,000	4.00%
2024	395,000	5.00%
2025	445,000	5.00%
2026	495,000	5.00%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and is payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village’s compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the “*Code*”), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

**VILLAGE OF SOUTH HOLLAND
COOK COUNTY, ILLINOIS**

**EXCERPTS OF FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS
RELATING TO THE COUNTY'S PENSION PLANS**

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans:

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village 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.

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rates for calendar years ended December 31, 2014 and 2013 were 24.39 percent and 24.73 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The following table shows the components of the Village's annual pension costs for the fiscal year ended April 30, 2014, the amount actually contributed to the plan, and changes in the Village's net pension obligation to the plan:

Annual required contribution	\$ 1,200,063
Interest on net pension obligation	16,421
Adjustment to annual requirement contribution	(11,738)
Annual pension cost	<u>1,204,746</u>
Contributions made	<u>1,200,063</u>
Increase in pension obligation	4,683
Net pension obligation, beginning of year	<u>222,748</u>
Net pension obligation, end of year	<u>\$ 227,431</u>

Of the net pension obligation above, \$182,486 is reflected in the Village's government-wide financial statements, and the remaining \$44,945 is reflected in the Library's financial statements.

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Village Net Pension Obligation	Library Net Pension Obligation
12/31/2013	\$ 1,204,746	95%	\$ 182,486	\$ 44,945
12/31/2012	1,188,074	94%	173,950	48,798
12/31/2011	960,571	92%	130,785	36,483

The required contributions for 2013 were determined as part of the December 31, 2011, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 57.01 percent funded. The actuarial accrued liability for benefits was \$13,545,370 the actuarial value of assets was \$7,722,577, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,822,793. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$4,799,120 and the ratio of UAAL to covered payroll was 121 percent.

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute an actuarially determined rate. The employer rate for fiscal year 2013 was 26.31% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The most recent valuation date for the Police Pension Plan was April 30, 2013.

The Village's annual pension cost and net pension benefit to the Plan for the year ended April 30, 2014 were as follows:

Annual required contribution	\$ 957,021
Interest on net pension obligation	(10,618)
Adjustment to annual requirement contribution	6,833
Annual pension cost	<u>953,236</u>
Contributions made	944,381
Decrease in pension (asset)	<u>8,855</u>
Net pension (asset) beginning of year	<u>(227,242)</u>
Net pension (asset) end of year	<u>\$ (218,387)</u>

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The annual required contribution for the year ended April 30, 2014, was determined as part of the April 30, 2013, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.25% investment rate of return, (b) projected salary increases of 5%, (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial asset is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at April 30, 2013 was 28 years.

At April 30, 2013, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	31
Current employees, vested and nonvested	46
Total	<u><u>77</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/2014	\$ 953,236	99%	\$ (218,387)
04/30/2013	925,000	99%	(227,242)
04/30/2012	819,215	100%	(239,615)

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The plan held one investment that represented over 5% of plan net position on an individual basis.

Funded Status and Funding Progress

As of April 30, 2013, the most recent actuarial valuation date, the plan was 67.7 percent funded. The actuarial accrued liability for benefits was \$29,981,667 and the actuarial value of the assets was \$20,307,131, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,674,536. The covered payroll (annual payroll of active employees covered by the plan) was \$3,469,120 and the ratio of the UAAL to the covered payroll was 267.6 percent.

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

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Plan

Fire-sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois State Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Firefighters' Pension Plan is a fund of the Village and does not issue separate financial statements.

Covered employees were required to contribute 9.46 percent of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employer contributions may be refunded without interest. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2013 was 23.76% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contribution and benefits are recognized when due and payable. Refunds are recognized as paid.

The most recent valuation date for the Firefighters' Pension Plan was April 30, 2013.

The Village's annual pension cost and net pension benefit to the Plan for the year ended April 30, 2014 were as follows:

Annual required contribution	\$ 465,364
Interest on net pension obligation	(2,920)
Adjustment to annual requirement contribution	1,879
Annual pension cost	<u>464,323</u>
Contributions made	454,061
(Increase) in pension (asset)	10,262
Net pension (asset) beginning of year	<u>(103,576)</u>
Net pension (asset) end of year	<u>\$ (93,314)</u>

The annual required contribution for the year ended April 30, 2013, was determined as part of the April 30, 2013, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.25% investment rate of return, (b) projected salary increases of 5% (c) 3% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at April 30, 2013 was 28 years.

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

At April 30, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	12
Current employees, vested and nonvested	<u>23</u>
Total	<u><u>35</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/2014	\$ 464,323	98%	\$ (93,314)
4/30/2013	436,312	97%	(103,576)
4/30/2012	391,229	112%	(115,258)

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The plan held two investments that represented over 5% of plan net position on an individual basis.

