

CITY OF WILMINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2018

Prepared by:

*Mack & Associates, P.C.
Certified Public Accountants*

*116 E. Washington Street, Suite One
Morris, IL 60450
Telephone: (815) 942-3306*



CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WILMINGTON, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA
ERICA BLUMBERG, CPA
TREVOR DEBELAK, CPA
MATT MELVIN
CHRIS CHRISTENSEN
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Mayor and
Board of Commissioners
City of Wilmington, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of April 30, 2018, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilmington, Illinois' basic financial statements. The other information and the notes to other information on pages 49-59, and the supplemental information on pages 60-82, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The IMRF and Police Pension data schedules, retiree health insurance schedules, notes to other information, agency fund schedules, and the assessed valuations, tax rates, tax extensions and tax collections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Wilmington, Illinois, for the year ended April 30, 2017, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated September 19, 2017, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2018, on our consideration of the City of Wilmington, Illinois' internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Wilmington, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.
Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 18, 2018

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
April 30, 2018

| | Primary Government | | | |
|-------------------------------------|----------------------------|-----------------------------|--------------------|-------------------|
| | Governmental Activities | Business-Type Activities | Total April 30, | |
| | | | 2018 | 2017 |
| <u>Assets</u> | | | | |
| Cash and Cash Equivalents | \$ 1,433,877 | 2,132,675 | 3,566,552 | 4,946,812 |
| Receivables | - | 334,874 | 334,874 | 330,371 |
| Capital Assets | | | | |
| Land | 7,417,647 | 1,512,200 | 8,929,847 | 8,929,847 |
| Vehicles | 679,335 | 402,477 | 1,081,812 | 1,014,806 |
| Equipment | 1,329,354 | 724,502 | 2,053,856 | 1,992,322 |
| Buildings | 5,555,864 | 17,274,738 | 22,830,602 | 22,830,602 |
| Improvements | 1,078,340 | 5,499,381 | 6,577,721 | 6,543,663 |
| Infrastructure | 2,751,653 | - | 2,751,653 | 2,751,653 |
| Construction In Progress | - | - | - | 34,058 |
| Accumulated Depreciation | (4,241,142) | (6,562,782) | (10,803,924) | (9,763,857) |
| Total Assets | <u>\$ 16,004,928</u> | <u>21,318,065</u> | <u>37,322,993</u> | <u>39,610,277</u> |
| <u>Liabilities and Net Position</u> | | | | |
| Current Liabilities: | | | | |
| Accounts Payable/Reserves | \$ 27,929 | - | 27,929 | 32,117 |
| Deposits | 7,822 | 3,000 | 10,822 | 2,000 |
| Total Current Liabilities | <u>35,751</u> | <u>3,000</u> | <u>38,751</u> | <u>34,117</u> |
| Long-Term Liabilities: | | | | |
| Due Within One Year | 330,504 | 742,755 | 1,073,259 | 1,038,979 |
| Due in More Than One Year | 450,000 | 8,843,379 | 9,293,379 | 10,216,604 |
| Total Long-Term Liabilities | <u>780,504</u> | <u>9,586,134</u> | <u>10,366,638</u> | <u>11,255,583</u> |
| Total Liabilities | <u>816,255</u> | <u>9,589,134</u> | <u>10,405,389</u> | <u>11,289,700</u> |
| Net Position: | | | | |
| Net Investment in Capital Assets | 13,790,547 | 9,264,382 | 23,054,929 | 23,077,511 |
| Unrestricted Net Position | 814,847 | 1,536,484 | 2,351,331 | 4,194,412 |
| Restricted Net Position | 583,279 | 928,065 | 1,511,344 | 1,048,654 |
| Total Net Position | <u>\$ 15,188,673</u> | <u>11,728,931</u> | <u>26,917,604</u> | <u>28,320,577</u> |

The Notes to Basic Financial Statements are an integral part of this statement.

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2018

| Program Activities | Expenses | Program Revenues | | Net (Expenses) Revenue And Changes in Net Position | | Totals April 30, | |
|---------------------------------------|--------------|-------------------------------------|--|---|-----------------------------|---------------------|-------------|
| | | Fees and Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | 2018 | 2017 |
| Governmental Activities: | | | | | | | |
| General Government | \$ 3,675,157 | 205,288 | 181,885 | (3,287,984) | - | (3,287,984) | 1,182,153 |
| Public Safety | 2,489,352 | - | 4,588 | (2,484,764) | - | (2,484,764) | (2,478,621) |
| Streets and Highways | 3,177,276 | - | 691,190 | (2,486,086) | - | (2,486,086) | (1,696,081) |
| Unallocated Interest | 27,699 | - | - | (27,699) | - | (27,699) | (31,453) |
| Total Governmental Activities | 9,369,484 | 205,288 | 877,663 | (8,286,533) | - | (8,286,533) | (3,024,002) |
| Business-Type Activities: | | | | | | | |
| Water | 1,288,651 | 1,214,099 | - | - | (74,552) | (74,552) | (57,129) |
| Sewer | 1,603,369 | 1,804,268 | - | - | 200,899 | 200,899 | 435,511 |
| Garbage | 438,631 | 441,817 | - | - | 3,186 | 3,186 | (10,157) |
| Total Business-Type Activities | 3,330,651 | 3,460,184 | - | - | 129,533 | 129,533 | 368,225 |
| Total Primary Government | \$12,700,135 | 3,665,472 | 877,663 | (8,286,533) | 129,533 | (8,157,000) | (2,655,777) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | \$ 1,261,938 | - | 1,261,938 | 1,260,444 |
| TIF Revenue | | | | 2,009,793 | - | 2,009,793 | 991,017 |
| State Sales Tax | | | | 971,217 | - | 971,217 | 962,866 |
| Road and Bridge Tax | | | | 4,878 | - | 4,878 | 5,985 |
| Utility Tax | | | | 523,315 | - | 523,315 | 528,668 |
| Personal Property Replacement Tax | | | | 53,093 | - | 53,093 | 65,137 |
| State Income Tax | | | | 606,317 | - | 606,317 | 544,998 |
| Local Use Tax | | | | 148,487 | - | 148,487 | 139,852 |
| Pull Tab Tax | | | | - | - | - | 3,704 |
| Video Gaming Tax | | | | 86,290 | - | 86,290 | 67,228 |
| Motor Fuel Tax | | | | 150,655 | - | 150,655 | 150,725 |
| Interest on Investments | | | | 35,810 | 20,674 | 56,484 | 21,902 |
| Reimbursements | | | | 643,953 | - | 643,953 | 496,052 |
| Fines and Forfeitures | | | | 110,898 | - | 110,898 | 132,381 |
| Miscellaneous | | | | 49,683 | 50,480 | 100,163 | 515,714 |
| Total General Revenues | | | | 6,656,327 | 71,154 | 6,727,481 | 5,886,673 |
| Special Items: | | | | | | | |
| Sales of Assets | | | | 2,893 | - | 2,893 | - |
| Transfer of Catfish Days Fund to City | | | | 23,653 | - | 23,653 | - |
| Total Special Items | | | | 26,546 | - | 26,546 | - |
| Change in Net Position | | | | (1,603,660) | 200,687 | (1,402,973) | 3,230,896 |
| Net Position, Beginning of Year | | | | 16,792,333 | 11,528,244 | 28,320,577 | 25,089,681 |
| Net Position, End of Year | | | | \$ 15,188,673 | 11,728,931 | 26,917,604 | 28,320,577 |

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
Governmental Funds
April 30, 2018

| | Major Funds | | | | Non-Major Funds | Total Governmental Funds April 30, | |
|--|-------------------|-----------------------------|----------------------------|-----------------------------|--------------------|--|------------------|
| | General Fund | Capital Projects Fund | Bond & Interest Fund | Ridgeport TIF #2 Fund | | 2018 | 2017 |
| <u>Assets</u> | | | | | | | |
| Cash and Cash Equivalents | \$ 573,138 | 246,955 | 178,696 | 16,121 | 418,967 | 1,433,877 | 3,184,451 |
| Due from Other Funds | 59,709 | - | - | - | - | 59,709 | - |
| Total Assets | <u>\$ 632,847</u> | <u>246,955</u> | <u>178,696</u> | <u>16,121</u> | <u>418,967</u> | <u>1,493,586</u> | <u>3,184,451</u> |
| <u>Liabilities and Fund Balances</u> | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable/Reserves | \$ - | - | 27,929 | - | - | 27,929 | 32,117 |
| Zoning Deposit | 7,822 | - | - | - | - | 7,822 | - |
| Due to Other Funds | - | - | - | 59,709 | - | 59,709 | 280,000 |
| Total Liabilities | <u>7,822</u> | <u>-</u> | <u>27,929</u> | <u>59,709</u> | <u>-</u> | <u>95,460</u> | <u>312,117</u> |
| Fund Balances: | | | | | | | |
| Unassigned | 587,827 | - | - | (43,588) | - | 544,239 | 466,594 |
| Assigned | 23,653 | - | - | - | - | 23,653 | - |
| Committed | - | 246,955 | - | - | - | 246,955 | 1,862,698 |
| Restricted | 13,545 | - | 150,767 | - | 418,967 | 583,279 | 543,042 |
| Total Fund Balances | <u>625,025</u> | <u>246,955</u> | <u>150,767</u> | <u>(43,588)</u> | <u>418,967</u> | <u>1,398,126</u> | <u>2,872,334</u> |
| Total Liabilities and Fund Balances | <u>\$ 632,847</u> | <u>246,955</u> | <u>178,696</u> | <u>16,121</u> | <u>418,967</u> | <u>1,493,586</u> | <u>3,184,451</u> |

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities of \$18,812,193 (net of accumulated depreciation of \$4,241,142) are not financial resources and, therefore, are not reported in the funds.

\$ 14,571,051 14,864,549

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(780,504) (944,550)

Net Position of Governmental Activities

\$ 15,188,673 16,792,333

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances

Modified Cash Basis

Governmental Funds

For the Year Ended April 30, 2018

| | Major Funds | | | | | Total Governmental Funds | |
|----------------------------------|--------------|-----------------------|----------------------|-----------------------|-----------------|--------------------------|-----------|
| | General Fund | Capital Projects Fund | Bond & Interest Fund | Ridgeport TIF #2 Fund | Non-Major Funds | April 30, | |
| | | | | | | 2018 | 2017 |
| Revenues Received: | | | | | | | |
| Property Taxes | \$ 1,124,172 | - | 135,211 | - | 2,555 | 1,261,938 | 1,260,444 |
| TIF Revenue | - | - | - | 2,009,793 | - | 2,009,793 | 991,017 |
| State Sales Tax | 971,217 | - | - | - | - | 971,217 | 962,866 |
| Road & Bridge Tax | 4,878 | - | - | - | - | 4,878 | 5,985 |
| Utility Tax | 523,315 | - | - | - | - | 523,315 | 528,668 |
| Replacement Tax | 53,093 | - | - | - | - | 53,093 | 65,137 |
| State Income Tax | 606,317 | - | - | - | - | 606,317 | 544,998 |
| Local Use Tax | 148,487 | - | - | - | - | 148,487 | 139,852 |
| Pull Tabs Tax | - | - | - | - | - | - | 3,704 |
| Video Gaming Tax | 86,290 | - | - | - | - | 86,290 | 67,228 |
| Motor Fuel Tax | - | - | - | - | 150,655 | 150,655 | 150,725 |
| Licenses and Permits | 55,187 | - | - | - | - | 55,187 | 44,610 |
| Miscellaneous | 45,433 | - | - | - | 4,250 | 49,683 | 50,011 |
| Grants & Contributions | 11,810 | 691,190 | - | - | 170,075 | 873,075 | 2,491,930 |
| Reimbursements | 531,668 | 60,000 | 38,222 | - | 14,063 | 643,953 | 496,052 |
| Tags and Fines | 110,898 | - | - | - | - | 110,898 | 132,381 |
| Fees and Services | 146,141 | - | - | - | 3,960 | 150,101 | 1,197,708 |
| Interest Income | 8,898 | 7,464 | 1,893 | 14,124 | 3,431 | 35,810 | 14,629 |
| K9 Unit Restricted Contributions | 4,588 | - | - | - | - | 4,588 | 35,316 |
| Total Revenues Received | 4,432,392 | 758,654 | 175,326 | 2,023,917 | 348,989 | 7,739,278 | 9,183,261 |
| Expenditures Disbursed: | | | | | | | |
| General Government | 1,305,737 | - | 5,490 | 59,709 | - | 1,370,936 | 1,993,046 |
| Public Safety | 2,263,822 | - | - | - | 176,541 | 2,440,363 | 2,414,004 |
| Street and Highway | 605,611 | 2,404,711 | - | - | 13,775 | 3,024,097 | 1,549,600 |
| Capital Outlay | 18,170 | - | - | 2,102,097 | 92,624 | 2,212,891 | 997,247 |
| Debt Service | 41,904 | - | 299,841 | - | - | 341,745 | 346,184 |
| Total Expenditures | 4,235,244 | 2,404,711 | 305,331 | 2,161,806 | 282,940 | 9,390,032 | 7,300,081 |

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances

Modified Cash Basis

Governmental Funds

For the Year Ended April 30, 2018

| | Major Funds | | | | | Total Governmental Funds | |
|--|--------------|-----------------------|----------------------|-----------------------|-----------------|--------------------------|-----------|
| | General Fund | Capital Projects Fund | Bond & Interest Fund | Ridgeport TIF #2 Fund | Non-Major Funds | April 30, | |
| | | | | | | 2018 | 2017 |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | 197,148 | (1,646,057) | (130,005) | (137,889) | 66,049 | (1,650,754) | 1,883,180 |
| Other Financing Sources (Uses): | | | | | | | |
| Operating Transfers In (Out) | (83,718) | 30,314 | (1,566) | 9,970 | 45,000 | - | - |
| Transfer of Catfish Days Fund to City | 23,653 | - | - | - | - | 23,653 | - |
| Proceeds from Sales of Assets | 2,893 | - | - | - | - | 2,893 | - |
| Bond Proceeds | - | - | 150,000 | - | - | 150,000 | 140,000 |
| Total Other Financing Sources (Uses) | (57,172) | 30,314 | 148,434 | 9,970 | 45,000 | 176,546 | 140,000 |
| Net Change in Fund Balances | 139,976 | (1,615,743) | 18,429 | (127,919) | 111,049 | (1,474,208) | 2,023,180 |
| Fund Balances - Beginning | 485,049 | 1,862,698 | 132,338 | 84,331 | 307,918 | 2,872,334 | 849,154 |
| Fund Balances - Ending | \$ 625,025 | 246,955 | 150,767 | (43,588) | 418,967 | 1,398,126 | 2,872,334 |

Reconciliation to the Statement of Activities:

| | | | | | | | |
|---|--|--|--|--|--|----------------|-----------|
| Net change in fund balances - governmental activities | | | | | | \$ (1,474,208) | 2,023,180 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | | | | | | |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position: | | | | | | | |
| Debt Principal | | | | | | 314,046 | 314,731 |
| Loan Proceeds | | | | | | (150,000) | (140,000) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense. | | | | | | | |
| Capital Asset Purchases | | | | | | 123,624 | 615,585 |
| Capital Asset Disposals, Net | | | | | | (36,857) | (42,669) |
| Depreciation | | | | | | (380,265) | (381,132) |
| Change in net position of governmental activities (Statement B) | | | | | | \$ (1,603,660) | 2,389,695 |

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fund Net Position
Proprietary Funds
April 30, 2018

| | Major Funds | | | | Total Proprietary Funds | |
|----------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|-------------------------|-------------------|
| | Water Operations Fund | Water Capital Projects Fund | Sewer Operations Fund | Sewer Capital Projects Fund | April 30, 2018 | 2017 |
| <u>Assets</u> | | | | | | |
| Cash and Cash Equivalents | \$ 229,724 | 701,901 | 836,233 | 364,817 | 2,132,675 | 1,762,361 |
| Receivables | 148,545 | 12,223 | 169,297 | 4,809 | 334,874 | 330,371 |
| Due from Capital Projects Fund | - | - | - | - | - | 280,000 |
| Capital Assets | | | | | | |
| Land | 600,500 | - | 911,700 | - | 1,512,200 | 1,512,200 |
| Vehicles | 204,882 | - | 197,595 | - | 402,477 | 386,477 |
| Equipment | 324,975 | - | 399,527 | - | 724,502 | 691,728 |
| Buildings | 3,173,976 | - | 14,100,762 | - | 17,274,738 | 17,274,738 |
| Improvements | 3,378,501 | - | 2,120,880 | - | 5,499,381 | 5,499,381 |
| Accumulated Depreciation | (2,322,718) | - | (4,240,064) | - | (6,562,782) | (5,895,979) |
| Total Assets | <u>\$ 5,738,385</u> | <u>714,124</u> | <u>14,495,930</u> | <u>369,626</u> | <u>21,318,065</u> | <u>21,841,277</u> |
| <u>Liabilities</u> | | | | | | |
| Deposits | \$ 3,000 | - | - | - | 3,000 | 2,000 |
| Long-Term Debt: | | | | | | |
| Due Within One Year | 52,075 | - | 690,680 | - | 742,755 | 724,898 |
| Due in More than One Year | 905,087 | - | 7,938,292 | - | 8,843,379 | 9,586,135 |
| Total Liabilities | <u>960,162</u> | <u>-</u> | <u>8,628,972</u> | <u>-</u> | <u>9,589,134</u> | <u>10,313,033</u> |
| <u>Net Position</u> | | | | | | |
| Net Investment in Capital Assets | 4,402,954 | - | 4,861,428 | - | 9,264,382 | 9,157,512 |
| Unrestricted | 375,269 | 155,685 | 1,005,530 | - | 1,536,484 | 1,865,120 |
| Restricted | - | 558,439 | - | 369,626 | 928,065 | 505,612 |
| Total Net Position | <u>\$ 4,778,223</u> | <u>714,124</u> | <u>5,866,958</u> | <u>369,626</u> | <u>11,728,931</u> | <u>11,528,244</u> |

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended April 30, 2018

| | Major Funds | | | | Total Proprietary Funds | |
|--|-----------------------|-----------------------------|-----------------------|-----------------------------|-------------------------|-------------------|
| | Water Operations Fund | Water Capital Projects Fund | Sewer Operations Fund | Sewer Capital Projects Fund | April 30, | |
| | | | | | 2018 | 2017 |
| Operating Revenues: | | | | | | |
| Water and Sewer Charges | \$ 1,108,908 | 105,191 | 1,753,912 | 50,356 | 3,018,367 | 3,349,936 |
| Garbage Charges | 441,817 | - | - | - | 441,817 | 429,638 |
| Miscellaneous | - | 5,233 | - | - | 5,233 | 380 |
| Total Operating Revenues | <u>1,550,725</u> | <u>110,424</u> | <u>1,753,912</u> | <u>50,356</u> | <u>3,465,417</u> | <u>3,779,954</u> |
| Operating Expenses: | | | | | | |
| Personnel Services | 456,189 | 38,952 | 432,314 | - | 927,455 | 949,664 |
| Contractual Services | 755,405 | 116,146 | 374,052 | 111,557 | 1,357,160 | 1,339,590 |
| Commodities | 132,380 | - | - | - | 132,380 | 133,080 |
| Depreciation | 209,740 | - | 457,063 | - | 666,803 | 659,844 |
| Other Expenses | 147 | - | - | - | 147 | 1,407 |
| Total Operating Expenses | <u>1,553,861</u> | <u>155,098</u> | <u>1,263,429</u> | <u>111,557</u> | <u>3,083,945</u> | <u>3,083,585</u> |
| Operating Income (Loss) | <u>(3,136)</u> | <u>(44,674)</u> | <u>490,483</u> | <u>(61,201)</u> | <u>381,472</u> | <u>696,369</u> |
| Non-Operating Revenues / (Expenses): | | | | | | |
| Interest Income | 1,216 | 7,027 | - | 12,431 | 20,674 | 7,273 |
| Other Income | 14,380 | 6,600 | 17,667 | 6,600 | 45,247 | 465,323 |
| Debt Service | (18,323) | - | (228,383) | - | (246,706) | (262,164) |
| Total Non-Operating Revenues / (Expenses) | <u>(2,727)</u> | <u>13,627</u> | <u>(210,716)</u> | <u>19,031</u> | <u>(180,785)</u> | <u>210,432</u> |
| Income (Loss) Before Contributions and Transfers | <u>(5,863)</u> | <u>(31,047)</u> | <u>279,767</u> | <u>(42,170)</u> | <u>200,687</u> | <u>841,201</u> |
| Capital Contributions | 5,500 | (5,500) | 27,250 | (27,250) | - | - |
| Operating Transfers In (Out) | (26,455) | 26,455 | (100,000) | 100,000 | - | - |
| Change in Net Position | (26,818) | (10,092) | 207,017 | 30,580 | 200,687 | 841,201 |
| Total Net Position - Beginning | <u>4,805,041</u> | <u>724,216</u> | <u>5,659,941</u> | <u>339,046</u> | <u>11,528,244</u> | <u>10,687,043</u> |
| Total Net Position - Ending | <u>\$ 4,778,223</u> | <u>714,124</u> | <u>5,866,958</u> | <u>369,626</u> | <u>11,728,931</u> | <u>11,528,244</u> |

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2018

| | Major Funds | | | | Total Proprietary Funds | |
|--|-----------------------|-----------------------------|-----------------------|-----------------------------|-------------------------|------------------|
| | Water Operations Fund | Water Capital Projects Fund | Sewer Operations Fund | Sewer Capital Projects Fund | Year Ended April 30, | |
| | | | | | 2018 | 2017 |
| Cash Flows From Operating Activities: | | | | | | |
| Receipts from Customers | \$ 1,548,389 | 107,632 | 1,751,701 | 47,959 | 3,455,681 | 3,942,425 |
| Payments to Employees | (456,189) | (38,952) | (432,314) | - | (927,455) | (914,032) |
| Payments to Suppliers | (886,785) | (116,146) | (374,052) | (111,557) | (1,488,540) | (1,572,704) |
| Other Receipts (Expenses) | 14,233 | 291,833 | 17,667 | 6,600 | 330,333 | 28,331 |
| Net Cash Provided By (Used In) Operating Activities | 219,648 | 244,367 | 963,002 | (56,998) | 1,370,019 | 1,484,020 |
| Cash Flows from Non-Capital Financing Activities: | | | | | | |
| Transfers (To) From Other Funds | (26,455) | 26,455 | (100,000) | 100,000 | - | - |
| Net Cash Provided By (Used In) Non-Capital Financing Activities | (26,455) | 26,455 | (100,000) | 100,000 | - | - |
| Cash Flows From Capital Financing Activities: | | | | | | |
| Acquisition / Construction of Assets | (5,030) | (5,500) | (10,994) | (27,250) | (48,774) | (68,749) |
| Payments of Long-Term Debt | (51,168) | - | (673,731) | - | (724,899) | (703,804) |
| Payments of Interest | (18,323) | - | (228,383) | - | (246,706) | (262,164) |
| Net Cash Provided By (Used In) Capital Financing Activities | (74,521) | (5,500) | (913,108) | (27,250) | (1,020,379) | (1,034,717) |
| Cash Flows From Investing Activities: | | | | | | |
| Interest Received | 1,216 | 7,027 | - | 12,431 | 20,674 | 7,273 |
| Net Cash Provided By (Used In) Investing Activities | 1,216 | 7,027 | - | 12,431 | 20,674 | 7,273 |
| Net Increase in Cash and Cash Equivalents | 119,888 | 272,349 | (50,106) | 28,183 | 370,314 | 456,576 |
| Cash Balance - Beginning of Year | 109,836 | 429,552 | 886,339 | 336,634 | 1,762,361 | 1,305,785 |
| Cash Balance - End of Year | \$ 229,724 | 701,901 | 836,233 | 364,817 | 2,132,675 | 1,762,361 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | | | | | |
| Operating Income (Loss) | | | | | \$ 381,472 | 630,769 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | | | | | |
| Depreciation | | | | | 666,803 | 662,121 |
| (Increase) Decrease in Accounts Receivable | | | | | (4,503) | (9,885) |
| (Increase) Decrease in Due from IEPA | | | | | - | 172,736 |
| (Increase) Decrease in Due from Capital Projects Fund | | | | | 280,000 | (280,000) |
| Increase (Decrease) in Hydrant Deposits | | | | | 1,000 | - |
| Increase (Decrease) in Accounts Payable due to Long-Term Debt | | | | | - | (157,044) |
| Non-Operating Income | | | | | 45,247 | 465,323 |
| Net Cash Provided By (Used In) Operating Activities | | | | | \$ 1,370,019 | 1,484,020 |

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fiduciary Net Position
April 30, 2018

| | Agency Funds | Police Pension Trust Fund | Total April 30, | |
|---|------------------|---------------------------------|--------------------|------------------|
| | | | 2018 | 2017 |
| <u>Assets</u> | | | | |
| Cash | \$ 87,709 | 32,510 | 120,219 | 156,075 |
| Certificates of Deposit | - | 2,740,399 | 2,740,399 | 2,387,674 |
| Stock Equities | - | 366,066 | 366,066 | - |
| U.S. Government Obligations | - | - | - | 100,116 |
| Mutual Funds | - | 2,018,947 | 2,018,947 | 2,242,687 |
| Accrued Interest | - | 13,417 | 13,417 | 10,468 |
| Prepaid Insurance | - | 1,330 | 1,330 | - |
| Total Assets | <u>\$ 87,709</u> | <u>5,172,669</u> | <u>5,260,378</u> | <u>4,897,020</u> |
| <u>Liabilities and Net Position</u> | | | | |
| Payable to Others | \$ 87,709 | 1,940 | 89,649 | 77,614 |
| Total Liabilities | <u>\$ 87,709</u> | <u>1,940</u> | <u>89,649</u> | <u>77,614</u> |
| Assets Held in Trust for Pension Benefits | | 5,170,729 | 5,170,729 | 4,819,406 |
| Total Net Position | | <u>\$ 5,170,729</u> | <u>5,170,729</u> | <u>4,819,406</u> |

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Changes in Fiduciary Net Position
Police Pension Trust Fund
For the Year Ended April 30, 2018**

| | Total April 30, | |
|---------------------------------|--------------------|-----------|
| | 2018 | 2017 |
| Additions: | | |
| Contributions: | | |
| Employer | \$ 400,699 | 383,175 |
| Employee | 84,071 | 137,315 |
| Total Contributions | 484,770 | 520,490 |
| Investment Income: | | |
| Interest Received | 223,802 | 133,123 |
| Unrealized Gain (Loss) | (24,202) | 114,303 |
| Investment Expense | (14,835) | - |
| Net Investment Income | 184,765 | 247,426 |
| Total Additions | 669,535 | 767,916 |
| Deductions: | | |
| Administrative: | | |
| Accounting and Bookkeeping | 9,315 | 9,005 |
| Audit Fee | 2,800 | 2,800 |
| Actuarial Fee | 3,600 | 3,500 |
| State Compliance Fee | 874 | 853 |
| Office Expense | 110 | 186 |
| Legal Expense | 6,700 | 5,133 |
| Training | 775 | 2,110 |
| Professional Fees | 3,150 | - |
| Travel and Conferences | 1,906 | 2,312 |
| Dues | 795 | 265 |
| Total Administrative | 30,025 | 26,164 |
| Benefits and Refunds: | | |
| Pension and Disability Benefits | 288,187 | 286,008 |
| Refunds of Contributions | - | 7,530 |
| Total Benefits and Refunds | 288,187 | 293,538 |
| Total Deductions | 318,212 | 319,702 |
| Change in Net Position | 351,323 | 448,214 |
| Net Position, Beginning of Year | 4,819,406 | 4,371,192 |
| Net Position, End of Year | \$ 5,170,729 | 4,819,406 |

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wilmington, Illinois is an Illinois unit of local government. The City provides general governmental services to citizens.

The financial statements of the City of Wilmington have been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Illinois, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

A. Reporting Entity

The City Council is the basic level of government which has oversight responsibility and control over all activities related to the operation of the City of Wilmington, the primary government unit. The Council receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources. The City is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, and the ability to significantly influence operations and primary accountability for fiscal matters.

The City follows the provision of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

The City, for financial purposes, includes all funds relevant to the operations of the City. The accompanying financial statements present the City's primary government over which the City exercise significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City. The City did not omit from the financial statements any agency that met the inclusion criteria. In addition, the City is not aware of any entity which would exercise such oversight as to result in the City being considered a component unit of the entity.

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of the inter-fund activity has been removed from these statements.

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

Earnings on investments not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the modified cash basis of accounting. Revenues are recorded when cash is received and expenses are recorded when cash is paid.

Fund Financial Statements:

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures, or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City has the following funds:

Governmental Fund Types - Governmental funds are those through which general governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City's major governmental funds:

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. *Government-wide and Fund Financial Statements* – (Continued)

Governmental Fund Types – (Continued)

General Fund - The General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund revenues include special revenues for social security, IMRF, police pension, tort, road & bridges, auditing and special street tax levies. The expenditures for these special purposes are included as General Fund expenditures. Expenditures for these special revenues normally exceed the related special revenues received.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Ridgeport TIF #2 is considered a major special revenue fund used for capital projects and City road maintenance as a result of the Ridgeport TIF City.

Capital Projects Funds – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and special assessment funds). The Capital Projects Fund is considered to be a major fund.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of finances for, and payment of, general long-term debt principal, interest and related costs. The Bond and Interest Fund is the City's only Debt Service Fund. The fund balance of the Bond and Interest Fund is restricted to signify the amounts that are restricted exclusively for debt service expenses. The Debt Service Fund is considered to be a major fund.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges.

Provision for depreciation, however, is recorded as a cost of the Water & Sewer Funds. Payments for principal retirement of revenue bonds are shown as a reduction in the principal balance, and payments for capital outlay are recorded as an addition to capital assets on the Statement of Fund Net Position.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Fund Accounting - (Continued)

Proprietary Fund Types – (Continued)

Major Enterprise Funds are:

1. Water Operations Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the City is that costs of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges. This fund is used to account for water revenues and expenditures relating to water and garbage operations.
2. Water Capital Projects Fund - This fund is used to account for water revenues and expenditures relating to the water expansion and improvements.
3. Sewer Operations Fund - This fund is used to account for sewer revenues and expenditures relating to the sewer operations.
4. Sewer Capital Projects Fund - This fund is used to account for sewer revenues and expenditures relating to sewer expansion and improvements.

Fiduciary Funds - used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's has agency funds which report resources that belong to the City's Police Department.

City of Wilmington's Police Pension Fund is another one of the City's fiduciary funds. The Pension Fund provides retirement benefits to police officers of the City. The Pension Plan Committee serves as the governing body and is comprised of three active members and two appointed members elected by the active officers. Currently there are seven members receiving benefits. An audit of the City of Wilmington's Police Pension Fund can be obtained by contacting the City Clerk of the City of Wilmington at 1165 S Water Street, Wilmington, IL 60481.

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus

In the Government-wide Statement of Net Position and the Statement of Activities, the governmental and business-type activities are presented using the economic resources measurement focus.

In the fund financial statements, the governmental and business-type activities are presented using the “current financial resources” measurement focus or the “economic resources” measurement focus.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses).

All proprietary funds are accounted for using an economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Net position is segregated into contributed capital and net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recognized when checks are written.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

All proprietary funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred.

Modified accrual basis financial statements include recognition of receivables and payables and other accrued and deferred items, and exclude long-term liabilities attributable to the Illinois Municipal Retirement Fund net pension obligations.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Assets, Liabilities, and Net Position

Cash and Investments

Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agency, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

Capital Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets.

The reported fund balance (net current position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. A capitalization threshold of \$500 is used to report capital assets. The service lives by type of asset are as follows:

| | |
|-----------------------|-----------|
| Site Improvements | 55 years |
| Buildings | 40 years |
| Furniture & Equipment | 5-7 years |
| Vehicles | 5-7 years |

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. *Assets, Liabilities, and Net Position – (Continued)*

Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At April 30, 2018, net investment in capital assets consists of the following:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|----------------------------------|------------------------------------|-------------------------------------|
| Capital assets, at cost | \$ 18,812,193 | 25,413,298 |
| Less: Accumulated depreciation | (4,241,142) | (6,562,782) |
| Less: Long-term liabilities | <u>(780,504)</u> | <u>(9,586,134)</u> |
| Net investment in capital assets | <u>\$ 13,790,547</u> | <u>9,264,382</u> |

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

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

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

E. *Property Taxes*

On the cash basis of accounting, property taxes are recognized as revenues when they are received. Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments due on June 1 and September 1 subsequent to the year of levy.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Property Taxes (Continued)

The 2016 property tax levy, in the amount of \$1,239,660, increased to \$1,240,220, was approved by the City Council on December 6, 2016 and was received by the City in the current fiscal year. The 2017 property tax levy in the amount of \$1,293,795, increased to \$1,294,235, was approved by the City Council on December 5, 2017. The 2017 property tax levy will be received in the subsequent fiscal year.

F. Compensated Absences

Accumulated unpaid vacations and other employee benefit amounts are not accrued in governmental funds. Permanent full-time employees are eligible for vacation after one year of service. Permanent full-time employees are granted 96 sick hours and 32 personal hours each year. Upon termination, any earned but unused vacation shall be liquidated in a cash payment to the terminating employee. An employee shall be compensated in cash for any accumulated unused sick leave up to 960 hours when they are permanently separated from employment if the employee is covered under a bargaining agreement. Employees who are not covered by a bargaining agreement do not receive compensation for any accumulated unused sick leave, unless specified in the employee's contract.

G. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: CASH AND INVESTMENTS

Cash and cash equivalents, for reporting purposes, include bank accounts, petty cash and all short-term investments with a remaining maturity of three months or less when purchased, such as certificates of deposit. All amounts are stated at cost which approximates market value.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two rating services, and the Illinois Public Treasurer's Investment Pool.

Separate bank accounts are not maintained for all City funds. Certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the City Council. Such overdrafts constitute unauthorized interfund loans, since they were not authorized by the City Council.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 2: CASH AND INVESTMENTS – (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the City’s deposits at each financial institution. As of April 30, 2018, the carrying amount of the City’s deposits was \$194,472 (including \$800 petty cash and excluding \$3,372,080 investments) and the bank balance was \$305,749.

State statutes, city bond ordinances and city resolutions authorize the City’s investments. The City is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality, obligations of any state or political subdivision of any state rated within the four highest general classifications established by a nationally recognized rating service, money market mutual funds registered under the Investment Company Act of 1940 that invest in allowable securities and fully collateralized repurchase agreements.

Investments

As of April 30, 2018, the City held investments in The Illinois Funds and Illinois Institutional Investors Trust. The Illinois Funds are duly chartered and administered by the State Treasurer’s Office and the portfolio normally consist of U.S. Treasury Bills, Treasury Notes, collateralized certificates of deposit, and repurchase agreements and is not subject to being categorized. The IIIT Funds portfolio of securities, which include mutual funds, are managed discretely by PFM Assets Management LLC. The City records all interest revenue earned from investment activities in the respective funds.

The City’s investments at April 30, 2018 are presented below. These funds are reported as cash on the financial statements since they are demand deposits.

| <u>Investment Type</u> | <u>Rating</u> | <u>Fair Value</u> | <u>Investment Maturity < 1 Year</u> | <u>Percent of Portfolio</u> |
|------------------------|---------------|---------------------|--|---------------------------------|
| Illinois Funds | AAAm | \$ 3,117,196 | 3,117,196 | 92% |
| IIIT Funds | AAAm | 254,884 | 254,884 | 8% |
| Total | | <u>\$ 3,372,080</u> | <u>3,372,080</u> | <u>100%</u> |

Interest Rate Risk

The City’s formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Illinois Trust invests only in securities having remaining maturities of 397 days or less in order to maintain a dollar-weighted average maturity of 60 days or less, as is required to maintain the AAAM S&P rating.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2018

NOTE 2: **CASH AND INVESTMENTS** – (Continued)

Investments – (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above are the actual ratings as of April 30, 2018 for Illinois Funds and Illinois Trust Funds.

Concentration of Credit Risk

The City's investment policy limits the amount that the City may invest in any one corporate investor to 10% of the corporation's outstanding obligations.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in excess of federally insured amounts to be collateralized to the extent of 110% and evidenced by a written agreement. The City's investments at April 30, 2018 were with Illinois Trust and therefore, are not categorized with respect to custodial credit risk.

Foreign Currency Credit Risk

The City has no foreign currency risk for investments at year-end.

NOTE 3: **POLICE PENSION FUND INVESTMENTS**

Overview

The Pension Trust Fund is authorized to invest in bonds, notes and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicles as set forth in the Illinois Compiled Statutes. The Police Pension Fund is subject to a separate audit that is available by contacting the City at 1165 S Water St, Wilmington, IL 60481.

The Pension Fund's investments are stated at fair value for both reporting and actuarial purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sale price of the fiscal year.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 3: **POLICE PENSION FUND INVESTMENTS** – (Continued)

Overview – (Continued)

As of April 30, 2018, the Pension Fund had the following investments valued at fair value:

| | <u>Fair Value</u> |
|-------------------------|---------------------|
| Certificates of Deposit | \$ 2,740,399 |
| Mutual Funds | 2,018,947 |
| Stock Equities | <u>366,066</u> |
| Total Investments | <u>\$ 5,125,412</u> |

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund does not have a formal written policy with regards to custodial credit risk for investments. At April 30, 2018, the Fund had no custodial credit risk in that all of its investments were held through a SIPC member brokerage firm.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity and by investing in intermediate term fixed income securities.

At April 30, 2018, the fund held the following investments subject to interest rate risk:

| | <u>Fair Value</u> | <u>Average Maturity (Years)</u> |
|-------------------------|-------------------|---|
| Certificates of Deposit | \$ 2,740,399 | 1.54 |

The table above assumes callable securities will not be called early. At April 30, 2018, none of the certificates of deposit and FNMA notes are subject to call options. All investments are within the Fund's investment policy.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 3: POLICE PENSION FUND INVESTMENTS – (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by investing in securities issued by the United States Treasury and agencies of the United States government that are explicitly guaranteed by the United States government. The Fund has no other formal policy for reducing credit risk. The Fund had no investments subject to credit risk at April 30, 2018.

NOTE 4: PERSONAL PROPERTY REPLACEMENT TAX

The City receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services. The City received Personal Property Replacement Tax totaling \$53,093 for the year ended April 30, 2018.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 5: RISK MANAGEMENT

The City's risk management activities are recorded in the General, Water, and Sewer Funds. Property and liability, workers' compensation, and unemployment insurance programs of the City are recorded in these funds.

The City is exposed to various risks related to torts; theft of, damage to and destruction of assets, errors and omissions and natural disasters. The City is a member of the Illinois Public Risk Fund (IPRF) to provide workers' compensation coverage. The IPRF was created to establish an intergovernmental joint insurance pool providing for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation Act and the Illinois Workers' Occupational Diseases Act, on behalf of public agency members, and other units of local government and public entities within the State of Illinois which may become eligible for membership from time to time according to the bylaws. The City participates in a municipal insurance cooperative called Illinois Municipal Insurance Co-Op (IMIC) with 19 municipal members. IMIC covers all of the City's property and liability insurance. The City experienced a significant reduction in coverage during 2018 related to the dam. Insurance on the dam was reduced from \$5,000,000 to \$500,000 with a \$50,000 deductible for every event at the dam. There have been no significant reductions in coverage from the prior year for the City's other policies. Since there have been no settlements, they have not exceeded coverage in the past three years.

NOTE 6: CAPITAL ASSETS

Depreciation expense is allocated as follows:

| <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|--------------------------------|-------------------|---------------------------------|-------------------|
| General Government | \$ 93,282 | Water | \$ 209,740 |
| Public Safety | 118,242 | Sewer | 457,063 |
| Streets & Highway | 168,741 | | |
| Total Governmental | <u>\$ 380,265</u> | Total Business-Type | <u>\$ 666,803</u> |

The City's significant capital purchases during the fiscal year included:

| <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|--------------------------------|-----------|---------------------------------|-----------|
| Waterwog Rescue Boat | \$ 20,015 | Sewer Jet Truck | \$ 16,000 |
| Diesel Mower | 13,061 | Land Pride Mower | 9,800 |

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 6: CAPITAL ASSETS – (Continued)

A summary of changes in capital assets follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---------------------------------------|----------------------|------------------|-----------------|-------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 7,417,647 | - | - | 7,417,647 |
| Construction in progress | 34,058 | - | (34,058) | - |
| Total assets not being depreciated | <u>7,451,705</u> | <u>-</u> | <u>(34,058)</u> | <u>7,417,647</u> |
| Other capital assets: | | | | |
| Vehicles | 628,329 | 51,006 | - | 679,335 |
| Equipment | 1,300,594 | 38,560 | (9,800) | 1,329,354 |
| Improvements | 1,044,282 | 34,058 | - | 1,078,340 |
| Infrastructure | 2,751,653 | - | - | 2,751,653 |
| Buildings | 5,555,864 | - | - | 5,555,864 |
| Total other capital assets | <u>11,280,722</u> | <u>123,624</u> | <u>(9,800)</u> | <u>11,394,546</u> |
| Less accumulated depreciation: | | | | |
| Vehicles | 535,605 | 62,509 | - | 598,114 |
| Equipment | 1,144,848 | 57,131 | (7,000) | 1,194,979 |
| Improvements | 242,272 | 49,114 | - | 291,386 |
| Infrastructure | 365,736 | 68,792 | - | 434,528 |
| Buildings | 1,579,416 | 142,719 | - | 1,722,135 |
| Total accumulated depreciation | <u>3,867,877</u> | <u>380,265</u> | <u>(7,000)</u> | <u>4,241,142</u> |
| Other capital assets, net | <u>7,412,845</u> | <u>(256,641)</u> | <u>(2,800)</u> | <u>7,153,404</u> |
| Total governmental activities, net | <u>\$ 14,864,550</u> | <u>(256,641)</u> | <u>(36,858)</u> | <u>14,571,051</u> |
| Business-Type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,512,200 | - | - | 1,512,200 |
| Other capital assets: | | | | |
| Vehicles | 386,477 | 16,000 | - | 402,477 |
| Equipment | 691,727 | 32,775 | - | 724,502 |
| Buildings | 17,274,738 | - | - | 17,274,738 |
| Improvements | 5,499,381 | - | - | 5,499,381 |
| Total other capital assets | <u>23,852,323</u> | <u>48,775</u> | <u>-</u> | <u>23,901,098</u> |
| Less accumulated depreciation: | | | | |
| Vehicles | 302,325 | 17,718 | - | 320,043 |
| Equipment | 502,363 | 72,828 | - | 575,191 |
| Buildings | 4,002,371 | 431,868 | - | 4,434,239 |
| Improvements | 1,088,920 | 144,389 | - | 1,233,309 |
| Total accumulated depreciation | <u>5,895,979</u> | <u>666,803</u> | <u>-</u> | <u>6,562,782</u> |
| Total business-type activities, net | <u>\$ 19,468,544</u> | <u>(618,028)</u> | <u>-</u> | <u>18,850,516</u> |

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 7: CHANGE IN LONG-TERM DEBT OBLIGATIONS

The following is a summary of general long-term debt transactions of the City for the year ended April 30, 2018:

| | Payable at May 1, 2017 | Bonds Issued | Bonds Retired / Refunded | Payable at April 30, 2018 | Due in One Year |
|---|---------------------------|-----------------|--------------------------------|------------------------------|--------------------|
| Governmental Funds: | | | | | |
| General Obligation Bonds - SSA Deer Ridge Park Special Tax Bonds: | | | | | |
| Dated May 6, 2008 | | | | | |
| Payable 1/15 at 6.5% | \$ 165,000 | - | 25,000 | 140,000 | 25,000 |
| Equipment Loan - First Midwest Bank: | | | | | |
| Dated July 31, 2013 | | | | | |
| Payable 6/1 at 3.5% | 79,550 | - | 39,046 | 40,504 | 40,504 |
| General Obligation Refunding Bonds, Series 2015 | | | | | |
| Dated November 5, 2015 | | | | | |
| Payable 12/1 at .5% | 560,000 | - | 110,000 | 450,000 | 115,000 |
| General Obligation Limited Rollover Bond, Series 2016: | | | | | |
| Dated November 16, 2016 | | | | | |
| Payable 11/15 at 1.9% | 140,000 | - | 140,000 | - | - |
| General Obligation Limited Rollover Bond, Series 2017: | | | | | |
| Dated November 22, 2017 | | | | | |
| Payable 11/15 at 1.9% | - | 150,000 | - | 150,000 | 150,000 |
| Total Governmental Funds | 944,550 | 150,000 | 314,046 | 780,504 | 330,504 |
| Business-Type Funds: | | | | | |
| IEPA Loan Refunding Water Treatment: | | | | | |
| Dated May 24, 2007 | | | | | |
| Payable 7/1 & 1/1 at 2.5% | 9,302,703 | - | 673,731 | 8,628,972 | 690,680 |
| Dated February 2, 2016 | | | | | |
| Payable 4/17 & 10/17 at 2.21% | 619,104 | - | 27,422 | 591,682 | 28,031 |
| Dated February 2, 2012 | | | | | |
| Payable 2/6 & 8/6 at 1.25% | 389,226 | - | 23,746 | 365,480 | 24,044 |
| Total Business-Type Funds | 10,311,033 | - | 724,899 | 9,586,134 | 742,755 |
| Total Long-term Obligations | \$ 11,255,583 | 150,000 | 1,038,945 | 10,366,638 | 1,073,259 |

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 7: CHANGE IN LONG-TERM DEBT OBLIGATIONS – (Continued)

**Special Tax Bonds, SSA Dear Ridge Park
Series 2008B, dated May 6, 2008**

| | |
|----------------------------------|---------------------------------------|
| Paying agent | First DuPage Bank, Westmont, Illinois |
| Interest rate | 6.5 % |
| Interest payable | January 15 |
| Bond maturity | January 15 |
| Bonds outstanding: | |
| Original issue | \$ 315,000 |
| Bonds retired to April 30, 2018 | <u>175,000</u> |
| Bonds outstanding April 30, 2018 | <u>\$ 140,000</u> |

The annual requirements to amortize bonded debt as of April 30, 2018 are as follows:

| Bond Debt Service, Series 2008 SSA Pay Options | | |
|--|-------------------|-----------------|
| Schedule of Maturities | | |
| <u>Year Ended April 30,</u> | <u>Principal</u> | <u>Interest</u> |
| 2019 | \$ 25,000 | 9,100 |
| 2020 | 25,000 | 7,475 |
| 2021 | 30,000 | 5,850 |
| 2022 | 30,000 | 3,900 |
| 2023 | 30,000 | 1,950 |
| Total | <u>\$ 140,000</u> | <u>28,275</u> |

**General Obligation Refunding (Alternative Revenue Sources) Bonds
Series 2015, dated November 5, 2015**

| | |
|----------------------------------|---------------------------------------|
| Paying agent | Amalgamated Bank of Chicago, Illinois |
| Interest rate | 0.5% to 2.5% |
| Interest payable | December 1 |
| Bond maturity dates | December 1 |
| Bonds outstanding: | |
| Original issue | \$ 685,000 |
| Bonds retired to April 30, 2018 | <u>235,000</u> |
| Bonds outstanding April 30, 2018 | <u>\$ 450,000</u> |

The Series 2015 Alternative Revenue Sources Bonds were issued to refund the previously issued Series 2006 Alternative Revenue Sources Bonds. The annual requirements to amortize bonded debt as of April 30, 2018 are as follows:

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 7: CHANGE IN LONG-TERM DEBT OBLIGATIONS – (Continued)

**General Obligation Refunding (Alternative Revenue Sources) Bonds
Series 2015, dated November 5, 2015 (Continued)**

Bond Debt Service, Refunding Bonds Series 2015
Schedule of Maturities

| <u>Year Ended April 30,</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|-------------------|-----------------|
| 2019 | \$ 115,000 | 9,813 |
| 2020 | 115,000 | 7,800 |
| 2021 | 120,000 | 5,500 |
| 2022 | 100,000 | 2,500 |
| Total | <u>\$ 450,000</u> | <u>25,613</u> |

**First Midwest Bank Equipment Loan,
dated July 31, 2013**

On July 31, 2013, the City of Wilmington issued a \$190,000 equipment loan with First Midwest Bank (formerly Standard Bank) at an interest rate of 3.5% with a maturity date of June 1, 2018. Annual payments of \$41,904.30 are due June 1st of each year as follows:

Schedule of Maturities

| <u>Year Ended April 30,</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|------------------|-----------------|
| 2019 | \$ 40,504 | 1,400 |
| Total | <u>\$ 40,504</u> | <u>1,400</u> |

**General Obligation Limited Bonds
Series 2016, dated November 16, 2016**

On November 16, 2016, the City of Wilmington issued \$140,000 of General Obligation Limited Bonds, Series 2016 at an interest rate of 1.9%. The entire balance, including interest of \$2,692, was paid in the current fiscal year.

**General Obligation Limited Bonds
Series 2017, dated November 22, 2017**

On November 22, 2017, the City of Wilmington issued \$150,000 of General Obligation Limited Bonds, Series 2017 at an interest rate of 1.9%. The entire balance, including interest, is due November 15, 2018.

All principal and interest payments made from the governmental funds were made from the Debt Service Fund, except for the equipment loan debt service payment that was made from the General Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 7: CHANGE IN LONG-TERM DEBT OBLIGATIONS – (Continued)

**IEPA Water Treatment Refunding Loan,
dated May 24, 2007**

On May 24, 2007, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$13,597,663, payable over twenty (20) years at a 2.5% simple annual interest rate, with semi-annual repayments with the first repayment due July 1, 2009 and the final repayment due January 1, 2029, is to be used for construction of a waste water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2018, the loan had an outstanding balance of \$8,628,972. Semi-annual payments of \$451,057 are due June 1st and December 1st of each year as follows:

| Schedule of Maturities | | |
|--------------------------|---------------------|------------------|
| <u>Fiscal Year Ended</u> | <u>Principal</u> | <u>Interest</u> |
| <u>April 30,</u> | | |
| 2019 | \$ 690,680 | 211,434 |
| 2020 | 708,054 | 194,060 |
| 2021 | 725,866 | 176,248 |
| 2022 | 744,126 | 157,988 |
| 2023 | 762,846 | 139,268 |
| 2024-2028 | 4,111,922 | 398,647 |
| 2029 | 885,478 | 16,637 |
| Total | <u>\$ 8,628,972</u> | <u>1,294,282</u> |

Principal and interest payments for the water treatment loan are made from the Sewer Operations Fund.

**IEPA Water Treatment Refunding Loan,
dated February 2, 2012**

On February 2, 2012, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$650,000 (with 25% forgiveness, for a net payback of \$487,500), payable over twenty (20) years at a 1.25% simple annual interest rate, with semi-annual repayments with the first repayment due August 6, 2012 and the final repayment due August 6, 2032, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2018, the loan had an outstanding balance of \$365,480. Semi-annual payments of \$14,269 are due August 6th and February 6th of each year as follows:

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 7: CHANGE IN LONG-TERM DEBT OBLIGATIONS – (Continued)

**IEPA Water Treatment Refunding Loan,
dated February 2, 2012 (Continued)**

Schedule of Maturities

| <u>Fiscal Year Ended</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------|-------------------|-----------------|
| <u>April 30,</u> | | |
| 2019 | \$ 24,044 | 4,494 |
| 2020 | 24,346 | 4,192 |
| 2021 | 24,651 | 3,887 |
| 2022 | 24,960 | 3,578 |
| 2023 | 25,273 | 3,265 |
| 2024-2028 | 131,200 | 11,490 |
| 2029-2032 | 111,006 | 3,144 |
| Total | <u>\$ 365,480</u> | <u>34,050</u> |

Principal and interest payments on the water treatment loan are paid from the Water Operations Fund.

**IEPA Water Treatment Refunding Loan,
dated February 2, 2016**

On February 2, 2016, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$649,534, payable over twenty (20) years at a 2.21% simple annual interest rate, with semi-annual repayments with the first repayment due April 17, 2016 and the final repayment due October 17, 2035, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. Semi-annual payments of \$20,477 are due October 17th and April 17th of each year as follows:

Schedule of Maturities

| <u>Fiscal Year Ended</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------|-------------------|-----------------|
| <u>April 30,</u> | | |
| 2019 | \$ 28,031 | 12,923 |
| 2020 | 28,654 | 12,300 |
| 2021 | 29,291 | 11,663 |
| 2022 | 29,941 | 11,012 |
| 2023 | 30,607 | 10,346 |
| 2024-2028 | 163,543 | 41,222 |
| 2029-2033 | 182,539 | 22,226 |
| 2034-2036 | 99,076 | 3,308 |
| Total | <u>\$ 591,682</u> | <u>125,000</u> |

Principal and interest payments on the water treatment loan are paid from the Water Operations Fund.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 8: INDIVIDUAL FUND DISCLOSURES

During the course of normal operations, the City has numerous transactions among funds, including expenditures and transfers of resource primarily to provide services. The governmental and proprietary type funds financial statements generally reflect such transactions as transfers if interfund.

At April 30, 2018, there was an interfund receivable and payable in the amount of \$59,709 between the General Fund and the Ridgeport TIF #2 Fund, respectively. The interfund activity is for excess TIF administrative expenditures that were paid from the General Fund.

The transfers represent both routine and non-routine items. A transfer of \$9,970 was made from the General Fund to the Ridgeport TIF #2 for prior year unallowed TIF administrative costs and a transfer of \$13,434 was made from the General Fund to the Debt Service Fund to make up for real estate tax abatements that were deducted by the County in the distribution of real estate taxes across all of the City's funds rather than the General Fund only. A transfer of \$15,314 was made from the General Fund to the Capital Projects fund for capital expenditures. An additional transfer of \$45,000 was made from the General Fund to the ESDA Fund for capital purchases and operating expenditures. A transfer of \$100,000 was made from the Sewer Fund to the Sewer Capital Projects Fund for improvements to the sewer plant. A transfer of \$41,455 was made from the Water Fund to the Water Capital Projects Fund for capital expenditures. A \$15,000 transfer was made from the Water Capital Projects Fund to the Water Fund to transfer meter revenue to the Water Fund and an additional \$15,000 transfer was made from the Debt Service Fund to the Capital Projects Fund for the excess of the 2017 bonds.

| Fund | Transfers To Other Funds | Transfers From Other Funds |
|------------------------|--------------------------------|----------------------------------|
| Governmental Funds: | | |
| General | \$ 83,718 | - |
| Ridgeport TIF #2 | - | 9,970 |
| ESDA | - | 45,000 |
| Debt Service | 15,000 | 13,434 |
| Capital Projects | - | 30,314 |
| Enterprise Funds: | | |
| Water Operations | 41,455 | 15,000 |
| Sewer Operations | 100,000 | - |
| Sewer Capital Projects | - | 100,000 |
| Water Capital Projects | 15,000 | 41,455 |
| Total | \$ 255,173 | 255,173 |

NOTE 9: CONTINGENCIES - LITIGATION

The City is a party to various legal proceedings which normally occur in governmental operations. The attorneys did not report any loss contingencies in these cases.

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

Plan Description – The City’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 City’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). The City’s employees participate in the Regular and SLEP plans.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of services, credit plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) - (Continued)

Employees Covered by Benefit Terms – As of December 31, 2017, the following City employees were covered by the benefit terms:

| | <u>RP</u> | <u>SLEP</u> |
|--|------------------|-----------------|
| Retirees and Beneficiaries currently receiving benefits | 31 | - |
| Inactive Plan Members entitled to but not yet receiving benefits | 20 | - |
| Active Plan Members | <u>18</u> | <u>1</u> |
| Total | <u><u>69</u></u> | <u><u>1</u></u> |

Contributions – As set by statute, the City’s Regular and SLEP members are required to contribute a 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 City’s annual contribution rates and actual City contributions for calendar year 2017 and the fiscal year ended April 30, 2018 are summarized below. The City 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 IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

| | <u>RP</u> | <u>SLEP</u> | <u>Total</u> |
|--|------------|-------------|--------------|
| Plan member required contribution rate | 4.50% | 7.50% | N/A |
| City required contribution rate for 2017 | 9.97% | 10.55% | N/A |
| City required contribution rate for 2018 | 9.76% | 10.99% | N/A |
| City actual contributions for 2017 | \$ 133,693 | 10,260 | 143,953 |
| City actual contributions for fiscal year 2018 | \$ 128,213 | 10,616 | 138,829 |

Net Pension Liability – The City’s net pension liabilities were measured as of December 31, 2017. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date.

At December 31, 2017, the City had net pension liability (asset) for each plan, determined as follows:

| | <u>RP</u> | <u>SLEP</u> | <u>Total</u> |
|-------------------------------|----------------------------|---------------------|-------------------------|
| Total Pension Liability | \$ 8,848,344 | 75,672 | 8,924,016 |
| Plan Fiduciary Net Position | 9,107,316 | 68,903 | 9,176,219 |
| Net Pension Liability (Asset) | <u><u>\$ (258,972)</u></u> | <u><u>6,769</u></u> | <u><u>(252,203)</u></u> |

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) - (Continued)

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|------------------------------------|---|
| Domestic Equity | 37% | 6.85% |
| International Equity | 18% | 6.75% |
| Fixed Income | 28% | 3.00% |
| Real Estate | 9% | 5.75% |
| Alternative Investments | 7% | 2.65-7.35% |
| Cash Equivalents | 1% | 2.25% |
| Total | 100% | |

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) - (Continued)

Single Discount Rate - A Single Discount Rate of 7.50% was used to measure the total pension liabilities. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuations, the expected rates of return on plan investments are 7.50%, the municipal bond rates are 3.31%, and the resulting single discount rates are 7.50%.

Changes in the Net Pension Liability – A schedules of changes in the net pension liabilities and related ratios can be found on pages 52-53 of the Other Information section of this report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Plan's net pension liabilities, calculated using single discount rates of 7.50%, as well as what the Plans' net pension liabilities would be if they were calculated using single discount rates that is 1% lower or 1% higher.

| | 1% Decrease 6.50% | Current Single Discount Rate Assumption 7.50% | 1% Increase 8.50% |
|-------------------------------------|----------------------|--|----------------------|
| <u>Regular Plan</u> | | | |
| Total Pension Liability | \$ 9,943,082 | 8,848,344 | 7,944,793 |
| Plan Fiduciary Net Position | 9,107,316 | 9,107,316 | 9,107,316 |
| Net Pension Liability (Asset) | <u>\$ 835,766</u> | <u>(258,972)</u> | <u>(1,162,523)</u> |
| <u>SLEP Plan</u> | | | |
| Total Pension Liability | \$ 87,388 | 75,672 | 65,899 |
| Plan Fiduciary Net Position | 68,903 | 68,903 | 68,903 |
| Net Pension Liability (Asset) | <u>\$ 18,485</u> | <u>6,769</u> | <u>(3,004)</u> |
| Total Net Pension Liability (Asset) | <u>\$ 854,251</u> | <u>(252,203)</u> | <u>(1,165,527)</u> |

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 11: POLICE PENSION

Plan Description

The Police Pension Plan is a defined-benefit, single employer pension plan that covers all sworn police personnel of the City. Although this is a single employer plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (ILCS) and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. This fund is accounted for and reported as a pension trust fund of the City. The Police Pension Plan is subject to a separate audit that is available by contacting the City at 1165 S. Water Street, Wilmington, Illinois 60481.

Plan Membership

At April 30, 2018, the measurement date, membership in this plan consisted of the following:

| | |
|---|-----------|
| Inactive Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 7 |
| | |
| Inactive Plan Members Entitled to but Not Yet | |
| Receiving Benefits | 1 |
| Active Plan Members | 13 |
| Total | <u>21</u> |

Benefits Provided

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

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

Employees that are hired prior to January 1, 2011 (Tier 1), attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. The monthly benefit of an employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 11: POLICE PENSION – (Continued)

Benefits Provided – (Continued)

Employees that are hired after January 1, 2011 (Tier 2), attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary.

Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Wilmington is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2040, the City's contributions must accumulate to the point where the past service cost for the plan is fully funded.

Net Pension Liability

The components of the net pension liability of the City as of April 30, 2018 were as follows:

| | |
|---|---------------------|
| Total pension liability | \$ 9,203,479 |
| Plan fiduciary net position | <u>5,170,729</u> |
| Net pension liability (asset) | <u>\$ 4,032,750</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 56% |
| Covered payroll | \$ 878,779 |
| Net pension liability as a percentage of covered valuation payroll | 459% |

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios of the other information for additional information related to the funded status of the Fund.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 11: POLICE PENSION – (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed for the year ended April 30, 2018 using the following actuarial methods and assumptions:

| Actuarial Assumptions (Economic) | |
|--|--|
| Actuarial Valuation Date | May 1, 2017 |
| Actuarial Assumptions: | |
| Discount Rate used for the Total Pension Liability | 6.25% |
| Long-Term Expected Rate of Return on Plan Assets | 6.25% |
| High-Quality 20-Year Tax-Exempt G.O. Bond Rate | 3.97% |
| Projected Individual Salary Increases | 4.00% - 7.00% |
| Projected Increase in Total Payroll | 3.25% |
| Consumer Price Index (Utilities) | 2.50% |
| Inflation Rate Included | 2.50% |
| Mortality Table | L&A 2016 Illinois Police Mortality Rates |
| Disability Rates | L&A 2016 Illinois Police Disability Rates |
| Retirement Rates | L&A 2016 Illinois Police Retirement Rates 110% (Capped at age 65) |
| Termination Rates | L&A 2016 Illinois Police Termination Rates |
| Percent Married | 80.00% |

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. For more information on the selection of the actuarial assumptions, please see the assumption document prepared by the fund, available by contacting the City at 1165 S. Water Street, Wilmington, Illinois 60481.

Expected Return on Pension Plan Investments

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in determination of the rates provided. The information is shown below for convenience.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 11: POLICE PENSION – (Continued)

Expected Return on Pension Plan Investments – (Continued)

The rates provide in the table below are based on the arithmetic average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

| Asset Class | Long-Term Expected Rate of Return | Long-Term Inflation Expectations | Long-Term Expected Real Rate of Return |
|-----------------------------------|---|--|--|
| US Large Cap Equity | 8.30% | 2.50% | 5.80% |
| US Mid Cap Equity | 9.30% | 2.50% | 6.80% |
| US Small Cap Equity | 9.30% | 2.50% | 6.80% |
| Non-US Developed Large Cap Equity | 8.40% | 2.50% | 5.90% |
| Emerging Markets Equity Unhedged | 10.50% | 2.50% | 8.00% |
| US Corporate Bonds | 4.20% | 2.50% | 1.70% |
| US Government Fixed Income | 3.20% | 2.50% | 0.70% |
| US Cash | 3.00% | 2.50% | 0.50% |
| Global Real Estate - REITS | 8.30% | 2.50% | 5.80% |
| Commodities - Long Only | 4.90% | 2.50% | 2.40% |

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

Discount Rate

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 11: POLICE PENSION – (Continued)

Discount Rate – (Continued)

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate used in the valuation is the April 26, 2018 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

For the purposes of this valuation the expected rate of return on pension plan investments is 6.25%; the municipal bond rate is 3.9% (based upon the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve 04-26-2018); and the resulting single discount rate is 6.25%.

Changes in the Net Pension Liability

A schedule of changes in the net pension liability and related ratios can be found on page 55 of the Other Information section of this report.

Discount Rate Sensitivity

The following presents the Plan's net pension liabilities, calculated using a single discount rate of 6.25%, as well as what the Plans' net pension liabilities would be if they were calculated using single discount rates that is 1% lower or 1% higher.

| | 1% Decrease | Current Single Discount Rate Assumption | 1% Increase |
|-----------------------------|---------------------|--|--------------------|
| | 5.25% | 6.25% | 7.25% |
| Total pension liability | \$ 10,856,509 | 9,203,479 | 7,898,842 |
| Plan fiduciary net position | 5,170,729 | 5,170,729 | 5,170,729 |
| Net pension liability | <u>\$ 5,685,780</u> | <u>4,032,750</u> | <u>2,728,113</u> |

NOTE 12: MOTOR FUEL TAX ALLOTMENTS

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

NOTE 13: DEFERRED COMPENSATION PLAN

The City offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). The plan, available to all employees, permits them to defer a portion of their salary until future years. Contributions to the deferred compensation plan were \$18,539 for the year ended April 30, 2018.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 14: TOWER AND LAND LEASE REVENUE

The City entered into an agreement with T-Mobile Central LLC for the use of the City's cellular tower. The agreement renews every five years, with the last renewal in August 2016. T-Mobile leases a portion of the tower from the City for \$1,653 per month. The City received \$19,836 from T-Mobile under the lease agreement for the year ended April 30, 2018.

The City entered into a lease agreement with the Wilmington Junior Football and Cheerleading League to use the land located at 845 Widows Road for an annual payment of \$1.

NOTE 15: LEASE OBLIGATIONS

| <u>Company</u> | <u>Type</u> | <u>Term</u> | <u>Start Date</u> | <u>Amount</u> |
|-----------------------|-------------------------------------|-------------|-------------------|------------------|
| Neopost | Postage machine & Folder machine | 63 months | 5/18/2015 | \$ 246 per month |
| Konica Minolta | 3 Copiers | 60 months | 3/27/2017 | 475 per month |
| Commercial Electronic | 3 Cameras | 60 months | 10/27/2015 | 366 per month |
| Ford Motor Credit | 3 2016 Interceptors | 36 months | 10/30/2015 | 38,172 per year |
| Ford Motor Credit | 1 2017 Interceptor | 36 months | 4/7/2017 | 13,840 per year |
| WESCOM | Emergency dispatch radio system | 84 months | 10/1/2017 | 3,878 per month |

Future minimum lease obligations are shown below:

| <u>Year</u> | <u>Payment</u> |
|-------------|----------------|
| 2019 | \$ 73,415 |
| 2020 | 59,575 |
| 2021 | 55,169 |
| 2022 | 51,761 |
| 2023 | 46,536 |
| Thereafter | 65,926 |

NOTE 16: RESTRICTED TAX LEVIES AND CONTRIBUTIONS

Within the General Fund there are different types of tax levies and restricted contributions. The description of the types of tax levies and restricted contributions and their related expenditures follows:

| | <u>Beginning Restriction</u> | <u>Restricted Receipts</u> | <u>Expenditures</u> | <u>Restricted Balance</u> |
|-------------------|----------------------------------|--------------------------------|---------------------|-------------------------------|
| Tax Levies: | | | | |
| IMRF | \$ - | 37,690 | 37,690 | - |
| Social Security | - | 94,736 | 94,736 | - |
| Audit | 1,522 | 20,442 | 21,964 | - |
| Police Pension | - | 400,699 | 400,699 | - |
| Road & Bridge | - | 87,083 | 87,083 | - |
| Workers' Comp. | - | 75,700 | 75,700 | - |
| Police Protection | - | 189,537 | 189,537 | - |
| Tort | - | 47,464 | 47,464 | - |
| Contributions: | | | | |
| K9 Unit | 16,933 | 4,588 | 7,976 | 13,545 |
| Totals | \$ 18,455 | 957,939 | 962,849 | 13,545 |

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 17: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Plan Description - In additions to the benefits described in Notes 10 and 11, the City provides postemployment healthcare benefits (OPEB) for retired employees through a single employer defined benefit plan. The City adopted a plan in which the City allows retired employees to participate in the City's health insurance plan. The plan does not issue a separate report.

Benefits Provided - The City provides continued health insurance to all eligible employees. To be eligible for the benefits, an employee must qualify for retirement under one of the City's retirement plans. For eligible employees under 65, the retiree pays the full cost of coverage.

Membership - At April 30, 2017, membership consisted of:

| | |
|--|------------------|
| Actives fully eligible to retire | 2 |
| Actives not yet fully eligible to retire | 23 |
| Retirees and dependents | <u>14</u> |
| Total | <u><u>39</u></u> |

Funding Policy - The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB and Net Obligation - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's OPEB cost for the year, the estimate of the amount contributed to the plan, and changes in the City's net OPEB obligation.

| | |
|---|----------------------------|
| Annual required contribution | \$ 37,162 |
| Interest on net OPEB obligation | (6,054) |
| Adjustment to annual required contribution | <u>5,045</u> |
| Annual OPEB cost | 36,153 |
| Estimated employer contributions | <u>(109,150)</u> |
| Increase in net OPEB obligation (asset) | (72,997) |
| Net OPEB obligation (asset) - beginning of year | <u>(151,352)</u> |
| Net OPEB obligation (asset) - end of year | <u><u>\$ (224,349)</u></u> |

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 17: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS – (Continued)

Annual OPEB and Net Obligation – (Continued)

The City's annual OPEB cost, percentage of annual OPEB contributed, and the net OPEB obligation was as follows:

| Fiscal Year Ending | Annual OPEB Cost | Estimated Employer Contributions | Percentage of OPEB Cost Contributed | Net OPEB Obligation (Asset) |
|-----------------------|---------------------|--|---|-----------------------------------|
| 4/30/2018 | \$ 36,153 | 109,150 | 301.9% | (224,349) |
| 4/30/2017 | 35,263 | 116,066 | 329.1% | (151,352) |
| 4/30/2016 | 34,359 | 104,907 | 305.3% | (70,548) |

Funding Status and Funding Progress - As of May 1, 2015, the most recent actuarial valuation date, the OPEB was 0% funded. The actuarial accrued liability for benefits was \$1,026,312 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,026,312.

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

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 17: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS – (Continued)

Actuarial Assumptions - The following are the methods and assumptions used to determine the Actuarial Accrued Liability (AAL):

Methods and Assumptions

| | |
|--------------------------------------|----------------|
| Valuation Date | 5/1/2015 |
| Investment Rate of Return | |
| Expected Return on Plan Assets | Not Applicable |
| Expected Return on Employer's Assets | 4.00% |
| Rate of Compensation Increase | 4.00% |
| Inflation Rate | 2.50% |

Assumed Health Care Trend Rates

| | |
|--|-------|
| Initial heal Care Cost Trend Rate | |
| Blue Precision Platinum HMO 007 Plan | 6.80% |
| Blue Platinum 027 Plan | 7.80% |
| Blue PPO Gold 014 Plan | 6.80% |
| Medicare Supplementary Plan | 3.20% |
| Ultimate Health Care Cost Trend Rate | |
| Blue Precision Platinum HMO 007 Plan | 5.00% |
| Blue Platinum 027 Plan | 5.00% |
| Blue PPO Gold 014 Plan | 5.00% |
| Medicare Supplementary Plan | 3.20% |
| Fiscal Year The Ultimate Rate is Reached | |
| Blue Precision Platinum HMO 007 Plan | 2025 |
| Blue Platinum 027 Plan | 2025 |
| Blue PPO Gold 014 Plan | 2025 |
| Medicare Supplementary Plan | 2016 |

Additional Information

| | |
|-----------------------------|----------------------|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay |
| Amortization Period (Years) | 30 |

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2018

NOTE 18: TAX ABATEMENTS

The City enters into property tax abatement agreements with businesses under state statute (ILCS 200/18-165). Under the statute, any taxing district, upon a majority vote of its governing authority, may, after the determination of the assessed valuation of its property, order the clerk of that count to abate an portion of its taxes on the following; commercial and industrial property, horse racing, auto racing, academic or research institute, housing for older persons, historical society, recreational facilities, relocated corporate headquarters, United States Military Public/Private Residential Developments, property located in qualified business corridor.

For the fiscal year ended April 30, 2018, the City abated property taxes totaling \$59,837 under state statute, including the following agreement that exceeded 10 percent of the total amount abated:

- A 36 percent property tax abatement to Illinois Transport for maintaining its location at 20012 W Arsenal Rd, Wilmington, IL 60481. The abatement amounted to \$30,340, or 51 percent of the total taxes abated by the City.
- A 30 percent property tax abatement to U.S. Cold Storage for maintaining its location at 800 E Kankakee River Dr, Wilmington, IL 60481. The abatement amounted to \$26,634, or 45 percent of the total taxes abated by the City.

NOTE 19: FUND BALANCE – GASB 54 PRESENTATION

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences of how these balances are reported.

A. Non-spendable Fund Balance

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Ridgeport TIF #2 Fund is a major special revenue fund restricted for qualified TIF expenditures. The Water Capital Projects Fund is a major proprietary fund that has a restricted balance of \$558,439, \$400,000 to secure the construction of a sixteen-inch water main under the Kankakee River as a result of the Prologis Payment in Lieu of providing a water tower for the City and \$158,439 for water meter replacement. The non-major special revenue funds are also restricted for a specified purpose. See Note 16 for restrictions within the General Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2018

NOTE 19: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the City Council). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the City Council itself or (b) the finance committee or by the Treasurer/Administrator when the City Council has delegated the authority to assign amounts to be used for specific purposes. The City gained control of the Catfish Days account in 2018, resulting in an assigned balance in the General Fund of \$23,653.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 20: RIDGEPORT TIF #2 DISTRICT

The City entered into a redevelopment agreement with the RidgePort Center to facilitate the construction of the RidgePort Logistics Center within city boundaries on May 18, 2010, thereby creating the RidgePort TIF #2 District. The agreement has since undergone several amendments to increase the size of the TIF District to induce more job creation and enhance the tax base of the City.

The City used incremental tax revenues of \$2,009,793 to pay for development project costs and obligations incurred during the RidgePort Logistics Center construction in 2018.

The City made payments totaling \$2,161,806 from the TIF Fund for construction projects and related engineering and professional fees during the current fiscal year, per an approved agreement.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2018**

NOTE 21: LEGAL DEBT MARGIN

Legal debt margin is the percent of the City's assessed valuation which is subject to debt limitation. The statutory debt limitation for the City is 8.625%. The City's legal debt margin limitation is as follows for the year ended April 30, 2018:

| | |
|--|-----------------------|
| Assessed valuation (2017) | <u>\$ 135,706,732</u> |
| Statutory debt limitation (8.625%) | \$ 11,704,706 |
| Applicable Debt: | |
| GO Bonds - SSA Deer Ridge Park STB | 140,000 |
| GO Bonds - Refunding Bonds Series 2015 | 450,000 |
| GO Bonds - Limited Series 2017 | 150,000 |
| Equipment Loan | <u>40,504</u> |
| Amount of debt applicable to debt limitation | <u>780,504</u> |
| Legal Debt Margin | <u>\$ 10,924,202</u> |

NOTE 22: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 18, 2018, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2018.

OTHER INFORMATION

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
April 30, 2018

| <u>Assets</u> | |
|---|-------------------|
| Cash in Bank | \$ 573,138 |
| Due from Other Funds | 59,709 |
| Total Assets | <u>\$ 632,847</u> |
| <u>Liabilities and Fund Balance</u> | |
| Liabilities: | |
| Zoning Deposit | <u>\$ 7,822</u> |
| Fund Balance: | |
| Restricted - K9 Unit | 13,545 |
| Assigned - Catfish Days | 23,653 |
| Unassigned | <u>587,827</u> |
| Total Fund Balance | <u>625,025</u> |
| Total Liabilities and Fund Balance | <u>\$ 632,847</u> |

Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| Property Taxes | \$ 1,137,080 | 1,137,080 | 1,124,172 | 1,115,033 |
| State Sales Tax | 965,000 | 965,000 | 971,217 | 962,866 |
| Township Road & Bridge Taxes | 6,000 | 6,000 | 4,878 | 5,985 |
| Utility Tax | 530,000 | 530,000 | 523,315 | 528,668 |
| Personal Property Replacement Tax | 63,000 | 63,000 | 53,093 | 65,137 |
| State Income Tax | 580,000 | 580,000 | 606,317 | 544,998 |
| Local Use Tax | 145,000 | 145,000 | 148,487 | 139,852 |
| Pull Tab/Games Tax | 1,600 | 1,600 | - | 3,704 |
| Video Gaming Tax | 72,000 | 72,000 | 86,290 | 67,228 |
| Grant Income | 10,336 | 10,336 | 11,810 | 9,056 |
| Miscellaneous | 45,000 | 45,000 | 26,312 | 28,741 |
| Insurance Claims | 10,000 | 10,000 | 15,996 | 20,200 |
| Rental of Property | 1,000 | 1,000 | 3,125 | 250 |
| Interest Income | 2,000 | 2,000 | 8,898 | 2,645 |
| Vehicle Tags | 2,500 | 2,500 | - | 716 |
| Fines | 157,000 | 157,000 | 110,898 | 131,665 |
| Reimbursements | 1,089,000 | 1,089,000 | 531,668 | 348,429 |
| Licenses & Permits | 53,000 | 53,000 | 55,187 | 44,610 |
| Fees & Services | 486,000 | 486,000 | 146,141 | 1,194,235 |
| K9 Unit Restricted Contributions | 5,000 | 5,000 | 4,588 | 35,316 |
| Total Revenues Received | 5,360,516 | 5,360,516 | 4,432,392 | 5,249,334 |
| Expenditures Disbursed: (Schedule 1) | | | | |
| Finance and Administrative Department | 719,500 | 740,000 | 556,471 | 631,582 |
| Public Grounds and Buildings | 112,300 | 112,300 | 86,594 | 153,988 |
| Building Department | 244,950 | 207,450 | 49,280 | 461,157 |
| Planning and Zoning Department | 447,850 | 394,750 | 131,147 | 134,028 |
| Police Department | 1,919,500 | 1,932,100 | 1,863,123 | 1,858,978 |
| Streets & Alleys Department | 1,032,900 | 1,057,400 | 605,611 | 746,301 |
| FICA & IMRF | 213,000 | 225,000 | 208,432 | 241,381 |
| Audit | 27,500 | 27,500 | 25,186 | 25,185 |
| Police Pension | 410,000 | 410,000 | 400,699 | 383,176 |
| Insurance | 295,000 | 301,000 | 248,627 | 307,971 |
| Debt Service | 42,200 | 42,200 | 41,904 | 41,904 |
| Capital Outlay | 24,000 | 19,000 | 18,170 | 7,022 |
| Total Expenditures Disbursed | 5,488,700 | 5,468,700 | 4,235,244 | 4,992,673 |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | (128,184) | (108,184) | 197,148 | 256,661 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Sale of Assets | - | - | 2,893 | - |
| Transfer of Catfish Days Fund to City | - | - | 23,653 | - |
| Operating Transfers In | - | - | - | 21,850 |
| Operating Transfers Out | (95,000) | (115,000) | (83,718) | (30,558) |
| Total Other Financing Sources (Uses) | (95,000) | (115,000) | (57,172) | (8,708) |
| Net Change in Fund Balance | \$ (223,184) | (223,184) | 139,976 | 247,953 |
| Fund Balance, Beginning of Year | | | 485,049 | 237,096 |
| Fund Balance, End of Year | | | \$ 625,025 | 485,049 |

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2018**

| <u>Assets</u> | | |
|--|--|------------------|
| Cash in Bank | | \$ 16,121 |
| Total Assets | | <u>\$ 16,121</u> |
| <u>Liabilities and Fund Balance</u> | | |
| Liabilities: | | |
| Due to Other Funds | | <u>\$ 59,709</u> |
| Fund Balance: | | |
| Unassigned Fund Balance | | (43,588) |
| Total Liabilities and Fund Balance (Deficit) | | <u>\$ 16,121</u> |

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | <u>Original Appropriations</u> | <u>Final Appropriations</u> | Year Ended | |
|---|------------------------------------|---------------------------------|---------------------------|---------------------------|
| | | | <u>April 30, 2018</u> | <u>April 30, 2017</u> |
| Revenues Received: | | | | |
| Ridgeport TIF Revenue | \$ 2,009,500 | 2,009,500 | 2,009,793 | 991,017 |
| Interest Income | 2,000 | 2,000 | 14,124 | 3,545 |
| Total Revenues Received | <u>2,011,500</u> | <u>2,011,500</u> | <u>2,023,917</u> | <u>994,562</u> |
| Expenditures Disbursed: | | | | |
| TIF# 2 Distributions | 2,005,832 | 2,070,832 | 2,102,097 | 854,734 |
| TIF Professional Fees/Admin | 90,000 | 25,000 | 25,000 | 27,477 |
| TIF Administrative Overage Expenditures | - | - | 34,709 | - |
| Total Expenditures Disbursed | <u>2,095,832</u> | <u>2,095,832</u> | <u>2,161,806</u> | <u>882,211</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | (84,332) | (84,332) | (137,889) | 112,351 |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | - | - | 9,970 | - |
| Operating Transfers Out | - | - | - | (28,057) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>9,970</u> | <u>(28,057)</u> |
| Net Change in Fund Balance | <u>\$ (84,332)</u> | <u>(84,332)</u> | (127,919) | 84,294 |
| Fund Balance, Beginning of Year | | | <u>84,331</u> | <u>37</u> |
| Fund Balance (Deficit), End of Year | | | <u>\$ (43,588)</u> | <u>84,331</u> |

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------------|---------------------|------------------|------|------|------|------|------|------|------|
| TOTAL PENSION LIABILITY | | | | | | | | | | |
| Service Cost | \$ 143,030 | 161,036 | 155,644 | - | - | - | - | - | - | - |
| Interest | 634,912 | 544,174 | 527,128 | - | - | - | - | - | - | - |
| Benefit Changes | - | - | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 171,205 | 930,091 | (69,862) | - | - | - | - | - | - | - |
| Assumption Changes | (268,608) | (10,309) | 9,133 | - | - | - | - | - | - | - |
| Benefit Payments and Refunds | (452,336) | (379,344) | (396,215) | - | - | - | - | - | - | - |
| Net Change in Total Pension Liability | 228,203 | 1,245,648 | 225,828 | - | - | - | - | - | - | - |
| Total Pension Liability - Beginning | 8,620,141 | 7,374,493 | 7,148,665 | - | - | - | - | - | - | - |
| Total Pension Liability - Ending | <u>\$ 8,848,344</u> | <u>8,620,141</u> | <u>7,374,493</u> | - | - | - | - | - | - | - |
| PLAN FIDUCIARY NET POSITION | | | | | | | | | | |
| Employer Contributions | \$ 133,693 | 140,045 | 137,062 | - | - | - | - | - | - | - |
| Employee Contributions | 60,343 | 63,401 | 61,740 | - | - | - | - | - | - | - |
| Net Investment Income | 1,435,325 | 465,177 | 34,854 | - | - | - | - | - | - | - |
| Benefit Payments and Refunds | (452,336) | (379,344) | (396,215) | - | - | - | - | - | - | - |
| Other | (112,998) | 998,683 | (151,533) | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 1,064,027 | 1,287,962 | (314,092) | - | - | - | - | - | - | - |
| Plan Net Position - Beginning | 8,043,289 | 6,755,327 | 7,069,419 | - | - | - | - | - | - | - |
| Plan Net Position - Ending | <u>\$ 9,107,316</u> | <u>\$ 8,043,289</u> | <u>6,755,327</u> | - | - | - | - | - | - | - |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | <u>\$ (258,972)</u> | <u>576,852</u> | <u>619,166</u> | - | - | - | - | - | - | - |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 102.93% | 93.31% | 91.60% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Covered-Employee Payroll | \$ 1,340,952 | 1,408,915 | 1,372,005 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll | -19.31% | 40.94% | 45.13% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Notes to Schedule:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Plan
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------------|---------------|----------------|----------|----------|----------|----------|----------|----------|----------|
| TOTAL PENSION LIABILITY | | | | | | | | | | |
| Service Cost | \$ 16,993 | 16,126 | 14,341 | - | - | - | - | - | - | - |
| Interest | 4,660 | 38,220 | 42,791 | - | - | - | - | - | - | - |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 2,504 | (502,848) | (119,467) | - | - | - | - | - | - | - |
| Changes of Assumptions | (2,116) | (82) | (1,111) | - | - | - | - | - | - | - |
| Benefit Payments, Including Refunds of Member Contributions | - | - | - | - | - | - | - | - | - | - |
| Net Change in Total Pension Liability | 22,041 | (448,584) | (63,446) | - | - | - | - | - | - | - |
| Total Pension Liability - Beginning | 53,631 | 502,215 | 565,661 | - | - | - | - | - | - | - |
| Total Pension Liability - Ending | <u>\$ 75,672</u> | <u>53,631</u> | <u>502,215</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| PLAN FIDUCIARY NET POSITION | | | | | | | | | | |
| Contributions - Employer | \$ 10,260 | 14,386 | 12,531 | - | - | - | - | - | - | - |
| Contributions - Member | 7,293 | 6,908 | 6,473 | - | - | - | - | - | - | - |
| Net Investment Income | 7,152 | 36,908 | 2,758 | - | - | - | - | - | - | - |
| Benefit Payments, Including Refunds of Member Contributions | - | - | - | - | - | - | - | - | - | - |
| Other | (1,715) | (505,775) | (70,327) | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 22,990 | (447,573) | (48,565) | - | - | - | - | - | - | - |
| Plan Net Position - Beginning | 45,913 | 493,486 | 542,051 | - | - | - | - | - | - | - |
| Plan Net Position - Ending | <u>\$ 68,903</u> | <u>45,913</u> | <u>493,486</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | <u>\$ 6,769</u> | <u>7,718</u> | <u>8,729</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 91.05% | 85.61% | 98.26% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Covered-Employee Payroll | \$ 97,243 | 92,104 | 86,304 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll | 6.96% | 8.38% | 10.11% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Notes to Schedule:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

CITY OF WILMINGTON, ILLINOIS

Illinois Municipal Retirement Fund
Schedules of Employer Contributions

| Regular Plan | | | | | Schedule C-3 |
|---------------|-------------------------------------|--|----------------------------------|-----------------|--|
| Calendar Year | Actuarially Determined Contribution | Contributions in Relation to Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
| 2017 | \$ 133,693 | 133,693 | - | 1,340,952 | 9.97% |
| 2016 | 140,046 | 140,045 | 1 | 1,408,915 | 9.94% |
| 2015 | 137,063 | 137,062 | 1 | 1,372,005 | 9.99% |

| Sheriff's Law Enforcement Personnel Plan | | | | | Schedule C-4 |
|--|-------------------------------------|--|----------------------------------|-----------------|--|
| Calendar Year | Actuarially Determined Contribution | Contributions in Relation to Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
| 2017 | \$ 10,259 | 10,260 | (1) | 97,243 | 10.55% |
| 2016 | 14,387 | 14,386 | 1 | 92,104 | 15.62% |
| 2015 | - | 12,531 | (12,531) | 86,304 | 14.52% |

Note to Schedules

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Aggregate entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years). |
| Asset valuation method | 5-year smoothed market; 20% corridor |
| Wage growth | 3.50% |
| Price inflation | 2.75% -- approximate; No explicit price inflation assumption is used in this valuation. |
| Salary increases | 3.75% to 14.50% including inflation |
| Investment rate of return | 7.50% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013. |

Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

There were no benefit changes during the year.

Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------------|------------------|------------------|------------------|----------|----------|----------|----------|----------|----------|
| TOTAL PENSION LIABILITY | | | | | | | | | | |
| Service Cost | \$ 256,565 | 241,473 | 223,133 | 248,151 | - | - | - | - | - | - |
| Interest | 534,797 | 540,365 | 486,936 | 477,927 | - | - | - | - | - | - |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | (535) | (483,383) | (5,840) | - | - | - | - | - | - | - |
| Changes of Assumptions | - | (96,679) | 439,581 | - | - | - | - | - | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (288,187) | (293,539) | (284,366) | (291,261) | - | - | - | - | - | - |
| Net Change in Total Pension Liability | 502,640 | (91,763) | 859,444 | 434,817 | - | - | - | - | - | - |
| Total Pension Liability - Beginning | 8,700,839 | 8,792,602 | 7,933,158 | 7,498,341 | - | - | - | - | - | - |
| Total Pension Liability - Ending | <u>\$ 9,203,479</u> | <u>8,700,839</u> | <u>8,792,602</u> | <u>7,933,158</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| PLAN FIDUCIARY NET POSITION | | | | | | | | | | |
| Contributions - Employer | \$ 400,699 | 383,176 | 374,680 | 335,691 | - | - | - | - | - | - |
| Contributions - Member | 84,071 | 92,567 | 88,541 | 86,701 | - | - | - | - | - | - |
| Contributions - Other | - | 44,748 | - | - | - | - | - | - | - | - |
| Net Investment Income | 184,765 | 247,426 | (42,810) | 100,344 | - | - | - | - | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (288,187) | (293,538) | (284,366) | (291,261) | - | - | - | - | - | - |
| Administrative Expenses | (30,025) | (26,165) | (29,466) | (25,321) | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 351,323 | 448,214 | 106,579 | 206,154 | - | - | - | - | - | - |
| Plan Net Position - Beginning | 4,819,406 | 4,371,192 | 4,264,613 | 4,058,459 | - | - | - | - | - | - |
| Plan Net Position - Ending | <u>\$ 5,170,729</u> | <u>4,819,406</u> | <u>4,371,192</u> | <u>4,264,613</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | \$ 4,032,750 | 3,881,433 | 4,421,410 | 3,668,545 | - | - | - | - | - | - |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 56.18% | 55.39% | 49.71% | 53.76% | N/A | N/A | N/A | N/A | N/A | N/A |
| Covered-Employee Payroll | \$ 878,779 | 851,118 | 852,379 | 874,560 | N/A | N/A | N/A | N/A | N/A | N/A |
| Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll | 458.90% | 456.04% | 518.71% | 419.47% | N/A | N/A | N/A | N/A | N/A | N/A |

Notes to Schedule:

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

There were no benefit changes in the fiscal years shown.

See Note 3 in the Notes to Other Information for detail on assumption changes.

**Police Pension Fund
Schedule of Employer Contributions**

| Calendar Year | Actuarially Determined Contribution | Contributions in Relation to Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---------------|---|--|--|-----------------|--|
| 2018 | \$ 391,681 | 400,699 | (9,018) | 878,779 | 45.6% |
| 2017 | 353,993 | 383,176 | (29,183) | 851,118 | 45.0% |
| 2016 | 343,756 | 374,680 | (30,924) | 852,379 | 44.0% |
| 2015 | 314,088 | 335,691 | (21,603) | 874,560 | 38.4% |

Note to Schedule

Valuation Date: Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Economic Assumptions:

| | |
|--|---------------|
| Discount Rate used for the Total Pension Liability | 6.25% |
| Long-Term Expected Rate of Return on Plan Assets | 6.25% |
| High Quality 20 Year Tax-Exempt G.O. Bond Rate | 3.97% |
| Projected Individual Salary Increases | 4.00% - 7.00% |
| Projected Increase in Total Payroll | 3.25% |
| Consumer Price Index (Utilities) | 2.50% |
| Inflation Rate Included | 2.50% |

Demographic Assumptions:

| | |
|-------------------|---|
| Mortality Table | L&A 2016 Illinois Police Mortality Rates |
| Retirement Rates | 110% L&A 2016 Illinois Police Retirement Rates Capped at age 65 |
| Disability Rates | L&A 2016 Illinois Police Disability Rates |
| Termination Rates | L&A 2016 Illinois Police Termination Rates |
| Percent Married | 80.0% |

Other Information

There were no benefit changes during the year.

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis.

A detailed description of the actuarial assumptions and methods can be found in the May 1, 2017 actuarial valuation report.

This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

**Other Post Employment Benefits - Retiree Health Insurance
Schedule of Funding Progress**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) |
|--------------------------|-------------------------------|---|---------------------------|--------------------|
| 5/1/2015 | \$ - | 1,026,312 | 1,026,312 | 0.0% |

**Other Post Employment Benefits - Retiree Health Insurance
Schedule of Employer Contributions**

| Fiscal Year Ended | Annual Required Contribution | Percentage Contributed |
|-------------------|------------------------------|------------------------|
| 2018 | \$ 36,153 | 302% |
| 2017 | 35,263 | 329% |
| 2016 | 34,359 | 305% |

NOTES TO OTHER INFORMATION

CITY OF WILMINGTON, ILLINOIS

**Notes to Other Information
For the Year Ended April 30, 2018**

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

These procedures are followed in establishing the budgetary data reflected in the financial statements.

During the first two months of the fiscal year, the City officials prepare the proposed budget and appropriation ordinance. The proposed appropriation ordinance is placed on file and a public hearing is conducted at a public meeting to obtain comments from the community. The appropriation ordinance uses the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budgeted and actual amounts.

Prior to July 31, the appropriation ordinance is legally adopted through passage of an ordinance.

The 2018 appropriation ordinance was adopted on July 25, 2017. Transfers between line items of the appropriation must be approved by the City officials. A supplemental budget and line item transfers were adopted on February 20, 2018. All annual appropriations lapse at fiscal year-end.

NOTE 2: MAJOR FUND BUDGETARY COMPARISON INFORMATION

The following is an analysis of budget versus actual amounts for the City's major governmental funds for the year ended April 30, 2018.

| <u>Fund</u> | <u>Original Appropriations</u> | <u>Final Appropriations</u> | <u>Actual Expenditures</u> | <u>Excess (Deficiency)</u> |
|------------------------|--------------------------------|-----------------------------|----------------------------|----------------------------|
| General Fund | \$ 5,488,700 | 5,468,700 | 4,235,244 | 1,233,456 |
| Ridgeport TIF #2 Fund | 2,095,832 | 2,095,832 | 2,161,806 | (65,974) |
| Capital Projects Fund | 5,939,159 | 5,939,159 | 2,404,711 | 3,534,448 |
| Bond and Interest Fund | 316,225 | 316,225 | 305,331 | 10,894 |

Expenditures exceeded appropriations in the Ridgeport TIF #2 Fund because TIF# 2 distributions exceeded budgeted amounts and the District was required to make administrative overage payments in the amount of \$34,709 in the current year as a result of the most recent amendment to the redevelopment agreement. The City is allowed up to \$25,000 or .05% of the TIF Increment, whichever is larger to cover TIF administrative costs incurred. In the revised redevelopment agreement, it was agreed upon that any costs over the allowable TIF administrative costs would be reimbursed as a deduction from the "Pay as You Go" portion of the tax increment. Because this was the first year of this method, the overage was not reimbursed in the current fiscal year. In the future, any overage costs will come from the "pay as you go" portion to the developers, if the maximum amount of funds set aside is reached prior to the final payment to the developers of any given year.

Notes to Other Information
For the Year Ended April 30, 2018

NOTE 3: ASSUMPTION CHANGES – POLICE PENSION

The assumptions related to the police pension fund were changed from the prior year.

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 68.

The discount rate used in the determination of the Total Pension Liability remained constant at 6.25%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

In addition, changes were made that impact the projection of the net position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. Actual changes in the net position from one year to the next can impact the projections as well.

SUPPLEMENTAL INFORMATION

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2018

| <u>Assets</u> | | |
|------------------------|--|-------------------|
| Cash in Bank | | \$ 246,955 |
| Total Assets | | <u>\$ 246,955</u> |
| <u>Fund Balance</u> | | |
| Committed Fund Balance | | \$ 246,955 |
| Total Fund Balance | | <u>\$ 246,955</u> |

Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

Schedule D-2

| | Year Ended | | | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | Original Appropriations | Final Appropriations | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| Grants - IDOT KKK St/Fkd Crk B | \$ 60,000 | 60,000 | 4,614 | 7,322 |
| Grants - State | 52,000 | 52,000 | - | - |
| Interest Income | 3,000 | 3,000 | 7,464 | 6,903 |
| Developers Fees | 305,000 | 305,000 | - | - |
| EDP: | | | | |
| 53/N River Road | 391,500 | 391,500 | 209,997 | 16,225 |
| Traffic Signal 53/Arsenal | 9,637 | 9,637 | 9,637 | - |
| South Arsenal/53 | 700,835 | 700,835 | 252,645 | 2,291,712 |
| Rt 53/Peotone | 2,407,709 | 2,407,709 | 5,953 | - |
| Will County - Route 53/Peotone | 230,000 | 230,000 | - | - |
| Other Income | 123,000 | 123,000 | 208,344 | 10,000 |
| Other Reimbursements | 60,000 | 60,000 | 60,000 | 103,145 |
| Total Revenues Received | <u>4,342,681</u> | <u>4,342,681</u> | <u>758,654</u> | <u>2,435,307</u> |
| Expenditures Disbursed: | | | | |
| Economic Development - Openlands | - | - | - | 519,601 |
| Developer Project Buck | - | - | - | 106,802 |
| KKK St / Forked Creek Bridge Project | 77,000 | 77,000 | 3,608 | 3,067 |
| IDOT Rt 53/N River Rd Project | 373,000 | 373,000 | 231,220 | - |
| USCS/IDOT Rte 53 & Peotone Rd | 2,605,959 | 2,605,959 | - | 35,440 |
| South Arsenal Road Project | 2,877,000 | 2,877,000 | 2,169,883 | 184,027 |
| Service & Investment Fees | 200 | 200 | - | 45,943 |
| Contingency | 6,000 | 6,000 | - | - |
| Total Expenditures Disbursed | <u>5,939,159</u> | <u>5,939,159</u> | <u>2,404,711</u> | <u>894,880</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | (1,596,478) | (1,596,478) | (1,646,057) | 1,540,427 |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | 25,000 | 25,000 | 30,314 | - |
| Bond Proceeds-Annual Series | 15,000 | 15,000 | - | - |
| Total Other Financing Sources (Uses) | <u>40,000</u> | <u>40,000</u> | <u>30,314</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (1,556,478)</u> | <u>(1,556,478)</u> | (1,615,743) | 1,540,427 |
| Fund Balance, Beginning of Year | | | <u>1,862,698</u> | <u>322,271</u> |
| Fund Balance, End of Year | | | <u>\$ 246,955</u> | <u>1,862,698</u> |

Statement of Assets, Liabilities and Fund Balance Arising
 from Cash Transactions
 April 30, 2018

| <u>Assets</u> | | |
|-------------------------------------|--|-------------------|
| Cash in Bank | | \$ 178,696 |
| Total Assets | | <u>\$ 178,696</u> |
| <u>Liabilities and Fund Balance</u> | | |
| Liabilities: | | |
| SSA Debt Service Reserve Fund | | \$ 27,929 |
| Fund Balance: | | |
| Restricted Fund Balance | | 150,767 |
| Total Liabilities and Fund Balance | | <u>\$ 178,696</u> |

Statement of Revenues Received, Expenditures Disbursed and
 Change in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2018
 (With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| Property Taxes | \$ 143,000 | 143,000 | 135,211 | 143,985 |
| SSA Repayments | 32,000 | 32,000 | 38,222 | 43,990 |
| Interest Income | 600 | 600 | 1,893 | 741 |
| Total Revenues Received | <u>175,600</u> | <u>175,600</u> | <u>175,326</u> | <u>188,716</u> |
| Expenditures Disbursed: | | | | |
| Principal | 275,000 | 275,000 | 275,000 | 277,000 |
| Interest | 27,725 | 27,725 | 24,841 | 27,280 |
| Service fees | 7,500 | 7,500 | 5,490 | 5,500 |
| Miscellaneous and Contingency | 6,000 | 6,000 | - | - |
| Total Expenditures Disbursed | <u>316,225</u> | <u>316,225</u> | <u>305,331</u> | <u>309,780</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | <u>(140,625)</u> | <u>(140,625)</u> | <u>(130,005)</u> | <u>(121,064)</u> |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | 5,000 | 5,000 | 13,434 | - |
| Operating Transfers Out | (15,000) | (15,000) | (15,000) | - |
| Bond Proceeds | 150,000 | 150,000 | 150,000 | 140,000 |
| Total Other Financing Sources (Uses) | <u>140,000</u> | <u>140,000</u> | <u>148,434</u> | <u>140,000</u> |
| Net Change in Fund Balance | <u>\$ (625)</u> | <u>(625)</u> | 18,429 | 18,936 |
| Fund Balance, Beginning of Year | | | <u>132,338</u> | <u>113,402.00</u> |
| Fund Balance, End of Year | | | <u>\$ 150,767</u> | <u>132,338</u> |

**Combining Statement of Assets, Liabilities, and Fund Balances Arising
from Cash Transactions - Non-Major Special Revenue Funds
April 30, 2018**

| | Special Revenue Funds | | | | Total April 30, 2018 |
|-------------------------|-----------------------|-----------------------------|---------------------------|--------------------------------------|----------------------------|
| | ESDA Fund | Mobile Equipment Fund | Motor Fuel Tax Fund | Drug-Free Community Grant Fund | |
| <u>Assets</u> | | | | | |
| Cash in Bank | \$ 61,701 | 5,525 | 351,741 | - | 418,967 |
| Total Assets | <u>\$ 61,701</u> | <u>5,525</u> | <u>351,741</u> | <u>-</u> | <u>418,967</u> |
| <u>Fund Balance</u> | | | | | |
| Restricted Fund Balance | \$ 61,701 | 5,525 | 351,741 | - | 418,967 |
| Total Fund Balance | <u>\$ 61,701</u> | <u>5,525</u> | <u>351,741</u> | <u>-</u> | <u>418,967</u> |

**Combining Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Non-Major Special Revenue Funds
For the Year Ended April 30, 2018**

| | Special Revenue Funds | | | | Total April 30, 2018 |
|---|-----------------------|-----------------------------|---------------------------|--------------------------------------|----------------------------|
| | ESDA Fund | Mobile Equipment Fund | Motor Fuel Tax Fund | Drug-Free Community Grant Fund | |
| Revenues Received: | | | | | |
| Property Tax | \$ 2,555 | - | - | - | 2,555 |
| Miscellaneous | 4,250 | - | - | - | 4,250 |
| Grants | 30,775 | - | - | 139,300 | 170,075 |
| MFT Allotments | - | - | 150,655 | - | 150,655 |
| Interest Income | - | - | 3,431 | - | 3,431 |
| Fines | - | 3,960 | - | - | 3,960 |
| Reimbursements | 14,063 | - | - | - | 14,063 |
| Total Revenues Received | 51,643 | 3,960 | 154,086 | 139,300 | 348,989 |
| Expenditures Disbursed: | | | | | |
| General Government | - | - | - | - | - |
| Public Safety | 37,241 | - | - | 139,300 | 176,541 |
| Street and Highway | - | - | 13,775 | - | 13,775 |
| Capital Outlay | 26,636 | 65,988 | - | - | 92,624 |
| Total Expenditures Disbursed | 63,877 | 65,988 | 13,775 | 139,300 | 282,940 |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | (12,234) | (62,028) | 140,311 | - | 66,049 |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In | 45,000 | - | - | - | 45,000 |
| Total Other Financing Sources (Uses) | 45,000 | - | - | - | 45,000 |
| Net Change in Fund Balance | 32,766 | (62,028) | 140,311 | - | 111,049 |
| Fund Balance, Beginning of Year | 28,935 | 67,553 | 211,430 | - | 307,918 |
| Fund Balance, End of Year | \$ 61,701 | 5,525 | 351,741 | - | 418,967 |

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2018

| <u>Assets</u> | | |
|-------------------------|--|------------------|
| Cash in Bank | | \$ 61,701 |
| Total Assets | | <u>\$ 61,701</u> |
| <u>Fund Balance</u> | | |
| Restricted Fund Balance | | \$ 61,701 |
| Total Fund Balance | | <u>\$ 61,701</u> |

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| Property Taxes | \$ 1,950 | 1,950 | 2,555 | 1,426 |
| Grants - State | 6,000 | 6,000 | 30,775 | 16,335 |
| ESDA Labor Special Use | - | - | - | 820 |
| Other Income | 6,500 | 6,500 | 4,250 | - |
| Other Reimbursements | 500 | 500 | 14,063 | 488 |
| Total Revenues Received | <u>14,950</u> | <u>14,950</u> | <u>51,643</u> | <u>19,069</u> |
| Expenditures Disbursed: | | | | |
| Wages | 9,000 | 9,000 | 9,000 | 8,275 |
| Dispatch | 500 | 500 | 430 | - |
| Dues and Subscriptions | 600 | 600 | 555 | 555 |
| Maintenance - Equipment | 5,000 | 5,000 | 1,813 | 6,340 |
| Maintenance - Radios & Pagers | 1,500 | 1,500 | - | 420 |
| Maintenance - Vehicles | 4,000 | 4,000 | 2,828 | 1,584 |
| Notices and Legal Publications | 200 | 200 | - | - |
| Other Professional Services | 5,500 | 5,500 | 3,342 | 1,988 |
| Telephone Service | 10,700 | 10,700 | 7,797 | 4,762 |
| Training, Meetings, and Travel Expense | 4,000 | 4,000 | 3,059 | 870 |
| Subscription Weather Service | 100 | 100 | 84 | 84 |
| Gasoline and Oil | 4,000 | 4,000 | 3,030 | 2,302 |
| Office Supplies | 800 | 800 | 66 | 686 |
| Postage | 100 | 100 | - | 22 |
| Operating Supplies and Tools | 10,000 | 10,000 | 5,237 | 2,682 |
| Miscellaneous and Contingency | 3,500 | 3,500 | - | - |
| Capital Outlay - Equipment Purchases | 11,000 | 11,000 | 15,686 | 13,046 |
| Expensed Equipment | 1,500 | 1,500 | - | 373 |
| Leased Equipment | 16,000 | 16,000 | 10,950 | - |
| Total Expenditures Disbursed | <u>88,000</u> | <u>88,000</u> | <u>63,877</u> | <u>43,989</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | (73,050) | (73,050) | (12,234) | (24,920) |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | 65,000 | 65,000 | 45,000 | 30,000 |
| Net Change in Fund Balance | <u>\$ (8,050)</u> | <u>(8,050)</u> | 32,766 | 5,080 |
| Fund Balance, Beginning of Year | | | <u>28,935</u> | <u>23,855</u> |
| Fund Balance, End of Year | | | <u>\$ 61,701</u> | <u>28,935</u> |

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2018**

| <u>Assets</u> | |
|-------------------------|-----------------|
| Cash in Bank | \$ 5,525 |
| Total Assets | <u>\$ 5,525</u> |
| <u>Fund Balance</u> | |
| Restricted Fund Balance | \$ 5,525 |
| Total Fund Balance | <u>\$ 5,525</u> |

**Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

Schedule D-10

| | Original Appropriations | Final Appropriations | Year Ended | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| Police Vehicle Fines and Transfers | \$ 5,000 | 5,000 | 3,960 | 3,473 |
| Total Revenues Received | <u>5,000</u> | <u>5,000</u> | <u>3,960</u> | <u>3,473</u> |
| Expenditures Disbursed: | | | | |
| Police Vehicle Purchases | - | - | - | 13,840 |
| ESDA Vehicle Purchases | 66,000 | 66,000 | 65,988 | - |
| Total Expenditures Disbursed | <u>66,000</u> | <u>66,000</u> | <u>65,988</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | (61,000) | (61,000) | (62,028) | (10,367) |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers In | - | - | - | 558 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>558</u> |
| Net Change in Fund Balance | <u>\$ (61,000)</u> | <u>(61,000)</u> | (62,028) | (9,809) |
| Fund Balance, Beginning of Year | | | <u>67,553</u> | <u>77,362</u> |
| Fund Balance, End of Year | | | <u>\$ 5,525</u> | <u>67,553</u> |

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2018**

| <u>Assets</u> | |
|-------------------------|-------------------|
| Cash in Bank | \$ 351,741 |
| Total Assets | <u>\$ 351,741</u> |
| <u>Fund Balance</u> | |
| Restricted Fund Balance | \$ 351,741 |
| Total Fund Balance | <u>\$ 351,741</u> |

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | Original Appropriations | Final Appropriations | Year Ended | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| MFT State Allotments | \$ 148,000 | 148,000 | 145,580 | 145,578 |
| Interest Income | 400 | 400 | 3,431 | 795 |
| Capital Bill Program Allotment | 5,000 | 5,000 | 5,075 | 5,147 |
| Total Revenues Received | <u>153,400</u> | <u>153,400</u> | <u>154,086</u> | <u>151,520</u> |
| Expenditures Disbursed: | | | | |
| MFT Street Projects | 300,000 | 300,000 | - | - |
| MFT Street Projects- Prior Yrs | 5,000 | 5,000 | - | 1,900 |
| Salt and Cinders | 20,000 | 20,000 | 13,775 | 13,321 |
| Contingency | 5,000 | 5,000 | - | - |
| Total Expenditures Disbursed | <u>330,000</u> | <u>330,000</u> | <u>13,775</u> | <u>15,221</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | <u>\$ (176,600)</u> | <u>(176,600)</u> | 140,311 | 136,299 |
| Fund Balance, Beginning of Year | | | <u>211,430</u> | <u>75,131</u> |
| Fund Balance, End of Year | | | <u>\$ 351,741</u> | <u>211,430</u> |

Statement of Assets, Liabilities and Fund Balance Arising
 from Cash Transactions
 April 30, 2018

| <u>Assets</u> | | |
|---------------------|--|-------------|
| Cash in Bank | | \$ - |
| Total Assets | | <u>\$ -</u> |
| <u>Fund Balance</u> | | |
| Fund balance | | \$ - |
| Total Fund Balance | | <u>\$ -</u> |

Statement of Revenues Received, Expenditures Disbursed and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2018
 (With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|---|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues Received: | | | | |
| Grant Income | \$ 185,000 | 185,000 | 139,300 | 141,280 |
| Total Revenues Received | <u>185,000</u> | <u>185,000</u> | <u>139,300</u> | <u>141,280</u> |
| Expenditures Disbursed: | | | | |
| DFC Grant Expenditures | 185,000 | 185,000 | 139,300 | 141,280 |
| Total Expenditures Disbursed | <u>185,000</u> | <u>185,000</u> | <u>139,300</u> | <u>141,280</u> |
| Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed | <u>\$ -</u> | <u>-</u> | - | - |
| Fund Balance, Beginning of Year | | | - | - |
| Fund Balance, End of Year | | | <u>\$ -</u> | <u>-</u> |

Statement of Fund Net Position
 April 30, 2018

| <u>Assets</u> | |
|---|---------------------|
| Cash in Bank | \$ 229,724 |
| Accounts Receivable | 148,545 |
| Capital Assets: | |
| Land | 600,500 |
| Vehicles | 204,882 |
| Equipment | 324,975 |
| Buildings | 3,173,976 |
| Improvements | 3,378,501 |
| Accumulated Depreciation | <u>(2,322,718)</u> |
| Total Assets | <u>\$ 5,738,385</u> |
| <u>Liabilities and Net Position</u> | |
| Liabilities: | |
| Deposit - Hydrant Meters | \$ 3,000 |
| Long-Term Debt: | |
| Due Within One Year | 52,075 |
| Due Beyond One Year | <u>905,087</u> |
| Total Liabilities | <u>960,162</u> |
| Net position: | |
| Net Investment in Capital Assets | 4,402,954 |
| Unrestricted Net Position | <u>375,269</u> |
| Total Net Position | <u>4,778,223</u> |
| Total Liabilities and Net Position | <u>\$ 5,738,385</u> |

**CITY OF WILMINGTON, ILLINOIS
WATER OPERATIONS FUND**

Schedule E-2
(continued)

**Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | Original Appropriations | Final Appropriations | Year Ended April 30, 2018 | April 30, 2017 |
|--|----------------------------|-------------------------|---------------------------------|-------------------|
| Revenues: | | | | |
| Water: | | | | |
| Water Service Fees | \$ 930,000 | 930,000 | 938,481 | 928,583 |
| Water Base Fees | 168,000 | 168,000 | 166,277 | 165,903 |
| Water Capacity User Fees | 10,000 | 10,000 | - | 62,625 |
| Water Meter Fees | 30,000 | 30,000 | 4,150 | 13,743 |
| Interest Income | 200 | 200 | 1,216 | 259 |
| Other Income | 6,000 | 6,000 | 4,181 | 5,283 |
| Other Reimbursements | 11,000 | 11,000 | 10,199 | 10,608 |
| Total Water Revenues | <u>1,155,200</u> | <u>1,155,200</u> | <u>1,124,504</u> | <u>1,187,004</u> |
| Garbage: | | | | |
| Garbage Collection Fees | 455,000 | 455,000 | 441,817 | 429,638 |
| Total Revenues | <u>1,610,200</u> | <u>1,610,200</u> | <u>1,566,321</u> | <u>1,616,642</u> |
| Expenses: | | | | |
| Water: | | | | |
| Wages | 341,700 | 359,700 | 345,770 | 357,818 |
| FICA Taxes | 33,000 | 35,000 | 31,577 | 31,839 |
| SUTA Taxes | 2,100 | 2,100 | 1,174 | 1,257 |
| IMRF | 47,000 | 47,000 | 41,665 | 42,581 |
| Overtime Wages | 35,000 | 44,000 | 36,003 | 34,994 |
| Computer Repairs and Maintenance | 15,000 | 15,000 | 10,513 | 12,605 |
| Dues and Subscriptions | 800 | 800 | 266 | 707 |
| Employee Health and Life Insurance | 90,000 | 80,000 | 71,645 | 84,003 |
| Legal Services | 1,000 | 1,000 | 205 | - |
| Prop, Equip, & Liab Insurance | 75,000 | 73,000 | 72,380 | 72,188 |
| Workers' Comp. Insurance | 36,000 | 31,000 | 26,334 | 32,700 |
| Maintenance: | | | | |
| Equipment | 18,000 | 18,000 | 7,671 | 11,484 |
| Fire Hydrants | 8,000 | 8,000 | 5,546 | - |
| Grounds and Building | 10,000 | 10,000 | 7,168 | 9,858 |
| Pumping System | 10,000 | 15,000 | 13,684 | 4,588 |
| Water Mains | 20,000 | 10,000 | 2,901 | 50,420 |
| Water Meters | 2,000 | 2,000 | - | 414 |
| Water Towers | 10,000 | 10,000 | 8,404 | 18,364 |
| Vehicles | 5,000 | 5,000 | 1,491 | 322 |
| Notices and Legal Publications | 1,000 | 1,000 | 149 | 541 |
| Other Professional Services | 15,000 | 15,000 | 11,791 | 13,126 |
| Rental of Equipment | 3,000 | 3,000 | - | - |
| Telephone Service | 7,000 | 7,000 | 5,504 | 6,274 |
| Training, Meetings, and Travel Expense | 4,000 | 4,000 | 269 | 3,292 |
| Utilities | 70,000 | 70,000 | 70,853 | 67,053 |
| Gasoline and Oil | 10,000 | 10,000 | 4,673 | 5,641 |

**CITY OF WILMINGTON, ILLINOIS
WATER OPERATIONS FUND**

Schedule E-2
(continued)

**Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | Original Appropriations | Final Appropriations | Year Ended April 30, 2018 | April 30, 2017 |
|--|----------------------------|-------------------------|---------------------------------|-------------------|
| Expenses: (continued) | | | | |
| Water: (continued) | | | | |
| Office Supplies | \$ 5,000 | 5,000 | 2,500 | 3,122 |
| Postage | 8,000 | 8,000 | 7,530 | 7,166 |
| Operating Supplies and Tools | 7,500 | 10,500 | 9,380 | 6,100 |
| Backflow Preventers | 2,000 | 2,000 | - | - |
| Uniforms | 2,000 | 2,000 | 434 | 1,546 |
| Water Treatment Chemicals | 80,000 | 90,000 | 87,197 | 91,046 |
| Miscellaneous and Contingency | 2,000 | 2,000 | - | - |
| Leased Equipment Expense | 4,500 | 4,500 | 2,526 | 2,339 |
| Equipment Purchases | 12,000 | 8,000 | 6,722 | - |
| New Meters | 30,000 | 12,900 | 2,028 | 5,482 |
| Expense Equipment | 500 | 1,600 | 1,516 | - |
| IEPA Loan Principal | 52,000 | 52,000 | - | - |
| IEPA Loan Interest | 22,000 | 22,000 | 18,323 | 17,248 |
| Service Fees | 8,000 | 8,000 | 7,874 | 6,523 |
| Contingency | 10,000 | 10,000 | - | - |
| Refunds | 500 | 500 | 147 | 328 |
| Total Water Expenses | <u>1,115,600</u> | <u>1,115,600</u> | <u>923,813</u> | <u>1,002,969</u> |
| Garbage: | | | | |
| Garbage Collection and Disposal | 455,000 | 455,000 | 438,631 | 439,795 |
| Depreciation Expense | - | - | 209,740 | 209,681 |
| Total Expenses | <u>1,570,600</u> | <u>1,570,600</u> | <u>1,572,184</u> | <u>1,652,445</u> |
| Excess (Deficiency) of Revenues over (under) Expenses | 39,600 | 39,600 | (5,863) | (35,803) |
| Other Financing Sources (Uses): | | | | |
| Contributed Capital | - | - | 5,500 | 24,556 |
| Operating Transfers In | 15,000 | 15,000 | 15,000 | - |
| Operating Transfers Out | (50,000) | (50,000) | (41,455) | (41,434) |
| Total Other Financing Sources (Uses) | <u>(35,000)</u> | <u>(35,000)</u> | <u>(20,955)</u> | <u>(16,878)</u> |
| Net Income (Loss) | <u>\$ (30,400)</u> | <u>(30,400)</u> | (26,818) | (52,681) |
| Net Position, Beginning of Year | | | <u>4,805,041</u> | <u>4,857,722</u> |
| Net Position, End of Year | | | <u>\$ 4,778,223</u> | <u>4,805,041</u> |

Statement of Fund Net Position
April 30, 2018

| <u>Assets</u> | |
|---------------------------|-------------------|
| Cash in Bank | \$ 701,901 |
| Accounts Receivable | 12,223 |
| Total Assets | <u>\$ 714,124</u> |
| <u>Net Position</u> | |
| Unrestricted Net Position | \$ 155,685 |
| Restricted Net Position | 558,439 |
| Total Net Position | <u>\$ 714,124</u> |

Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

Schedule E-4

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues: | | | | |
| City Engineer Services | \$ 2,000 | 2,000 | 5,233 | 380 |
| Meter Replacement Program Fees | 75,000 | 75,000 | 72,409 | 74,851 |
| Penalty Fee | 34,000 | 34,000 | 32,782 | 33,359 |
| Water District System Maintenance Fee | - | - | - | 2,000 |
| Interest Income | 1,500 | 1,500 | 7,027 | 2,079 |
| Other Income - Prologis Buyout | - | - | - | 400,000 |
| Other Reimbursements | - | - | - | 17,200 |
| Rental of Property | 6,600 | 6,600 | 6,600 | 6,600 |
| Total Revenues | <u>119,100</u> | <u>119,100</u> | <u>124,051</u> | <u>536,469</u> |
| Expenses: | | | | |
| City Engineer Services | 36,500 | 39,000 | 38,952 | 35,112 |
| Legal Services | 1,000 | 1,000 | - | - |
| Maintenance - Equipment | 5,500 | 5,500 | - | 17,092 |
| Maintenance - Distribution | 40,000 | 40,000 | 25,367 | 17,325 |
| Maintenance - Water Meters | 35,000 | 35,000 | 84,871 | 45,007 |
| Other Professional Fees | 6,000 | 6,000 | 5,908 | 5,007 |
| Equipment Purchases | 10,000 | 7,500 | - | 3,864 |
| Water Capital Projects | 108,000 | 108,000 | - | 2,136 |
| Contingency | 10,000 | 10,000 | - | - |
| Total Expenses | <u>252,000</u> | <u>252,000</u> | <u>155,098</u> | <u>125,543</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenses | (132,900) | (132,900) | (31,047) | 410,926 |
| Other Financing Sources (Uses): | | | | |
| Capital Contributions | - | - | (5,500) | (24,556) |
| Operating Transfers In | 50,000 | 50,000 | 41,455 | 41,434 |
| Operating Transfers Out | (15,000) | (15,000) | (15,000) | - |
| Total Other Financing Sources (Uses) | <u>35,000</u> | <u>35,000</u> | <u>20,955</u> | <u>16,878</u> |
| Net Income (Loss) | <u>\$ (97,900)</u> | <u>(97,900)</u> | (10,092) | 427,804 |
| Net Position, Beginning of Year | | | <u>724,216</u> | <u>296,412</u> |
| Net Position, End of Year | | | <u>\$ 714,124</u> | <u>724,216</u> |

Statement of Fund Net Position
April 30, 2018

| <u>Assets</u> | |
|---|----------------------|
| Cash in Bank | \$ 836,233 |
| Accounts Receivable | 169,297 |
| Capital Assets: | |
| Land | 911,700 |
| Vehicles | 197,595 |
| Equipment | 399,527 |
| Buildings | 14,100,762 |
| Improvements | 2,120,880 |
| Accumulated Depreciation | (4,240,064) |
| Total Assets | <u>\$ 14,495,930</u> |
| <u>Liabilities and Net Position</u> | |
| Liabilities: | |
| Long-Term Liabilities: | |
| Due Within One Year | \$ 690,680 |
| Due Beyond One Year | 7,938,292 |
| Total Liabilities | <u>8,628,972</u> |
| Net Position: | |
| Net Investment in Capital Assets | 4,861,428 |
| Unrestricted Net Position | 1,005,530 |
| Total Net Position | <u>5,866,958</u> |
| Total Liabilities and Net Position | <u>\$ 14,495,930</u> |

**CITY OF WILMINGTON, ILLINOIS
SEWER OPERATIONS FUND**

Schedule E-6
(continued)

**Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues: | | | | |
| Debt Service Revenue | \$ 945,000 | 945,000 | 950,820 | 940,071 |
| Sewer Service Fees | 840,000 | 840,000 | 803,092 | 819,245 |
| Sewer Capacity User Fee | 100,000 | 100,000 | - | 264,570 |
| Miscellaneous | 2,500 | 2,500 | 993 | 2,670 |
| Other Reimbursements | 7,000 | 7,000 | 16,674 | 16,362 |
| Total Revenues | 1,894,500 | 1,894,500 | 1,771,579 | 2,042,918 |
| Expenses: | | | | |
| Wages | 331,000 | 331,000 | 294,272 | 279,529 |
| FICA Taxes | 29,000 | 29,000 | 23,644 | 22,476 |
| SUTA Taxes | 2,000 | 2,000 | 1,082 | 1,340 |
| IMRF | 42,000 | 42,000 | 31,750 | 30,210 |
| Overtime | 20,000 | 20,000 | 12,575 | 12,569 |
| Seasonal PT | 11,000 | 4,000 | - | - |
| Computer Repairs and Maintenance | 17,000 | 17,000 | 8,469 | 10,179 |
| Dues & Subscription & Memberships | 2,000 | 2,000 | 893 | 631 |
| Employee Health and Life Insurance | 74,000 | 79,000 | 68,991 | 64,307 |
| Engineering Professional Fees | 5,000 | 5,000 | - | - |
| Legal Services | 2,000 | 2,000 | 923 | - |
| Prop, Equip, & Liability Insurance | 73,000 | 64,000 | 63,481 | 63,312 |
| Workers' Comp. Insurance | 25,000 | 20,000 | 19,740 | 22,620 |
| Maintenance: | | | | |
| Equipment | 33,000 | 33,000 | 16,772 | 6,686 |
| Grounds and Building | 16,000 | 16,000 | 10,141 | 11,659 |
| Sewers | 31,000 | 31,000 | 11,834 | 27,456 |
| Sewers - Process | 31,000 | 37,000 | 21,729 | 44,802 |
| Vehicles | 6,000 | 6,000 | 3,075 | 587 |
| Notices and Legal Publications | 800 | 800 | - | 441 |
| Other Professional Services | 28,000 | 28,000 | 27,303 | 24,091 |
| Rental of Equipment | 12,000 | 12,000 | 3,333 | - |
| Sewer Sludge Disposal | 40,000 | 40,000 | 28,017 | 26,563 |
| Telephone Service | 7,000 | 7,000 | 5,060 | 5,204 |
| Training, Meetings, and Travel Expense | 8,000 | 8,000 | 2,408 | 3,577 |
| Utilities - Electric and Gas | 105,000 | 105,000 | 88,793 | 89,975 |
| Gasoline and Oil | 10,000 | 10,000 | 3,398 | 2,344 |
| Office Supplies | 6,000 | 5,500 | 2,416 | 3,786 |
| Postage | 8,000 | 8,000 | 7,724 | 7,076 |
| Operating Supplies and Tools | 15,000 | 20,000 | 13,969 | 11,792 |
| Sewer Chemicals | 55,500 | 55,500 | 28,986 | 30,031 |
| Uniforms | 4,500 | 4,500 | 1,064 | 1,347 |
| Miscellaneous | 2,500 | 2,500 | 800 | 65 |

**CITY OF WILMINGTON, ILLINOIS
SEWER OPERATIONS FUND**

Schedule E-6
(continued)

**Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | Original Appropriations | Final Appropriations | Year Ended April 30, 2018 | April 30, 2017 |
|--|----------------------------|-------------------------|---------------------------------|-------------------|
| Expenses: (continued) | | | | |
| Equipment Purchase | \$ 15,000 | 20,000 | 929 | 369 |
| Leased Equipment Expense | 3,400 | 3,400 | 2,244 | 2,339 |
| Expensed Equipment | 500 | 500 | 394 | - |
| IEPA Loan Principal | 674,000 | 674,000 | - | - |
| IEPA Loan Interest | 229,000 | 229,000 | 228,383 | 244,916 |
| Service Fees | 8,000 | 8,500 | - | - |
| Refunds | 500 | 500 | 157 | 308 |
| Contingency | 20,000 | 20,000 | - | - |
| Depreciation Expense | - | - | 457,063 | 452,440 |
| Total Expenses | <u>2,002,700</u> | <u>2,002,700</u> | <u>1,491,812</u> | <u>1,505,027</u> |
| Excess (Deficiency) of Revenues over (under) Expenses | (108,200) | (108,200) | 279,767 | 537,891 |
| Other Financing Sources (Uses): | | | | |
| Contributed Capital | - | - | 27,250 | 29,275 |
| Operating Transfers Out | (150,000) | (150,000) | (100,000) | (50,000) |
| Total Other Financing Sources (Uses) | <u>(150,000)</u> | <u>(150,000)</u> | <u>(72,750)</u> | <u>(20,725)</u> |
| Net Income (Loss) | <u>\$ (258,200)</u> | <u>(258,200)</u> | 207,017 | 517,166 |
| Net Position, Beginning of Year | | | <u>5,659,941</u> | <u>5,142,775</u> |
| Net Position, End of Year | | | <u>\$ 5,866,958</u> | <u>5,659,941</u> |

Statement of Fund Net Position
April 30, 2018

| <u>Assets</u> | |
|-------------------------|-------------------|
| Cash in Bank | \$ 364,817 |
| Accounts Receivable | 4,809 |
| Total Assets | <u>\$ 369,626</u> |
| <u>Net Position</u> | |
| Restricted Net Position | <u>\$ 369,626</u> |
| Total Net Position | <u>\$ 369,626</u> |

Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

Schedule E-8

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Revenues: | | | | |
| City Engineer Services | \$ 1,000 | 1,000 | 2,635 | 190 |
| Sewer Collection System Fee | 6,000 | 6,000 | 7,000 | 6,000 |
| Penalty Fee | 39,000 | 39,000 | 40,721 | 38,796 |
| Interest Income | 3,000 | 3,000 | 12,431 | 4,935 |
| Property Rental | 6,600 | 6,600 | 6,600 | 6,600 |
| Total Revenues | <u>55,600</u> | <u>55,600</u> | <u>69,387</u> | <u>56,521</u> |
| Expenses: | | | | |
| City Engineer Services | 12,500 | 13,000 | 12,984 | 11,704 |
| Professional Fees - Engineering | 110,000 | 110,000 | 98,573 | 116,630 |
| Miscellaneous | - | 2,000 | - | - |
| Equipment Purchases | 19,000 | 19,000 | - | - |
| Sewer Main Extensions | 50,000 | 47,500 | - | - |
| Sewer Collection Line Upgrade | 50,000 | 50,000 | - | - |
| Contingency | 20,000 | 20,000 | - | - |
| Total Expenses | <u>261,500</u> | <u>261,500</u> | <u>111,557</u> | <u>128,334</u> |
| Excess (Deficiency) of Revenues over (under) Expenses | (205,900) | (205,900) | (42,170) | (71,813) |
| Other Financing Sources (Uses): | | | | |
| Capital contributions | - | - | (27,250) | (29,275) |
| Operating Transfers In | 100,000 | 100,000 | 100,000 | 50,000 |
| Net Income (Loss) | <u>\$ (105,900)</u> | <u>(105,900)</u> | 30,580 | (51,088) |
| Net Position, Beginning of Year | | | <u>339,046</u> | <u>390,134</u> |
| Net Position, End of Year | | | <u>\$ 369,626</u> | <u>339,046</u> |

Combining Statement of Fiduciary Net Position
April 30, 2018
(With Comparative Figures for 2017)

| | Agency Funds | | | | | | Totals | | |
|--------------------|--------------------------|---|--|---------------------------|------------------------------|---|--|---------------------------------|-------------------|
| | Police DUI Account | Canine School/ Liaison Account | School Police Seizure Account | Police Drug Account | Police Benefit Account | Building Deposit Holding Account | Police Explorer Program Account | Year Ended April 30, 2018 | April 30, 2017 |
| <u>Assets</u> | | | | | | | | | |
| Cash in bank | \$ 9,021 | - | 27,139 | - | 7,603 | 43,674 | 272 | 87,709 | 75,144 |
| <u>Liabilities</u> | | | | | | | | | |
| Payable to others | \$ 9,021 | - | 27,139 | - | 7,603 | 43,674 | 272 | 87,709 | 75,144 |

Combining Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Agency Funds | | | | | | Totals | | |
|------------------------------------|--------------------------|---|--|---------------------------|------------------------------|---|--|---------------------------------|-------------------|
| | Police DUI Account | Canine School/ Liaison Account | School Police Seizure Account | Police Drug Account | Police Benefit Account | Building Deposit Holding Account | Police Explorer Program Account | Year Ended April 30, 2018 | April 30, 2017 |
| Additions | \$ 6,902 | - | 20,942 | 330 | 4,595 | - | - | 32,769 | 1,882 |
| Deductions | 65 | 4,088 | 1,649 | 11,705 | 1,469 | - | 1,228 | 20,204 | 6,085 |
| Change in Net Position | 6,837 | (4,088) | 19,293 | (11,375) | 3,126 | - | (1,228) | 12,565 | (4,203) |
| Cash Balance, Beginning of Year | 2,184 | 4,088 | 7,846 | 11,375 | 4,477 | 43,674 | 1,500 | 75,144 | 79,347 |
| Cash Balance, End of Year | \$ 9,021 | - | 27,139 | - | 7,603 | 43,674 | 272 | 87,709 | 75,144 |

**Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)**

| | Original Appropriations | Final Appropriations | Year Ended April 30, 2018 | April 30, 2017 |
|---|----------------------------|-------------------------|---------------------------------|-------------------|
| <u>Finance and Administration:</u> | | | | |
| Wages - Finance and Administration | \$ 144,000 | 179,000 | 157,715 | 214,440 |
| City Engineer Services | 7,000 | 13,000 | 12,984 | 11,704 |
| Elected / Appointed Officials Wages | 40,000 | 40,000 | 34,935 | 34,665 |
| Computer Repairs and Maintenance | 25,000 | 25,000 | 16,191 | 28,749 |
| Dues and Subscriptions | 9,000 | 9,000 | 7,432 | 8,528 |
| Employee Health and Life Insurance | 50,000 | 54,000 | 43,136 | 58,699 |
| Retired Employees Health Insurance | 116,500 | 116,500 | 106,987 | 115,305 |
| Legal Services | 40,000 | 70,000 | 59,474 | 58,488 |
| Maintenance - Equipment | 4,000 | 4,000 | 2,384 | 3,657 |
| Maintenance - Vehicles | - | - | - | 687 |
| Notices and Legal Publications | 1,000 | 1,000 | 299 | 738 |
| Other Professional Services | 125,000 | 75,000 | 55,216 | 50,643 |
| Telephone Service | 9,000 | 9,000 | 8,313 | 8,688 |
| Training, Meetings, and Travel Expenses | 5,000 | 5,000 | 2,799 | 2,690 |
| Gasoline and Oil | 500 | 500 | - | 3,926 |
| Office Supplies | 4,000 | 4,000 | 3,521 | 3,830 |
| Postage | 2,000 | 2,000 | 1,734 | 1,561 |
| Operating Supplies and Tools | 1,500 | 2,000 | 1,466 | 854 |
| Administrative Expense | 2,000 | 2,000 | 214 | 455 |
| WCHC - Community Matching | 10,000 | 10,000 | 9,327 | 8,245 |
| Economic Development Commission | 3,000 | 3,000 | 2,500 | 2,500 |
| Mayor's Expense | 2,000 | 2,000 | 1,125 | 1,774 |
| Community Festivals | 10,000 | 10,000 | 10,000 | - |
| Miscellaneous | 5,000 | 5,000 | 554 | 1,535 |
| Police Commission Expenses | 12,000 | 17,000 | 13,456 | 3,932 |
| Leased Equipment | 3,500 | 3,500 | 2,502 | 3,304 |
| Expensed Equipment | 3,000 | 3,000 | 2,049 | 1,430 |
| Service Fees | 500 | 500 | 158 | 389 |
| Utility Tax Credit | 75,000 | 65,000 | - | - |
| Contingency | 10,000 | 10,000 | - | - |
| Refunds | - | - | - | 166 |
| Total Finance and Administration | 719,500 | 740,000 | 556,471 | 631,582 |
| <u>Public Grounds and Buildings:</u> | | | | |
| Maintenance - Equipment | 4,000 | 4,000 | 2,414 | 3,394 |
| Maintenance - Grounds and Buildings | 50,000 | 42,000 | 29,651 | 73,468 |
| Janitorial Service | 32,000 | 32,000 | 27,342 | 29,921 |
| Other Professional Services | 10,000 | 16,000 | 13,296 | 37,550 |
| Rental of Building/Storage Space | 1,500 | 1,500 | 1,380 | 1,380 |
| Telephone Service | 1,300 | 1,300 | 1,006 | 1,018 |
| Utilities | 6,000 | 7,000 | 5,101 | 4,076 |
| Operating Supplies and Tools | 3,500 | 3,500 | 1,510 | 2,922 |
| Miscellaneous and Contingency | 4,000 | 5,000 | 4,894 | 259 |
| Total Public Grounds and Buildings | 112,300 | 112,300 | 86,594 | 153,988 |

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| <u>Police Department:</u> | | | | |
| Salaries and Wages: | | | | |
| Police | \$ 990,000 | 1,015,000 | 1,020,203 | 1,095,794 |
| Overtime | 100,000 | 95,000 | 84,253 | 68,862 |
| Part-Time Officer | 85,000 | 90,000 | 88,548 | 72,845 |
| Crossing Guard | 5,500 | 5,500 | 5,250 | 5,130 |
| Vacation Buy-Out | 20,000 | 22,100 | 22,026 | 14,851 |
| Animal Control | 3,000 | 3,000 | 1,650 | 3,690 |
| Community Service & Affairs | 2,000 | 2,000 | 1,137 | - |
| Computer Repairs and Maintenance | 25,000 | 25,000 | 19,725 | 22,401 |
| Dispatching Services | 206,000 | 206,000 | 205,977 | 176,438 |
| Dues and Subscriptions | 2,000 | 3,000 | 3,096 | 2,000 |
| Employee Health and Life Insurance | 180,000 | 180,000 | 158,847 | 164,839 |
| Legal Services | 45,000 | 40,000 | 26,054 | 17,637 |
| Maintenance: | | | | |
| Equipment | 8,500 | 8,500 | 9,525 | 7,715 |
| Radios and Pagers | 500 | 500 | - | 104 |
| Vehicles | 18,000 | 18,000 | 19,684 | 17,858 |
| Notices Legal Publications | 1,000 | 500 | 18 | 826 |
| Other Professional Services | 14,000 | 11,000 | 8,958 | 11,955 |
| K9 Unit Program Expense | 15,000 | 15,000 | 7,976 | 18,383 |
| Telephone Service | 20,500 | 20,500 | 17,024 | 12,679 |
| Training, Meetings, and Travel Expense | 20,000 | 12,000 | 10,249 | 14,291 |
| Gasoline and Oil | 32,500 | 31,000 | 30,090 | 27,541 |
| Office Supplies | 4,000 | 4,000 | 3,380 | 2,987 |
| Postage | 1,500 | 1,000 | 957 | 931 |
| Operating Supplies and Tools | 13,000 | 17,000 | 16,549 | 12,397 |
| Uniforms | 20,000 | 20,000 | 20,195 | 23,656 |
| Miscellaneous and Contingency | 1,500 | 500 | 290 | 1,165 |
| Leased Equipment Expense | 83,000 | 83,000 | 78,567 | 56,891 |
| Expensed Equipment | 3,000 | 3,000 | 2,895 | 5,112 |
| Total Police Department | 1,919,500 | 1,932,100 | 1,863,123 | 1,858,978 |

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| <u>Streets & Alleys</u> | | | | |
| Salaries and Wages: | | | | |
| Public Works | \$ 250,000 | 245,000 | 242,330 | 341,978 |
| City Engineer Services | 19,500 | 39,000 | 38,952 | 35,112 |
| Overtime | 20,000 | 30,000 | 23,908 | 16,979 |
| Part-Time | 22,000 | 22,000 | 17,155 | 21,524 |
| Computer Repairs and Maintenance | 1,000 | 1,500 | 973 | 552 |
| Dues and Subscriptions | 400 | 400 | 290 | - |
| Employee Health and Life Insurance | 82,000 | 75,000 | 66,550 | 87,086 |
| Engineering Fees | 6,000 | 6,000 | 1,037 | - |
| JULIE Fees | 3,000 | 3,000 | 2,999 | 2,153 |
| Legal Services | 1,000 | 1,000 | - | - |
| Maintenance: | | | | |
| Bridges | 4,000 | 2,000 | 2,305 | - |
| Curbs & Gutters | 12,000 | 12,000 | 10,981 | - |
| Equipment | 24,000 | 34,000 | 21,830 | 19,080 |
| Parking Lots | 6,000 | 6,000 | 1,191 | - |
| Sidewalks | 4,000 | 4,000 | 4 | 2,128 |
| Storm Sewers | 20,000 | 20,000 | 10,743 | 28,530 |
| Streets | 361,000 | 361,000 | 13,546 | 30,910 |
| Vehicles | 22,500 | 22,500 | 12,502 | 12,876 |
| Notices and Legal Publications | 1,000 | 1,000 | - | 102 |
| Equipment Rentals | 7,500 | 5,000 | - | 2,209 |
| Street Light Electricity | 90,000 | 95,000 | 86,775 | 89,042 |
| Telephone Service | 3,500 | 3,500 | 2,677 | 2,802 |
| Training, Meetings, and Travel Expense | 1,500 | 1,500 | 1,122 | 615 |
| Tree and Weed Removal | 15,000 | 15,000 | 10,117 | 8,203 |
| Gasoline and Oil | 27,500 | 23,500 | 17,485 | 20,099 |
| Office Supplies | 1,500 | 1,500 | 214 | 1,725 |
| Postage | 500 | 500 | - | - |
| Operating Supplies and Tools | 13,000 | 13,000 | 11,787 | 11,917 |
| Sign Replacement | 5,000 | 5,000 | 2,950 | 3,002 |
| Uniforms | 7,000 | 7,000 | 4,336 | 7,332 |
| Miscellaneous and Contingency | 500 | 500 | 52 | 206 |
| Expensed Equipment | 1,000 | 1,000 | 800 | 139 |
| Total Streets & Alleys | 1,032,900 | 1,057,400 | 605,611 | 746,301 |

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| Social Security and IMRF: | | | | |
| Social Security Taxes | \$ 135,000 | 142,000 | 134,895 | 149,216 |
| SUTA Taxes | 10,000 | 10,000 | 8,123 | 8,737 |
| IMRF Expense | 68,000 | 73,000 | 65,414 | 83,428 |
| Total Social Security and IMRF | 213,000 | 225,000 | 208,432 | 241,381 |
| Auditing and Accounting: | | | | |
| Audit Fee | 18,500 | 18,500 | 17,900 | 17,525 |
| Payroll Processing Service | 9,000 | 9,000 | 7,286 | 7,660 |
| Total Auditing and Accounting | 27,500 | 27,500 | 25,186 | 25,185 |
| Building Department: | | | | |
| Wages | 20,000 | 20,000 | 7,720 | 14,995 |
| City Engineer Services | 6,600 | 13,000 | 12,984 | 11,704 |
| Computer Repairs and Maintenance | 2,000 | 2,000 | 458 | 648 |
| Consulting Fee | 200,000 | 139,700 | 4,637 | 420,701 |
| Dues and Subscriptions | 100 | 500 | 196 | 25 |
| Employee Health and Life Insurance | 3,000 | 3,000 | 2,183 | 2,573 |
| Legal Services | 1,000 | 1,000 | - | - |
| Maintenance - Vehicles | 3,000 | 3,000 | 1,003 | 2,857 |
| City Engineer Vehicle Allowance | 2,000 | 4,000 | 4,000 | 4,400 |
| Telephone Services | 2,000 | 2,000 | 1,329 | 1,352 |
| Training, Meetings, and Travel Expense | 1,000 | 1,500 | 1,049 | 377 |
| Gasoline and Oil | 1,000 | 2,000 | 1,819 | 253 |
| Office Supplies | 1,000 | 1,000 | 283 | 720 |
| Postage | 250 | 250 | 25 | 56 |
| Operating Supplies and Tools | 1,000 | 1,000 | 369 | 21 |
| Miscellaneous and Contingency | 500 | 12,000 | 11,225 | 475 |
| Expensed Equipment | 500 | 1,500 | - | - |
| Total Building Department | 244,950 | 207,450 | 49,280 | 461,157 |
| Planning and Zoning: | | | | |
| Wages | 4,000 | 4,000 | 1,440 | 2,250 |
| City Engineering Services | 6,600 | 13,000 | 12,984 | 11,704 |
| Consulting Fees | 65,000 | 65,000 | 20,947 | 37,549 |
| Consulting Fees - Developers | 240,000 | 186,000 | 80,044 | 54,591 |
| Employee Health and Life Insurance | 3,000 | 3,000 | 2,183 | 2,573 |
| Engineering Fees | 35,000 | 35,000 | 1,843 | 85 |
| Engineering Fees - Developers | 60,000 | 60,000 | 6,540 | 21,874 |
| Legal Services | 2,500 | 2,500 | - | 1,210 |
| Legal Services - Developers | 30,000 | 20,000 | 2,698 | 1,929 |
| Notices and Legal Publications | 500 | 5,000 | 2,418 | 184 |
| Office Supplies | 500 | 500 | - | 79 |
| Postage | 250 | 250 | - | - |
| Miscellaneous and Contingency | 500 | 500 | 50 | - |
| Total Planning and Zoning | 447,850 | 394,750 | 131,147 | 134,028 |

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2018
(With Comparative Figures for 2017)

| | Original Appropriations | Final Appropriations | Year Ended | |
|--|----------------------------|-------------------------|-------------------|-------------------|
| | | | April 30, 2018 | April 30, 2017 |
| <u>Police Pension:</u> | | | | |
| Police Pension Fund Contribution | \$ 410,000 | 410,000 | 400,699 | 383,176 |
| <u>Building, Liability, and Workers' Comp. Insurance</u> | | | | |
| Property and Equipment Insurance | 125,000 | 107,000 | 106,103 | 106,980 |
| General Liability Insurance | 170,000 | 144,000 | 142,524 | 200,991 |
| Liability Insurance Deductible | - | 50,000 | - | - |
| Total Building, Liability, and Workers' Comp. Insurance | 295,000 | 301,000 | 248,627 | 307,971 |
| <u>Debt Service</u> | | | | |
| Public Works - Principal | 39,200 | 39,200 | 39,046 | 37,732 |
| Public Works - Interest | 3,000 | 3,000 | 2,858 | 4,172 |
| Total Debt Service | 42,200 | 42,200 | 41,904 | 41,904 |
| <u>Capital Outlay</u> | | | | |
| Finance and Administration | 5,000 | - | - | - |
| Public Grounds and Buildings | - | - | - | 1,510 |
| Police Department | 5,000 | 5,000 | 5,109 | 5,461 |
| Public Works | 14,000 | 14,000 | 13,061 | - |
| Building Department | - | - | - | 51 |
| Total Capital Outlay | 24,000 | 19,000 | 18,170 | 7,022 |
| Total General Fund Expenditures | \$ 5,488,700 | 5,468,700 | 4,235,244 | 4,992,673 |

**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

| | Tax Year | | | | |
|---------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuations | <u>\$129,676,852</u> | <u>121,093,144</u> | <u>121,573,744</u> | <u>127,437,230</u> | <u>135,706,732</u> |
| Tax Rates: | | | | | |
| Corporate | 0.1333 | 0.1449 | 0.1453 | 0.1413 | 0.1474 |
| Bond and Interest | 0.1180 | 0.1263 | 0.1233 | 0.1120 | 0.1126 |
| Police Pension | 0.2790 | 0.3248 | 0.3284 | 0.3320 | 0.3132 |
| Municipal Retirement | 0.0499 | 0.0325 | 0.0329 | 0.0314 | 0.0295 |
| Social Security | 0.0982 | 0.0812 | 0.0821 | 0.0785 | 0.0737 |
| ESDA/Civil Defense | 0.0384 | 0.0012 | 0.0012 | 0.0016 | 0.0023 |
| Police Protection | 0.1150 | 0.1624 | 0.1642 | 0.1570 | 0.1474 |
| Workers' Compensation Insurance | 0.0284 | 0.0610 | 0.0658 | 0.0628 | 0.0590 |
| Liability Insurance | 0 | 0.0325 | 0.0411 | 0.0393 | 0.0553 |
| Municipal Audit | 0.0257 | 0.0268 | 0.0230 | 0.0173 | 0.0133 |
| Totals | <u>0.9151</u> | <u>0.9936</u> | <u>1.0073</u> | <u>0.9732</u> | <u>0.9537</u> |
| Tax Extensions: | | | | | |
| Corporate | \$ 172,859 | 175,464 | 185,166 | 180,069 | 200,032 |
| Bond and Interest | 153,019 | 152,941 | 157,130 | 142,730 | 152,806 |
| Police Pension | 361,798 | 393,311 | 418,504 | 423,092 | 425,033 |
| Municipal Retirement | 64,709 | 39,355 | 41,927 | 40,015 | 40,033 |
| Social Security | 127,343 | 98,328 | 104,626 | 100,038 | 100,016 |
| ESDA/Civil Defense | 49,796 | 1,453 | 1,529 | 2,039 | 3,121 |
| Police Protection | 149,128 | 196,655 | 209,252 | 200,076 | 200,032 |
| Workers' Compensation Insurance | 36,828 | 73,867 | 83,854 | 80,031 | 80,067 |
| Liability Insurance | 37,866 | 39,355 | 52,377 | 50,083 | 75,046 |
| Municipal Audit | 33,327 | 32,453 | 29,311 | 22,047 | 18,049 |
| Totals | <u>1,186,672</u> | <u>1,203,181</u> | <u>1,283,676</u> | <u>1,240,220</u> | <u>1,294,235</u> |
| Township Road and Bridge | 84,121 | 84,240 | 84,930 | 87,570 | |
| Totals | <u>\$ 1,270,793</u> | <u>1,287,421</u> | <u>1,368,606</u> | <u>1,327,790</u> | |
| Tax Collections | <u>\$ 1,183,789</u> | <u>1,237,880</u> | <u>1,260,444</u> | <u>1,261,938</u> | |



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNIA R. MACK, CPA
LAURI POPE, CPA
ERICA BLUMBERG, CPA
TREVOR DEBELAK, CPA
MATT MELVIN
CHRIS CHRISTENSEN
STEPHANIE HEISNER

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

To the Honorable Mayor and
Board of Commissioners
City of Wilmington, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Wilmington, Illinois' basic financial statements, and have issued our report thereon dated September 18, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wilmington, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Wilmington, Illinois, in a separate letter dated September 18, 2018.

Purpose of this Report

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 18, 2018