Funded Status and Funding Progress

As of April 30, 2013, the most recent actuarial valuation date, the plan was 79.1 percent funded. The actuarial accrued liability for benefits was \$13,548,008 and the actuarial value of the assets was \$10,723,112, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,824,896. The covered payroll (annual payroll of active employees covered by the plan) was \$1,787,295 and the ratio of the UAAL to the covered payroll was 158.3 percent.

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

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)
Combining Statement of Net Position
Pension Trust Funds
April 30, 2014

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 1,229,572	\$ 105,454	\$ 1,335,026
Investments, at fair value:			
Municipal bonds	861,795	618,134	1,479,929
Corporate bonds	3,174,521	2,248,029	5,422,550
U.S. Government and agency obligations	3,591,830	2,620,716	6,212,546
Stock equities	7,557,574	2,926,479	10,484,053
Equity mutual funds	6,070,559	3,004,952	9,075,511
	22,485,851	11,523,764	34,009,615
Other assets	100,164	68,165	168,329
Total assets	22,586,015	11,591,929	34,177,944
Liabilities			
Other liabilities	7,012	2,971	9,983
Net Position	\$ 22,579,003	\$ 11,588,958	\$ 34,167,961
Held in trust for pension benefits			

Village of South Holland, Illinois
Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)
Combining Statement of Changes in Net Position
Pension Trust Funds
Year Ended April 30, 2014

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 944,381	\$ 454,061	\$ 1,398,442
Plan members	380,096	173,033	553,129
Total contributions	1,324,477	627,094	1,951,571
Investment income:			
Net appreciation in fair value of investments	1,472,083	356,960	1,829,043
Interest and dividends	631,794	453,158	1,084,952
Total investment income	2,103,877	810,118	2,913,995
Less: Investment expense	57,637	30,982	88,619
Net investment income	2,046,240	779,136	2,825,376
Total additions	3,370,717	1,406,230	4,776,947
Deductions			
Benefits and refunds	1,456,738	509,295	1,966,033
Administrative expenses	34,523	27,529	62,052
Total deductions	1,491,261	536,824	2,028,085
Net increase	1,879,456	869,406	2,748,862
Net position held in trust for pension benefits:			
May 1, 2013	20,699,547	10,719,552	31,419,099
April 30, 2014	\$ 22,579,003	\$ 11,588,958	\$ 34,167,961

Village of South Holland, Illinois
Notes to Financial Statements

Note 7. Postemployment Healthcare Plan

Plan Description. The Village of South Holland (Village) provides employer paid retiree medical and dental insurance to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Dependents are provided access to coverage on a fully contributory basis. The Village provides employer paid insurance benefits to retirees above the age of 65 and their dependents if the retirement occurred before October 1, 1993. In addition, the Village provides employer-paid retiree life insurance to eligible retirees. The life insurance benefit is \$40,000 up to the age of 70 and \$20,000 for ages 70 and above. This is a single-employer plan. The Postemployment Healthcare Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's postemployment healthcare plan with an employer contribution rate of 85% of the premiums for the coverage elected by the employee. For fiscal year 2014, the Village contributed \$464,327 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 (or funding excess) over a period not to exceed 30 years. The most recent actuarial valuation date for the postemployment healthcare plan was May 1, 2012.

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2014, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 1,085,521
Interest on net OPEB obligation	189,576
Adjustment to annual requirement contribution	(313,010)
Annual OPEB cost	<u>962,087</u>
Contributions made	<u>464,327</u>
Increase in OPEB obligation	497,760
Net OPEB obligation beginning of year	<u>6,319,193</u>
Net OPEB obligation end of year	<u>\$ 6,816,953</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
4/30/2014	\$ 962,087	48%	\$ 6,816,953
4/30/2013	973,257	41%	6,319,193
4/30/2012	1,217,582	36%	5,747,309

Trend Information

Village of South Holland, Illinois
Notes to Financial Statements

Note 7. Postemployment Healthcare Plan (Continued)

Funded Status and Funding Progress. As of May 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$10,354,183, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$10,354,183. The covered payroll was \$9,298,310 and UAAL to the covered payroll was 111.36 percent.

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

Actuarial Methods and Assumptions. Projected Unit Credit – Under this cost method, the costs attributable to past service and the current year's service are determined by prorating overall years of service the benefits expected to be paid from the plan. The normal cost for any year is determined equal to the present value of the current year's portion of the employer's expected postretirement medical benefit. The current year's portion is equal to the expected postretirement medical benefit divided by the total credited service at the anticipated retirement date. The accrued liability is determined equal to the present value of the past year's portion of the employee's expected postretirement medical benefit. The past year's portion is equal to the expected postretirement medical benefit times the ratio of the participant's credited service to the total credited service at the anticipated retirement date. The sum of these values for all employees determines the normal cost and the accrued liability for the plan.

In the May 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses) which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 9 years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at May 1, 2012 was 30 years.

Village of South Holland, Illinois
 Required Supplementary Information
 Schedule of Funding Progress
 Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2013	\$ 20,307,131	\$ 29,981,667	\$ 9,674,536	67.70	\$ 3,469,120	267.60
4/30/2011	18,341,232	26,577,350	8,236,118	69.00	3,217,927	255.90
4/30/2010	16,838,691	24,370,492	7,531,801	69.10	3,231,690	233.10

Note: Information included for all periods available.

Village of South Holland, Illinois
 Required Supplementary Information
 Schedule of Funding Progress
 Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 7,722,577	\$ 13,545,370	\$ 5,822,793	57.01	\$ 4,799,120	121.33
12/31/2012	5,544,835	12,440,899	6,896,064	44.57	4,692,235	146.97
12/31/2011	3,781,931	11,194,137	7,412,206	33.78	4,541,311	163.22

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$10,471,945. On a market basis, the funded ratio would be 77.31%.

Required Supplementary Information
 Schedule of Employer Contributions
 Police Pension Fund

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 957,021	111.90
2013	925,000	98.66
2012	819,215	96.00

Note: Information included for all periods available.

Village of South Holland, Illinois
 Required Supplementary Information
 Schedule of Funding Progress
 Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2013	\$ 10,723,112	\$ 13,548,008	\$ 2,824,896	79.10	\$ 1,787,295	158.05
4/30/2012	9,932,415	12,414,006	2,481,591	80.00	1,702,105	145.80
4/30/2011	9,215,840	11,177,556	1,961,716	82.40	1,629,894	120.40

Note: Information included for all periods available.

Village of South Holland, Illinois
 Required Supplementary Information
 Schedule of Funding Progress
 Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll (b-a)/c
05/01/2012	\$ -	\$ 10,354,183	\$ 10,354,183	-	\$ 9,298,310	111.36
05/01/2011	-	10,914,404	10,914,404	-	9,251,895	117.97
05/01/2010	-	10,914,404	10,914,404	-	9,098,432	119.96

Required Supplementary Information
 Schedule of Employer Contributions
 Firefighters' Pension Fund

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 465,364	116.06
2013	437,345	97.09
2012	391,229	92.80

Note: Information included for all periods available.

Village of South Holland, Illinois

Downtown Tax Incremental Financing District Fund

Financial and Compliance Report
April 30, 2015

Village of South Holland, Illinois
Downtown Tax Incremental Financing District Fund

Balance Sheet
April 30, 2015

Assets	
Cash and cash equivalents	\$ 4,734,800
Due from other funds	9,577
Total assets	<u>\$ 4,744,377</u>
Liabilities	
Accounts payable	\$ 1,201
Deferred Inflows of Resources	
Deferred property taxes	57,462
Fund Balance	
Restricted for Downtown TIF District	<u>4,685,714</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,744,377</u>

Village of South Holland, Illinois
Downtown Tax Incremental Financing District Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended April 30, 2015

Revenues:	
Property taxes	\$ 129,930
Investment income	3
Rental income	143,531
Total revenues	<u>273,464</u>
Expenditures:	
General government	4,515
Capital outlay	1,407,884
Total expenditures	<u>1,412,399</u>
Excess expenditures	(1,138,935)
Other financing sources, Operating transfers in	<u>2,000,000</u>
Net change in fund balance	861,065
Fund balance:	
May 1, 2014	<u>3,824,649</u>
April 30, 2015	<u>\$ 4,685,714</u>



Independent Auditor's Report on Supplementary Information

RSM US LLP

To the Honorable President and
Board of Trustees
Village of South Holland, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of South Holland, Illinois ("Village") as of and for the year ended April 30, 2015 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 26, 2015, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 26, 2015.

The accompanying Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance for the Downtown Tax Incremental Financing District Fund is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the Village's basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
October 26, 2015

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



Independent Auditor's Report on Compliance

RSM US LLP

To the Honorable President and
Board of Trustees
Village of South Holland, Illinois

Compliance

We have audited the Village of South Holland, Illinois' ("Village") compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) applicable to the Downtown Tax Increment Financing ("TIF") Project for the year ended April 30, 2015.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Village's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Village's Downtown TIF Project occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village's compliance with those requirements.

Opinion

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that are applicable to the Village's Downtown TIF Project for the year ended April 30, 2015.

This report is intended solely for the information and use of management, the Village President and Board of Trustees, each governmental entity within the Project Area, the State Comptroller and others within the State of Illinois and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

Chicago, Illinois
October 26, 2015

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING