

CITY OF WILMINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

APRIL 30, 2013

*Prepared by:*

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CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WILMINGTON, ILLINOIS

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*INDEPENDENT AUDITORS' REPORT*



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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the City of Wilmington, Illinois, as of and for the year ended April 30, 2013, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of April 30, 2013, and the respective changes in 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 governmental activities, each major fund, and the aggregate remaining fund information 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 opinion is not modified with respect to that matter. The business-type activities are presented in accordance with accounting principles generally accepted in the United States of America.

**Disclaimer of Opinion on Supplementary 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 management's discussion and analysis and budgetary comparison information on pages 3-9 and 41-46, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

**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 introductory section, schedule of expenditures of federal awards, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and combining and individual non-major 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 schedule of expenditures of federal awards and 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 introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

*MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)*

## CITY OF WILMINGTON, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2013

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As management of the City of Wilmington, we offer readers of the City of Wilmington's financial statements this narrative overview and analysis of the financial activities of the City of Wilmington for the fiscal year ended April 30, 2013. We encourage readers to consider the information presented here in conjunction with the Independent Auditors' Report and the City's audited financial statements.

#### FINANCIAL HIGHLIGHTS

- City of Wilmington's Governmental Fund's total revenues were greater than total expenditures, on the modified cash basis of accounting, by \$70,810.
- The City's General Fund ended the year with a balance of \$538,120, the Mobile Equipment Fund ended the year with a balance of \$168,895, the Capital Projects Fund ended the year with a balance of \$139,014, the Bond & Interest Fund ended the year with a balance of \$110,677, and overall, the City's governmental funds ended the year with a balance of \$1,308,196.
- Budgetary Comparison – During the current year, the City's General Fund's expenditures were less than appropriations by \$1,470,631.
- Net Assets – Governmental Net Assets increased \$2,558,761 from \$10,331,403 in 2012 to \$12,890,164 in 2013, Business-type Net Assets increased \$1,869,003 from \$8,370,849 in 2012 to \$10,239,852 in 2013. Overall, the City's financial position increased by \$4,427,764.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the City of Wilmington's basic financial statements. The City of Wilmington's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Wilmington's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents the City of Wilmington's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Wilmington is improving or deteriorating. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the City of Wilmington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City of Wilmington include general government, public safety, street and public works, and debt services.

# CITY OF WILMINGTON, ILLINOIS

## Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2013

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### Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wilmington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories—governmental funds, proprietary funds, and fiduciary funds.

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The City maintains 7 governmental funds. Information is presented separately in the Governmental Funds Statement of Assets, Liabilities, and Fund Balance and in the Governmental Funds Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance for the General Corporate, Mobile Equipment, Capital Projects, and Bond and Interest Funds which are considered to be major funds. Data for the other 3 special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements on pages 47-48 and individual fund statements on pages 49-51 of the Annual Financial Report.

#### **Proprietary Funds**

The City uses enterprise funds to account for its water, sewer & garbage operations. The proprietary fund financial statements provide separate information for the utility funds. The basic proprietary fund statements can be found on pages 14-16 of this report.

#### **Fiduciary Funds**

The City uses fiduciary funds to account for its Agency Funds and its Pension Trust Fund. Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The Statement of Fiduciary Net Assets can be found on page 17, and the Statement of Changes in Fiduciary Net Assets can be found on page 18 of this report.

#### **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-40 of this report.

## CITY OF WILMINGTON, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2013

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#### **Required Supplementary Information**

This Management's Discussion and Analysis, the General Fund Budgetary Comparison Schedule, the IMRF Schedule of Funding Progress, and the Police Pension Schedule of Funding Progress represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "basic financial statements").

#### **Analysis of the City of Wilmington's Financial Position and Result of Operations:**

The City of Wilmington remains in a stable position. Overall, the City had an increase in net assets of \$4,427,764 during the current fiscal year.

*Governmental activities:* Governmental activities had an increase in net assets of \$2,558,761 for the year ended April 30, 2013. Total governmental activity revenue increased by \$1,129,247. Revenues increased by approximately 17.5% primarily due to the Illinois Department of Transportation funding provided for the Illinois Route 53 improvements. Total governmental expenditures increased by \$682,204. Expenditures increased during the fiscal year due to capital projects and improvements to the City's infrastructure. On the Statement of Net Assets, capital purchases were capitalized rather than recorded as an expense on the Statement of Activities.

*Business-type Activities:* Net Assets from business-type activities increased by \$1,869,003. The increase is related to the water/sewer extension costs which were capitalized during the current year.

The table on page 7 provides a summary of the City's operations for year ended April 30, 2013 with comparative totals for year ended April 30, 2012.

#### **Final Budget**

The City adopts a formal budget after holding a public hearing. The budget and appropriations are legally adopted through the passage of an ordinance. All fund expenditures were in compliance with budgetary requirements during the current fiscal year.

#### **Economic Factors**

Property tax revenues are capped under State of Illinois rules for non-home rule communities. No addition to property tax revenues is allowed beyond the increase in the rate of inflation and a percentage factor for new construction. The assessed valuation for the City decreased 4% over the prior year. While increasing revenues are an important part of the City's financial matters, stabilizing expenses continues to be equally important. Grant opportunities will also be researched.

#### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Administrator, City of Wilmington, 1165 S. Water Street, Wilmington, Illinois, 60481.

CITY OF WILMINGTON, ILLINOIS

Management's Discussion and Analysis (Unaudited)  
For the Year Ended April 30, 2013

Net Assets--Modified Cash Basis

The City's combined net assets, resulting from modified cash basis transactions, increased from approximately \$18.7 million to \$23.1 million between fiscal years 2012 and 2013. Looking at the net assets of governmental and business-type activities separately, governmental activities and business-type activities experienced a significant increase during the current year related to improvements completed which were funded by grant revenues.

Net Assets of the City's governmental activities increased 24.8 percent to \$12.9 million.

Net assets of the City's business-type activities increased 22.3 percent to \$10.2 million.

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
<u>Assets</u>							
Current and other assets	\$ 1,340,180	1,120,352	1,446,560	1,553,255	2,786,740	2,673,607	4.2%
Capital Assets	12,910,968	10,671,741	20,743,728	18,905,669	33,654,696	29,577,410	13.8%
Total assets	<u>14,251,148</u>	<u>11,792,093</u>	<u>22,190,288</u>	<u>20,458,924</u>	<u>36,441,436</u>	<u>32,251,017</u>	<u>13.0%</u>
<u>Liabilities</u>							
Accounts Payable/ Reserves	31,984	31,966	-	-	31,984	31,966	0.1%
Long-term debt outstanding							
Due within one year	259,000	248,724	599,381	610,500	858,381	859,224	-0.1%
Due in more than one year	1,070,000	1,180,000	11,351,055	11,477,575	12,421,055	12,657,575	-1.9%
Total liabilities	<u>1,360,984</u>	<u>1,460,690</u>	<u>11,950,436</u>	<u>12,088,075</u>	<u>13,311,420</u>	<u>13,548,765</u>	<u>-1.8%</u>
<u>Net assets</u>							
Invested in capital assets, net of related debt	11,581,968	9,243,017	8,793,292	6,817,594	20,375,260	16,060,611	26.9%
Restricted net assets	467,406	325,400	720,457	1,135,432	1,187,863	1,460,832	-18.7%
Unrestricted net assets	840,790	762,986	726,103	417,823	1,566,893	1,180,809	32.7%
Total net assets	<u>\$ 12,890,164</u>	<u>10,331,403</u>	<u>10,239,852</u>	<u>8,370,849</u>	<u>23,130,016</u>	<u>18,702,252</u>	<u>23.7%</u>

CITY OF WILMINGTON, ILLINOIS

Management's Discussion and Analysis (Unaudited)  
For the Year Ended April 30, 2013

Changes in Net Assets--Modified Cash Basis

For the year ended April 30, 2013, net assets of the City changed as follows:

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
<b>Receipts</b>							
Program receipts							
Fees and charges for services	\$ 132,318	90,129	2,622,238	2,332,655	2,754,556	2,422,784	13.7%
Operating grants and contributions	3,031,957	2,103,316	-	-	3,031,957	2,103,316	44.2%
General receipts							
Taxes	3,295,256	3,015,927	-	-	3,295,256	3,015,927	9.3%
Intergovernmental revenue	163,792	164,712	-	-	163,792	164,712	-0.6%
Investment income	1,195	3,703	6,252	3,010	7,447	6,713	10.9%
Licenses and permits	77,193	67,285	-	-	77,193	67,285	14.7%
Reimbursements	344,762	288,984	-	-	344,762	288,984	19.3%
Annexation Agreement - Ridgport	281,872	500,000	-	-	281,872	500,000	-43.6%
Fines and forfeitures	158,745	183,290	-	-	158,745	183,290	-13.4%
Miscellaneous	108,304	48,801	106,549	62,409	214,853	111,210	93.2%
Special Item-capital contribution/proceeds	-	-	2,440,903	263,800	2,440,903	263,800	825.3%
Total Receipts	<u>7,595,394</u>	<u>6,466,147</u>	<u>5,175,942</u>	<u>2,661,874</u>	<u>12,771,336</u>	<u>9,128,021</u>	<u>39.9%</u>
<b>Expenditures</b>							
General Government	1,737,140	3,777,128	-	-	1,737,140	3,777,128	-54.0%
Public Safety	1,974,071	2,073,487	-	-	1,974,071	2,073,487	-4.8%
Street & Highway	1,266,164	424,994	-	-	1,266,164	424,994	197.9%
Depreciation	-	-	602,844	550,939	602,844	550,939	9.4%
Interest Expense	59,258	61,688	299,224	313,451	358,482	375,139	-4.4%
Water	-	-	1,332,691	1,222,476	1,332,691	1,222,476	9.0%
Garbage	-	-	405,107	389,258	405,107	389,258	4.1%
Sewer	-	-	667,073	703,747	667,073	703,747	-5.2%
Total Expenditures	<u>5,036,633</u>	<u>6,337,297</u>	<u>3,306,939</u>	<u>3,179,871</u>	<u>8,343,572</u>	<u>9,517,168</u>	<u>-12.3%</u>
Increase (decrease) in net assets	<u>2,558,761</u>	<u>128,850</u>	<u>1,869,003</u>	<u>(517,997)</u>	<u>4,427,764</u>	<u>(389,147)</u>	<u>-1237.8%</u>
Net assets at beginning of year	<u>10,331,403</u>	<u>10,202,553</u>	<u>8,370,849</u>	<u>8,888,846</u>	<u>18,702,252</u>	<u>19,091,399</u>	<u>-2.0%</u>
Net assets at end of year	<u>\$ 12,890,164</u>	<u>10,331,403</u>	<u>10,239,852</u>	<u>8,370,849</u>	<u>23,130,016</u>	<u>18,702,252</u>	<u>23.7%</u>

CITY OF WILMINGTON, ILLINOIS

Management's Discussion and Analysis (Unaudited)  
 April 30, 2013

Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. The format is significantly different from the Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance. The expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a net (expense)/revenue. This type of format highlights the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is a self-financing program through fees and grants or contributions. All other governmental revenues are reported as general revenues. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

For the year ended April 30, 2013, total expenses for governmental activities transactions amounted to \$5,036,633. Of these total expenses, taxpayers and other general revenues funded \$4,431,119 while those directly benefiting from the programs funded \$132,318 from fees and charges for services and \$3,031,957 from operating grants and contributions.

**Net Cost of Governmental Activities-Modified Cash Basis**

	Total Cost of Services		Total Percentage Change
	2013	2012	2013-2012
Expenses			
General Government	\$ 1,737,140	3,777,128	-54.0%
Public Safety	1,974,071	2,073,487	-4.8%
Street & Highway	1,266,164	424,994	197.9%
Interest Expense	59,258	61,688	-3.9%
<b>Total</b>	<b>\$ 5,036,633</b>	<b>6,337,297</b>	<b>-20.5%</b>



CITY OF WILMINGTON, ILLINOIS

Management's Discussion and Analysis (Unaudited)  
For the Year Ended April 30, 2013

Capital Assets

At April 30, 2013, the City of Wilmington's capital assets, net of depreciation, are as follows:

**Primary Government Capital Assets**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 6,838,650	6,838,650	1,512,200	1,512,200	8,350,850	8,350,850
Vehicles	665,542	638,775	408,428	408,428	1,073,970	1,047,203
Buildings	3,587,560	3,587,560	17,274,738	17,274,738	20,862,298	20,862,298
Equipment	1,173,210	1,108,607	436,662	405,450	1,609,872	1,514,057
Improvements	688,773	332,666	4,525,203	2,115,512	5,213,976	2,448,178
Infrastructure	2,751,653	629,903	-	-	2,751,653	629,903
Accumulated Depreciation	(2,794,420)	(2,464,420)	(3,413,503)	(2,810,659)	(6,207,923)	(5,275,079)
	<u>\$ 12,910,968</u>	<u>10,671,741</u>	<u>20,743,728</u>	<u>18,905,669</u>	<u>33,654,696</u>	<u>29,577,410</u>

Refer to Note 4 for additional information.

This year's most significant capital asset additions included:

Governmental:

IL-53 Road & Traffic Signal Project	\$ 2,121,750
Drainage Improvements	356,107
2013 Ford Explorer	26,767

Business-type:

Ridgeport Sewer & Water Extension	2,409,692
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Long-Term Debt

At April 30, 2013, the City had \$13,279,436 in long-term debt, compared to \$13,516,799 in 2012. While \$1,329,000 of debt is related to governmental activities, \$11,950,436 of debt is related to business type activities. See Note 5 for additional information.

**Primary Government Long-Term Debt**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Outstanding Debt Obligations	\$ 1,329,000	1,428,724	11,950,436	12,088,075	13,279,436	13,516,799

*FINANCIAL STATEMENTS*

## CITY OF WILMINGTON, ILLINOIS

Government-wide Financial Statement  
Statement of Net Assets - Modified Cash Basis  
April 30, 2013

	Primary Government			
	Governmental Activities	Business-Type Activities	Total April 30,	
			2013	2012
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,340,180	1,144,631	2,484,811	2,430,484
Receivables	-	301,929	301,929	243,123
Capital Assets				
Land	6,838,650	1,512,200	8,350,850	8,350,850
Vehicles	665,542	408,428	1,073,970	1,047,203
Equipment	1,173,210	436,662	1,609,872	1,514,057
Buildings	3,587,560	17,274,738	20,862,298	20,862,298
Improvements	688,773	4,525,203	5,213,976	2,448,178
Infrastructure	2,751,653	-	2,751,653	629,903
Accumulated Depreciation	(2,794,420)	(3,413,503)	(6,207,923)	(5,275,079)
<b>Total assets</b>	<b>\$ 14,251,148</b>	<b>22,190,288</b>	<b>36,441,436</b>	<b>32,251,017</b>
<u>Liabilities and Net Assets</u>				
Liabilities due within one year	\$ 259,000	599,381	858,381	859,224
Liabilities due in more than one year	1,070,000	11,351,055	12,421,055	12,657,575
Accounts Payable/ Reserves	31,984	-	31,984	31,966
<b>Total liabilities</b>	<b>1,360,984</b>	<b>11,950,436</b>	<b>13,311,420</b>	<b>13,548,765</b>
Invested in capital assets, net of related debt	11,581,968	8,793,292	20,375,260	16,060,611
Unrestricted	840,790	726,103	1,566,893	1,180,809
Restricted	467,406	720,457	1,187,863	1,460,832
<b>Total net assets</b>	<b>\$ 12,890,164</b>	<b>10,239,852</b>	<b>23,130,016</b>	<b>18,702,252</b>

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

## CITY OF WILMINGTON, ILLINOIS

Government-wide Financial Statement  
Statement of Activities - Modified Cash Basis  
For the Year Ended April 30, 2013

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenue And Changes in Net Assets		Totals April 30,		
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2013	2012	
Governmental activities:								
General government	\$ 1,737,140	132,318	3,031,957	1,427,135	-	1,427,135	(1,583,683)	
Public safety	1,974,071	-	-	(1,974,071)	-	(1,974,071)	(2,073,487)	
Street & highway	1,266,164	-	-	(1,266,164)	-	(1,266,164)	(424,994)	
Unallocated Interest Expense	59,258	-	-	(59,258)	-	(59,258)	(61,688)	
Total governmental activities	<u>5,036,633</u>	<u>132,318</u>	<u>3,031,957</u>	<u>(1,872,358)</u>	<u>-</u>	<u>(1,872,358)</u>	<u>(4,143,852)</u>	
Business-type activities:								
Water	1,332,691	989,339	-	-	(343,352)	(343,352)	(375,708)	
Sewer	966,297	1,225,691	-	-	259,394	259,394	61,746	
Garbage	405,107	407,208	-	-	2,101	2,101	17,685	
Unallocated Depreciation	602,844	-	-	-	(602,844)	(602,844)	(550,939)	
Total business-type activities	<u>3,306,939</u>	<u>2,622,238</u>	<u>-</u>	<u>-</u>	<u>(684,701)</u>	<u>(684,701)</u>	<u>(847,216)</u>	
Total primary government	<u>\$ 8,343,572</u>	<u>2,754,556</u>	<u>3,031,957</u>	<u>(1,872,358)</u>	<u>(684,701)</u>	<u>(2,557,059)</u>	<u>(4,991,068)</u>	
General revenues								
Taxes:								
Property taxes				\$ 1,085,480	-	1,085,480	1,064,241	
TIF Revenue				1,535	-	1,535	-	
State Sales Tax				864,215	-	864,215	884,569	
Road & Bridge Tax				5,037	-	5,037	5,080	
Utility Tax				586,227	-	586,227	528,029	
Personal Property Replacement Tax				54,816	-	54,816	55,289	
State Income Tax				603,259	-	603,259	392,759	
Local Use Tax				91,175	-	91,175	85,960	
Pull Tab/Games Tax				2,010	-	2,010	-	
Video Gaming Tax				1,502	-	1,502	-	
Motor Fuel Tax				163,792	-	163,792	164,712	
Interest on investments				1,195	6,252	7,447	6,713	
Annexation Agreement - Ridgeport				281,872	-	281,872	500,000	
Reimbursements				344,762	-	344,762	288,984	
Fines & Forfeitures				158,745	-	158,745	183,290	
Licenses and permits				77,193	-	77,193	67,285	
Miscellaneous				108,304	106,549	214,853	111,210	
Special Item-capital contribution				-	2,440,903	2,440,903	263,800	
Total general revenues				<u>4,431,119</u>	<u>2,553,704</u>	<u>6,984,823</u>	<u>4,601,921</u>	
Change in net assets				<u>2,558,761</u>	<u>1,869,003</u>	<u>4,427,764</u>	<u>(389,147)</u>	
Net assets at beginning of year				<u>10,331,403</u>	<u>8,370,849</u>	<u>18,702,252</u>	<u>19,091,399</u>	
Net assets at end of year				<u>\$ 12,890,164</u>	<u>10,239,852</u>	<u>23,130,016</u>	<u>18,702,252</u>	

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

## CITY OF WILMINGTON, ILLINOIS

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis  
Governmental Funds  
April 30, 2013

	Major Funds					Total Governmental Funds	
	General Fund	Mobile Equipment Fund	Capital Projects Fund	Bond & Interest Fund	Non-Major Funds	April 30.	
						2013	2012
<u>Assets</u>							
Cash and Cash Equivalents	\$ 538,120	168,895	139,014	142,661	351,490	1,340,180	1,120,352
Total Assets	\$ 538,120	168,895	139,014	142,661	351,490	1,340,180	1,120,352
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts Payables/Reserves	\$ -	-	-	31,984	-	31,984	31,966
Total liabilities	-	-	-	31,984	-	31,984	31,966
Fund Balances:							
Non-spendable	-	-	-	-	-	-	-
Unassigned	448,272	-	-	-	-	448,272	128,024
Assigned	-	-	-	-	84,609	84,609	-
Committed	-	168,895	139,014	-	-	307,909	634,962
Restricted	89,848	-	-	110,677	266,881	467,406	325,400
Total Fund Balances	538,120	168,895	139,014	110,677	351,490	1,308,196	1,088,386
Total Liabilities and Fund Balances	\$ 538,120	168,895	139,014	142,661	351,490	1,340,180	1,120,352

**Reconciliation to Statement of Net Assets:**

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

Capital assets used in governmental activities of \$15,705,388 (net of accumulated depreciation of \$2,794,420), are not financial resources and, therefore, are not reported in the funds.

12,910,968 10,671,741

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

(1,329,000) (1,428,724)

Net assets of governmental activities

\$ 12,890,164 10,331,403

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

## CITY OF WILMINGTON, ILLINOIS

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances  
 Modified Cash Basis  
 Governmental Funds  
 For the Year Ended April 30, 2013

	Major Funds					Total Governmental Funds	
	General Fund	Mobile Equipment Fund	Capital Projects Fund	Bond & Interest Fund	Non-Major Funds	April 30,	
						2013	2012
<b>Revenues Received</b>							
Property Taxes	\$ 890,924	-	-	145,892	48,664	1,085,480	1,064,241
TIF Revenue	-	-	-	-	1,535	1,535	-
State Sales Tax	864,215	-	-	-	-	864,215	884,569
Road & Bridge Tax	5,037	-	-	-	-	5,037	5,080
Utility Tax	586,227	-	-	-	-	586,227	528,029
Personal Property Replacement Tax	54,816	-	-	-	-	54,816	55,289
State Income Tax	603,259	-	-	-	-	603,259	392,759
Local Use Tax	91,175	-	-	-	-	91,175	85,960
Pull Tab/Games Tax	2,010	-	-	-	-	2,010	-
Video Gaming Tax	1,502	-	-	-	-	1,502	-
Motor Fuel Tax	-	-	-	-	163,792	163,792	164,712
Licenses & Permits	77,193	-	-	-	-	77,193	67,285
Miscellaneous	23,695	-	-	-	84,609	108,304	48,801
Grants & Contributions	5,000	-	3,017,142	-	9,815	3,031,957	2,103,316
Annexation Agreement - Ridgeport	250,000	31,872	-	-	-	281,872	500,000
Reimbursements	155,011	-	155,863	32,743	1,145	344,762	288,984
Tags & Fines	152,809	5,936	-	-	-	158,745	183,290
Fees & Services	132,318	-	-	-	-	132,318	90,129
Interest income	471	44	280	174	226	1,195	3,703
<b>Total Revenues</b>	<b>3,895,662</b>	<b>37,852</b>	<b>3,173,285</b>	<b>178,809</b>	<b>309,786</b>	<b>7,595,394</b>	<b>6,466,147</b>
<b>Expenditures Disbursed</b>							
General government	1,152,888	34,800	-	5,995	-	1,193,683	1,398,375
Public safety	1,905,402	-	-	-	21,394	1,926,796	2,073,487
Street & highway	499,998	-	665,595	-	31,780	1,197,373	753,793
Capital Outlay	-	-	2,882,670	-	16,080	2,898,750	2,316,037
Debt Service	-	-	-	307,982	-	307,982	300,688
<b>Total Expenditures</b>	<b>3,558,288</b>	<b>34,800</b>	<b>3,548,265</b>	<b>313,977</b>	<b>69,254</b>	<b>7,524,584</b>	<b>6,842,380</b>
Excess (deficiency) of revenues received over (under) expenditures disbursed	337,374	3,052	(374,980)	(135,168)	240,532	70,810	(376,233)
Other financing sources (uses)							
Operating transfers:							
Transfers In	-	50,000	14,875	-	(24,000)	40,875	31,674
Transfers Out	(6,000)	-	(20,000)	(14,875)	-	(40,875)	(31,674)
Bond Proceeds	-	-	-	149,000	-	149,000	143,724
Net change in fund balances	331,374	53,052	(380,105)	(1,043)	216,532	219,810	(232,509)
Fund balances - beginning	206,746	115,843	519,119	111,720	134,958	1,088,386	1,320,895
Fund balances - ending	\$ 538,120	168,895	139,014	110,677	351,490	1,308,196	1,088,386
<b>Reconciliation to the Statement of Activities:</b>							
Net Change in Fund Balances - governmental activities						\$ 219,810	(232,509)
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 Assets:							
Principal on Debt						248,724	239,000
Loan proceeds						(149,000)	(143,724)
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 (disposals)						2,569,227	551,919
Depreciation						(330,000)	(285,836)
Change in net assets of governmental activities (Statement B)						\$ 2,558,761	128,850

Statement of Fund Net Assets  
 Proprietary Funds  
 April 30, 2013

	Major Funds					Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	Water TP Rehab Fund	April 30,	
						2013	2012
<u>Assets</u>							
Cash and cash equivalents	\$ 79,543	430,882	268,131	366,075	-	1,144,631	1,310,132
Receivables	125,339	30,122	142,086	4,382	-	301,929	243,123
Capital assets							
Land	600,500	-	911,700	-	-	1,512,200	1,512,200
Vehicles	204,214	-	204,214	-	-	408,428	408,428
Equipment	218,331	-	218,331	-	-	436,662	405,450
Buildings	3,173,976	-	14,100,762	-	-	17,274,738	17,274,738
Improvements	2,471,669	-	2,053,534	-	-	4,525,203	2,115,512
Accumulated depreciation	(1,370,735)	-	(2,042,768)	-	-	(3,413,503)	(2,810,659)
<b>Total assets</b>	<b>\$ 5,502,837</b>	<b>461,004</b>	<b>15,855,990</b>	<b>370,457</b>	<b>-</b>	<b>22,190,288</b>	<b>20,458,924</b>
<u>Liabilities</u>							
Liabilities due within one year	\$ -	-	578,000	-	21,381	599,381	610,500
Liabilities due in more than one year	-	-	10,743,084	-	607,971	11,351,055	11,477,575
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>11,321,084</b>	<b>-</b>	<b>629,352</b>	<b>11,950,436</b>	<b>12,088,075</b>
<u>Net Assets</u>							
Invested in capital assets, Net of related debt	5,297,955	-	4,124,689	-	(629,352)	8,793,292	6,817,594
Unrestricted	204,882	111,004	410,217	-	-	726,103	417,823
Restricted	-	350,000	-	370,457	-	720,457	1,135,432
<b>Total net assets</b>	<b>\$ 5,502,837</b>	<b>461,004</b>	<b>4,534,906</b>	<b>370,457</b>	<b>(629,352)</b>	<b>10,239,852</b>	<b>8,370,849</b>

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

## CITY OF WILMINGTON, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended April 30, 2013

	Major Funds					Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	Water TP Rehab Fund	April 30,	
						2013	2012
Operating Revenues:							
Water and Sewer charges	\$ 858,300	131,039	1,207,322	18,369	-	2,215,030	1,925,712
Garbage charges	407,208	-	-	-	-	407,208	406,943
Miscellaneous	-	-	-	-	-	-	-
Total Operating Revenues:	1,265,508	131,039	1,207,322	18,369	-	2,622,238	2,332,655
Operating Expenses:							
Personnel services	464,923	-	400,691	-	-	865,614	932,410
Contractual services	594,566	92,442	253,130	13,252	-	953,390	977,335
Commodities	128,155	-	-	-	-	128,155	131,261
Depreciation	171,226	-	431,618	-	-	602,844	550,939
Other expenses	83	-	-	-	-	83	1,309
Total Operating Expenses	1,358,953	92,442	1,085,439	13,252	-	2,550,086	2,593,254
Operating Income (Loss)	(93,445)	38,597	121,883	5,117	-	72,152	(260,599)
Non-Operating Revenues (Expenses):							
Interest Income	76	5,814	113	249	-	6,252	3,010
Other Income	19,550	71,724	8,125	7,150	-	106,549	62,409
Capital outlay	-	-	-	-	(454,716)	(454,716)	(273,166)
Debt service	-	-	(299,224)	-	(2,913)	(302,137)	(313,451)
Total Non-Operating Revenues (Expenses)	19,626	77,538	(290,986)	7,399	(457,629)	(644,052)	(521,198)
Income (Loss) before contributions and transfers	(73,819)	116,135	(169,103)	12,516	(457,629)	(571,900)	(781,797)
Capital Contributions	1,220,451	-	1,220,452	-	-	2,440,903	263,800
Loan Proceeds	-	-	-	-	-	-	-
Transfer in (out)	(9,566)	(305,913)	-	300,000	15,479	-	-
Change in Net Assets	1,137,066	(189,778)	1,051,349	312,516	(442,150)	1,869,003	(517,997)
Total Net Assets (deficit) - beginning	4,365,771	650,782	3,483,557	57,941	(187,202)	8,370,849	8,888,846
Total Net Assets (deficit) - ending	\$ 5,502,837	461,004	4,534,906	370,457	(629,352)	10,239,852	8,370,849



## CITY OF WILMINGTON, ILLINOIS

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended April 30, 2013

	Major Funds					Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	Water TP Rehab Fund	April 30,	
						2013	2012
Cash Flows From Operating Activities:							
Receipts from customers	\$ 1,253,924	117,578	1,172,803	19,127	-	2,563,432	2,219,569
Payments to employees	(464,923)	-	(400,691)	-	-	(865,614)	(932,410)
Payments to suppliers	(722,721)	(92,442)	(253,130)	(13,252)	-	(1,081,545)	(1,108,596)
Other receipts (expenses)	19,467	71,724	8,125	7,150	-	106,466	61,100
Net Cash Provided by Operating Activities	85,747	96,860	527,107	13,025	-	722,739	239,663
Cash Flows From Noncapital Financing Activities:							
Transfers (to) from other funds	(9,566)	(305,913)	-	300,000	15,479	-	-
Net Cash Provided by Noncapital Financing Activities	(9,566)	(305,913)	-	300,000	15,479	-	-
Cash Flows From Capital Financing Activities:							
Acquisition and construction of capital assets	-	-	-	-	(454,716)	(454,716)	(273,166)
Loan proceeds	-	-	-	-	442,150	442,150	187,202
Payment of long term debt	-	-	(579,789)	-	-	(579,789)	(565,561)
Interest expense	-	-	(299,224)	-	(2,913)	(302,137)	(313,451)
Net Cash Provided by (used in) Capital Financing Activities	-	-	(879,013)	-	(15,479)	(894,492)	(964,976)
Cash Flows From Investing Activities:							
Interest	76	5,814	113	249	-	6,252	3,010
Net Cash Provided by Investing Activities	76	5,814	113	249	-	6,252	3,010
Net Increase in Cash and Cash Equivalents	76,257	(203,239)	(351,793)	313,274	-	(165,501)	(722,303)
Cash Balance - beginning of the year	3,286	634,121	619,924	52,801	-	1,310,132	2,032,435
Cash Balance - end of the year	\$ 79,543	430,882	268,131	366,075	-	1,144,631	1,310,132
Reconciliation of operating income (loss) to net cash provided by operating activities:						\$ 72,152	(260,599)
Operating Income (loss)							
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						602,844	550,939
Depreciation						(58,806)	(113,086)
(Increase) decrease in accounts receivable						106,549	62,409
Other Income							
Net Cash provided by operating activities						\$ 722,739	239,663

## CITY OF WILMINGTON, ILLINOIS

Statement of Fiduciary Net Assets  
April 30, 2013

	Agency Funds	Police Pension Trust	Total	
			April 30,	
			2013	2012
<u>Assets</u>				
Cash	\$ 78,577	41,874	120,451	126,329
Certificates of deposit	-	1,868,948	1,868,948	-
U.S. government obligations	-	163,069	163,069	1,837,081
Mutual funds	-	1,725,164	1,725,164	1,604,882
Total assets	<u>\$ 78,577</u>	<u>3,799,055</u>	<u>3,877,632</u>	<u>3,568,292</u>
<u>Liabilities and Net Assets</u>				
Payable to others	\$ 78,577	-	78,577	102,364
Total liabilities	<u>\$ 78,577</u>	<u>-</u>	<u>78,577</u>	<u>102,364</u>
Assets held in trust for pension benefits		3,799,055	3,799,055	3,465,928
Total net assets		<u>3,799,055</u>	<u>3,799,055</u>	<u>3,465,928</u>

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

## CITY OF WILMINGTON, ILLINOIS

Statement I

Statement of Changes in Fiduciary Net Assets  
For the Year Ended April 30, 2013

	Police Pension Trust Fund	
	Total	
	April 30,	
	2013	2012
Additions		
Agency Revenues	\$ -	131,135
Contributions		
Employer	224,141	265,528
Employee	82,311	84,568
Total contributions	306,452	481,231
Investment income		
Interest received	84,257	101,193
Other income	196	-
Unrealized gain (loss)	127,695	(93,631)
Net investment income	212,148	7,562
Total additions	518,600	488,793
Deductions		
Accounting & bookkeeping	11,475	8,875
Agency expenditures	-	133,059
Audit fee	2,040	3,400
Actuarial fee	1,600	-
State compliance fee	650	534
Office expense	123	1,133
Legal expense	4,400	7,784
Training	1,842	-
Pension & disability benefits	129,170	112,867
Postage	-	96
Telecommunications	230	115
Travel/conferences	2,031	5,095
Refund of contributions	31,137	1,947
Investment expense	-	25
Dues	775	775
Total deductions	185,473	275,705
Net increase (decrease)	333,127	213,089
Net assets, beginning of year	3,465,928	3,252,839
Net assets, end of year	\$ 3,799,055	3,465,928

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

*NOTES TO FINANCIAL STATEMENTS*

# CITY OF WILMINGTON, ILLINOIS

## Notes to Financial Statements For the Year Ended April 30, 2013

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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's financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has a potential to impose a financial benefit/burden on the City
- there is a fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Wilmington does not include any organizations as a component unit.

#### *B. Fund Accounting*

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 various funds are grouped in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

# CITY OF WILMINGTON, ILLINOIS

## Notes to Financial Statements For the Year Ended April 30, 2013

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

#### *B. Fund Accounting – (Continued)*

Governmental Fund Types - Governmental funds are those through which general governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The City's governmental fund types include:

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 Mobile Equipment Fund is considered a major special revenue fund used for the purchase of vehicles and other mobile equipment.

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 & 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.

#### 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 Assets.

# CITY OF WILMINGTON, ILLINOIS

## Notes to Financial Statements For the Year Ended April 30, 2013

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

#### B. *Fund Accounting - (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 new water mains.
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.
5. Water TP Rehab Fund – This fund is used to account for construction of the new water treatment plan.

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

Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds are not included in the government-wide financial statements.

Trust and Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City of Wilmington's Police 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 three 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.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

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

*C. 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. Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when expenses are incurred.

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

*D. 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 assets) 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 assets. 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

*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 Financial Statements For the Year Ended April 30, 2013

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

#### *E. Property Taxes (Continued)*

The 2011 property tax levy, in the amount of \$1,034,577, was received by the City in the current fiscal year. The 2012 property tax levy in the amount of \$1,110,190, reduced by statutory limitations to \$1,105,274 was approved by the board on December 18, 2012. The 2012 property tax levy will be received in the subsequent fiscal year.

#### *F. 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 2013 appropriation ordinance was adopted on July 17, 2012 and was not amended. Transfers between line items of the appropriation must be approved by the City officials. All annual appropriations lapse at fiscal year end.

#### *G. 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 12 sick days and 3 personal days (2 for employees not covered by union contract) each year. Upon termination, any earned but unused vacation shall be liquidated in a cash payment to the terminating employee. Employees shall be compensated in cash for any accumulated unused sick leave up to 120 days when they are permanently separated from employment.

#### *H. Comparative Data*

Comparative total data for the prior year have 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 have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain amounts from the prior fiscal year may have been reclassified to conform to the current year presentation.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**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 Board. Such overdrafts constitute unauthorized interfund loans, since they were not authorized by the City Council.

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. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. As of April 30, 2013, the carrying amount of the City's deposits was \$90,658 (including \$800 petty cash) and the bank balance was \$203,669.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category #1	\$ -	-
Category #2	-	-
Category #3	<u>90,658</u>	<u>203,669</u>
Total	<u>\$ 90,658</u>	<u>203,669</u>

Category #1 - Uncollateralized;

Category #2 - Collateralized with securities held by the pledging financial institution;

Category #3 - Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

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

Investments include United States government obligations valued at cost, adjusted for amortization of premium and discounts, which approximates market. Also, investments include basic fixed coupon repurchase agreements which are stated at cost which approximates market.

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- the City invested 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. T-Bills, T-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.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Illinois Funds	\$ 2,094,146	2,089,845
IIIT Funds	300,006	300,006
Total	<u>\$ 2,394,153</u>	<u>2,389,851</u>

**NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX**

The Personal Property Replacement Tax 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.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,838,650	-	-	6,838,650
Other capital assets:				
Vehicles	638,775	26,767	-	665,542
Equipment	1,108,607	64,603	-	1,173,210
Improvements	332,666	356,107	-	688,773
Infrastructure	629,903	2,121,750	-	2,751,653
Buildings	3,587,560	-	-	3,587,560
Total other capital assets	6,297,511	2,569,227	-	8,866,738
Less accumulated depreciation:				
Vehicles	543,718	47,275	-	590,993
Equipment	906,083	82,564	-	988,647
Improvements	64,473	19,470	-	83,943
Infrastructure	21,782	68,791	-	90,573
Buildings	928,365	111,899	-	1,040,264
Total accumulated depreciation	2,464,420	330,000	-	2,794,420
Other capital assets, net	3,833,091	2,239,227	-	6,072,318
Total governmental activities, net	\$ 10,671,741	2,239,227	-	12,910,968
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,512,200	-	-	1,512,200
Other capital assets:				
Vehicles	408,428	-	-	408,428
Equipment	405,451	31,211	-	436,662
Buildings	17,274,738	-	-	17,274,738
Improvements	2,115,512	2,409,691	-	4,525,203
Total other capital assets	20,204,129	2,440,902	-	22,645,031
Less accumulated depreciation:				
Vehicles	247,187	27,299	-	274,486
Equipment	234,829	39,797	-	274,625
Buildings	1,843,030	431,867	-	2,274,898
Improvements	485,613	103,880	-	589,494
Total accumulated depreciation	2,810,659	602,843	-	3,413,503
Total business-type activities, net	\$ 18,905,670	1,838,059	-	20,743,728

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**NOTE 5: 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, 2013:

	Payable at May 1, 2012	Bonds Issued	Bonds Retired	Payable at April 30, 2013	Due in One Year
<b>Governmental Funds:</b>					
General Obligation Bonds					
SSA Dear Ridge Park					
Special Tax Bonds:					
Dated May 6, 2008					
Payable 1/15 at 6.5%					
Original Issue \$ 315,000	\$ 260,000	-	15,000	245,000	20,000
General Obligation					
Alternative Revenue Source					
Dated January 15, 2006					
Payable 12/1 at 3.5% to 4.0%	1,025,000	-	90,000	935,000	90,000
General Obligation Limited					
Rollover Bond, Series 2012					
Dated November 15, 2012					
Payable 12/15 at 1.5%	-	149,000	-	149,000	149,000
General Obligation Limited					
Rollover Bond, Series 2010					
Dated December 1, 2011					
Payable 12/15 at 2.5%	143,724	-	143,724	-	-
Total Governmental Funds	1,428,724	149,000	248,724	1,329,000	259,000
<b>Business-Type Funds:</b>					
IEPA Loan					
Refunding Water Treatment					
Dated May 24, 2007					
Payable 7/1 & 1/1 at 2.5%	11,900,873	-	579,789	11,321,084	578,000
Dated February 2, 2012					
Payable 2/6 & 8/6 at 1.25%	187,202	452,741	10,591	629,352	21,381
Total Business-Type Funds	12,088,075	452,741	590,380	11,950,436	599,381
Total Long-term Obligations	\$ 13,516,799	601,741	839,104	13,279,436	858,381

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

NOTE 5: 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	On January 15 of each year
Bond maturity dates	Serially on January 15
Bonds outstanding:	
Original issue	\$ 315,000
Bonds retired to April 30, 2013	<u>70,000</u>
Bonds outstanding April 30, 2013	<u>\$ 245,000</u>

The annual requirements to amortize bonded debt as of April 30, 2013 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>
2014	\$ 20,000	15,925
2015	20,000	14,625
2016	20,000	13,325
2017	20,000	12,025
2018	25,000	10,725
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>\$ 245,000</u>	<u>94,900</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**NOTE 5: CHANGE IN LONG-TERM DEBT OBLIGATIONS – (Continued)**

General Obligation Refunding (Alternative Revenue Sources) Bonds,  
Series 2006A, dated January 15, 2006

Paying agent	Amalgamated Bank of Chicago, Illinois
Interest rate	3.5 % to 4.0%
Interest payable	December 1 of each year
Bond maturity dates	Serially on December 1
Bonds outstanding:	
Original issue	\$ 1,345,000
Bonds retired to April 30, 2013	<u>410,000</u>
Bonds outstanding April 30, 2013	<u>\$ 935,000</u>

The annual requirements to amortize bonded debt as of April 30, 2013 are as follows:

General Obligation Bonds (Alternative Revenue Source)-Series 2006A		
Schedule of Maturities		
<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 90,000	35,475
2015	95,000	32,325
2016	100,000	29,000
2017	100,000	25,500
2018	105,000	22,000
2019	110,000	17,800
2020	115,000	13,400
2021	120,000	8,800
2022	100,000	4,000
Total	<u>\$ 935,000</u>	<u>188,300</u>

# CITY OF WILMINGTON, ILLINOIS

## Notes to Financial Statements For the Year Ended April 30, 2013

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### NOTE 5: CHANGE IN LONG-TERM DEBT OBLIGATIONS – (Continued)

On December 1, 2011, the City of Wilmington issued \$143,724 of General Obligation Limited Bonds, Series 2010 at an interest rate of 2.5%. The entire balance, including interest, was paid on December 15, 2012.

On November 15, 2012, the City of Wilmington issued \$149,000 of General Obligation Limited Bonds, Series 2012 at an interest rate of 1.5%. Interest is due on December 15, 2013. The entire principal will be paid on December 15, 2013. At April 30, 2013, the outstanding balance was \$149,000.

#### IEPA Loan

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, 2013, the loan had an outstanding balance of \$11,321,084.

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 construction of a waste water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2013, the loan had an outstanding balance of \$629,352.

### NOTE 6: INDIVIDUAL FUND DISCLOSURES

During the course of normal operations, the City has numerous transactions between 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. The internal service funds record charges for service to City departments as operating revenue.

All City funds record these payments to internal service funds as operating expenses. The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure or transfer.

At April 30, 2013, there were no individual interfund receivable or payable balances.



CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**NOTE 6: INDIVIDUAL FUND DISCLOSURES - (Continued)**

The transfers represent both routine and non-routine items. A transfer of \$9,566 was made from the Water Operations Fund to the Water Capital Projects Fund for improvements for capital projects. A transfer of \$30,000 was made from the ESDA Fund and \$20,000 from the Capital Projects Fund to the Mobile Equipment Fund for the purchase of vehicles/equipment. A transfer of \$298,082 was made from the Water Capital Projects Fund to the Sewer Capital Projects Fund as reimbursement for an expense previously paid. A \$6,000 transfer was made from the General Fund to the Motor Fuel Tax (MFT) Fund for a reimbursement received by the General Fund for expenditures paid by the MFT Fund.

All other transfers were routine transfers made to meet the operating purposes of the corresponding funds.

Fund	Transfer to Other Funds	Transfer From Other Funds
Governmental Funds:		
General Fund	\$ 6,000	-
Mobile Equipment	-	50,000
ESDA	30,000	-
Motor Fuel Tax	-	6,000
Capital Projects Funds:		
Capital Projects	20,000	14,875
Debt Service Funds:		
Bond & Interest	14,875	-
Enterprise Funds:		
Water TP Rehab Fund	-	15,479
Water Operations Fund	9,566	-
Sewer Capital Projects	-	300,000
Water Capital Projects	315,479	9,566
Total	<u>\$ 395,920</u>	<u>395,920</u>

**NOTE 7: RISK MANAGEMENT**

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. During the year ended April 30, 2013, the City contributed \$100,642 to the fund for this insurance coverage. Arthur J. Gallagher (RMS Inc.) provides insurance brokerage services to the City. Argonaut is the General Liability Insurance provider. During the year ended April 30, 2013, the City paid \$118,710 for general liability insurance. There have been no significant reductions in coverage from the prior year. Since there have been no settlements, they have not exceeded coverage in the past three years. The City also made payments totaling \$34,029 to the Illinois Municipal League Risk Management Association, the City's previous insurance provider.

## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2013

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#### NOTE 7: PARTICIPATION IN PUBLIC ENTITY RISK POOL – (Continued)

Flood insurance, computer coverage, and boiler and machine coverage are under separate policies supplied by Traveler's Insurance. The City's flood insurance premiums paid totaled \$1,746 for the year ended April 30, 2013.

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.

There were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

#### NOTE 8: 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.

There is a lawsuit against the City by two former employees for severance pay. On July 18, 2012, the court entered a judgment order against the City. However, the attorney filed a motion for a new trial and reconsideration of the judgment.

#### NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

*Plan Description* - The employer'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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy* - As set by Statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The Statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 12.89 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by Statute.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

Annual Pension Cost – The required contribution for calendar year 2012 was \$158,723.

**Three-Year Trend Information for the Regular Plan**

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 158,723	100%	\$0
12/31/2011	155,601	100%	0
12/31/2010	159,531	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress - As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 74.13 percent funded. The actuarial accrued liability for benefits was \$2,716,848 and the actuarial value of assets was \$2,013,960, resulting in an under funded actuarial accrued liability (UAAL) of \$702,888. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,231,366 and the ratio of the UAAL to the covered payroll was 57 percent.

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

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**NOTE 10: POLICE PENSION**

The Police Pension Plan that is a defined-benefit, single employer pension plan, covers police-sworn personnel of the City.

Valuation Balance Sheet  
Showing Assets and Liabilities of the Fund in  
Accordance with Actuarial Reserves Requirements  
As of April 30, 2012

Assets:	
Net Present Assets	\$ 3,655,193
Deferred Asset (Unfunded Accrued Liability)	2,635,851
Total Assets	\$ 6,291,044
Liabilities:	
Retirement Annuities- 3 Individual	\$ 1,468,449
Disabled Annuities- 1 Individual	536,306
Accrued Liabilities for Active Participants - 13 Individuals	4,286,289
Total Liabilities	\$ 6,291,044

Membership in this plan consisted of the following:

	April 30,	
	2012	2011
Retirees and Beneficiaries Receiving Benefits	3	2
Disabled employees	1	-
Active vested plan members	8	9
Active non-vested plan members	5	6
Total	17	17

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

NOTE 10: POLICE PENSION – (Continued)

Actuarially Determined Tax  
Levy

Percent of employer normal costs to total annual salaries of \$852,062 is 11.36%

Percent of total normal costs to total annual salaries of \$852,062 is 21.27%

Amount necessary to amortize the unfunded accrued liability of \$2,635,851 as determined by the State of Illinois, Department of Financial and Professional Regulation over a forty year period which commenced in 1998 as contemplated by section 3-127 of the Illinois Pension Code.

\$ 113,166

Total suggested amount of tax levy to arrive at the annual requirements of the fund as contemplated by Section 3-125 of the Illinois Pension Code.

\$ 230,523 \*

\* The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as, interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

Police-sworn personnel of the City of Wilmington are covered by the Police Pension Plan that is a defined-benefit, single employer pension plan.

Employees participating are required to contribute 9.91% of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined amount.

FUNDING POLICY AND ANNUAL PENSION COST

Contribution Rates	April 30, 2012	April 30, 2011
City	11.36%	11.37%
Plan Members	9.91%	9.91%
Total Normal Cost	181,191	197,498
Estimated Employee Contributions	(84,439)	(91,954)
Employer Normal Cost	96,752	105,544
Contribution Requirement	230,523	229,727

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

NOTE 10: POLICE PENSION – (Continued)

ACTUARIAL INFORMATION			
Contributions Made	\$	350,096	362,905
Actuarial Valuation Date		April 30, 2012	April 30, 2011
Actuarial Cost Method		Entry Age Normal	Entry Age Normal
Amortization Method		Level % of Pay (Closed)	Level % of Pay (Closed)
Amortization Target		100% Funded in year 2040	100% Funded in year 2040
Asset Valuation Method		5-Year Smoothed Market	Market Value
Actuarial Assumptions:			
Investment Rate of Return*		7.00%	7.00%
Projected Salary Increases*		5.50%	5.50%
Aggregate Payroll Increases		5.50%	5.50%
*Inflation Rate Included		3.00%	3.00%

Actuarial assumptions are based upon per year compounded annually.

The contributions and benefit values of the Pension Fund are calculated applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution is based on the funding policy for the plan. A funding policy has three key numerical components:

1. The Actuarial Cost Method – The actuarial cost method budgets a contribution for each year of an employee’s working career. Cash contributions are made according to the budget (“normal cost” contributions). In addition the actuarial cost method can measure how well the funding is progressing compared to the budgeted contributions.
2. Amortization Policy – When plan funding is not where expected (according to budget), procedures are put into place to pay down any shortfall. This leads to a second piece of the cash contribution (the “amortization payment”).
3. Actuarial Value of Assets – Fluctuations in the plan assets due to short-term gains and losses may be smoothed over some period of time to minimize long-term contribution volatility.

# CITY OF WILMINGTON, ILLINOIS

## Notes to Financial Statements For the Year Ended April 30, 2013

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### NOTE 10: POLICE PENSION – (Continued)

The attained age at the time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund. The actuarial assumptions used in determining the above amounts are based on all of the Article 3 Funds in the State of Illinois in Aggregate, not on each fund individually. The fund specific information used in the production of this document was provided to the Illinois Department of Financial and Professional Regulation by your pension fund board of trustees through the fund's annual statement of filing.

### NOTE 11: 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 12: DEFERRED COMPENSATION PLAN

The City offers its fulltime 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.

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas prior to these legislative changes, these amounts were solely the property rights of the City general creditors. As a result, the deferred compensation investments are no longer reported in the City's financial statements.

### NOTE 13: TOWER AND LAND LEASE REVENUE

The City entered into an agreement with the PrimeCo and American Tower, L.P.. PrimeCo and American Tower, L.P. leases property (a portion of the Tower located at 511 North Ave.) from the City. The lease is for \$10,368 per year for 5 years with an option to extend the lease. The City entered into an agreement with T-Mobile Central LLC. T-Mobile leases property from the City in the amount of \$15,000 per year for 5 years with an option to extend the lease for an additional 5 years. 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 a \$1.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**NOTE 14: LEASE OBLIGATIONS**

<u>Company</u>	<u>Type</u>	<u>Term</u>	<u>Start Date</u>	<u>Amount</u>
Neopost	Postage machine	62 months	3/18/2010	\$ 226 per month
Pitney Bowes	Postage machine	48 months	2/21/2012	83 per month
Federal Signal Leasing	2008 Elgin Sweeper	5 years	7/15/2008	39,606 per year
IL Payphone Systems	2 Payphones	36 months	7/15/2011	130 per month
No Box It	Office Rental	Monthly	4/1/2011	350 per month
Main Street Storage	Storage Unit Rental	Monthly	8/1/2009	115 per month
Konica Minolta	3 Copiers	60 months	3/19/2013	528 per month

Future minimum lease obligations are shown below:

<u>Year</u>	<u>Payment</u>
2014	\$ 51,214
2015	10,308
2016	7,087
2017	6,340
2018	5,284

**NOTE 15: TORT IMMUNITY**

Revenue collected and the related expenses paid out of this restricted tax levy are accounted for in the General Fund. A total of \$73,172 was collected and all was spent; resulting in no restricted fund balance at year end.

<u>General Fund Tort Activity</u>	
Revenues:	
Property Taxes	<u>\$ 73,172</u>
Total Revenue	73,172
Expenditures:	
General Liability Insurance	<u>73,172</u>
Total Expenditures	73,172
Beginning Fund Balance	<u>-</u>
Ending Fund Balance	<u>\$ -</u>



CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

**NOTE 16: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS**

GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions. Projections of benefits for financial reporting purposes are based on a given plan and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. As of April 30, 2013, the City has adopted a plan in which the City allows retired employees to participate in the City’s health insurance plan. Retirees are allowed to participate in the plan until reaching the age of 65. The City agrees to provide this insurance coverage at 100% of the premium cost to retirees.

**NOTE 17: 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 and a reconciliation of how these balances are reported.

	<u>Non-spendable</u>	<u>Committed</u>	<u>Assigned</u>	<u>Restricted</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
General Fund:						
Employer IMRF Contributions	\$ -	-	-	56,331	-	56,331
Payroll Taxes	-	-	-	33,517	-	33,517
General & Administrative	-	-	-	-	448,272	448,272
Mobile Equipment Fund	-	168,895	-	-	-	168,895
Capital Projects Fund	-	139,014	-	-	-	139,014
Bond & Interest Fund	-	-	-	110,677	-	110,677
ESDA Fund	-	-	84,609	30,895	-	115,504
Motor Fuel Tax Fund	-	-	-	234,450	-	234,450
Ridgeport TIF #2 Fund	-	-	-	1,536	-	1,536
Total All Funds	\$ -	<u>307,909</u>	<u>84,609</u>	<u>467,406</u>	<u>448,272</u>	<u>1,308,196</u>

*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.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2013

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NOTE 17: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

*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 City has several different funds that also fall into these categories.

*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 Board). 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 Board itself or (b) the finance committee or by the Treasurer/Administrator when the City Board has delegated the authority to assign amounts to be used for specific purposes.

*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.

*REQUIRED SUPPLEMENTARY INFORMATION*

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Schedule A-1

Statement of Assets, Liabilities and Fund Balance  
Arising from Cash Transactions  
April 30, 2013

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Assets

Cash in bank	\$	538,120
		<hr/>
	\$	538,120
		<hr/> <hr/>

Fund Balance

<u>Fund Balance</u>		
Restricted Fund Balance - IMRF	\$	56,331
Restricted Fund Balance - Social Security		33,517
Unassigned fund balance		<hr/> 448,272
Total Fund Balance	\$	<hr/> <hr/> 538,120

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Schedule A-2

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
Property taxes	\$ 913,945	890,924	877,603
State Sales Tax	900,000	864,215	884,569
Township Road & Bridge Taxes	5,200	5,037	5,080
Utility Tax	550,000	586,227	528,029
Personal Property Replacement Tax	55,000	54,816	55,289
State Income Tax	410,000	603,259	392,759
Local Use Tax	80,000	91,175	85,960
Pull Tab/Games Tax	-	2,010	-
Video Gaming Tax	-	1,502	-
Grant income	-	5,000	19,840
Miscellaneous	260,000	8,753	10,583
Insurance Claims	10,000	2,500	20,285
Rental of Property	12,442	12,442	10,368
Interest Income	1,000	471	1,630
Annexation Agreement - Ridgeport	-	250,000	-
Tags & Fines	188,500	152,809	176,255
Reimbursements	314,500	155,011	213,705
Licenses & Permits	81,292	77,193	67,285
Fees & Services	96,550	132,318	86,391
Total Revenues Received	<u>3,878,429</u>	<u>3,895,662</u>	<u>3,435,631</u>
Expenditures Disbursed: (Schedule 1)			
Finance and Administrative Department	761,360	541,385	586,815
Public grounds and buildings	137,375	60,625	128,681
Building Department	53,139	21,766	70,940
Planning and Zoning Department	331,639	123,235	112,476
Police Department	2,163,201	1,681,264	1,788,549
Streets & Alleys Department	725,029	499,998	504,836
FICA & IMRF	274,173	216,140	222,200
Audit	40,125	31,385	27,658
Police pension	287,159	224,138	265,529
Insurance	255,719	158,352	144,250
Capital Outlay	-	-	388
Total Expenditures Disbursed	<u>5,028,919</u>	<u>3,558,288</u>	<u>3,852,322</u>
Excess (Deficiency) of revenues received over (under) expenditures disbursed	(1,150,490)	337,374	(416,691)
Other financing sources (uses):			
Operating transfer (to) from:			
Transfers out	(7,500)	(6,000)	(20,000)
Net change in fund balance	<u>\$ (1,157,990)</u>	<u>331,374</u>	<u>(436,691)</u>
Fund balance, beginning of year		<u>206,746</u>	<u>643,437</u>
Fund balance, end of year		<u>538,120</u>	<u>206,746</u>

**CITY OF WILMINGTON, ILLINOIS  
MOBILE EQUIPMENT FUND**

**Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2013**

<u>Assets</u>	
Cash in bank	<u>\$ 168,895</u>
<u>Fund Balance</u>	
Fund Balance	<u>\$ 168,895</u>

Schedule B-2

**Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)**

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
Interest income	\$ -	44	41
Vehicle Replacement Funds	70,000	-	5,565
Police Vehicle/Equip Contribution	33,000	-	-
Police fine vehicle revenue	7,000	5,936	7,035
Ridgeport Annexation	-	31,872	-
Total revenues received	<u>110,000</u>	<u>37,852</u>	<u>12,641</u>
Expenditures Disbursed:			
WPD Vehicle Purchases	41,250	-	-
Public Works Vehicle Purchases	6,956	-	-
ESDA Vehicle Purchases	60,320	1,800	71,744
MEF mobile equip contribution	-	33,000	28,112
Total expenditures disbursed	<u>108,526</u>	<u>34,800</u>	<u>99,856</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 1,474</u>	3,052	(87,215)
Other financing sources:			
Operating Transfers in		50,000	30,000
Fund balance, beginning of year		<u>115,843</u>	<u>173,058</u>
Fund balance, end of year		<u>168,895</u>	<u>115,843</u>

CITY OF WILMINGTON, ILLINOIS  
CAPITAL PROJECTS FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2013

	<u>Assets</u>	
Cash in bank		\$ 139,014
	<u>Fund Balance</u>	
Committed for Capital Projects		\$ 139,014
Total Fund balance		\$ 139,014

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

Schedule B-4

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
Other Reimbursements	\$ -	155,863	33,575
Annexation Agreement - Ridgeport	-	-	500,000
Grants- Federal	-	500,039	49,849
Grants- DCEO-IKE/Kahler Rd	480,000	-	-
Grants- IDOT KKK St/Fkd Crk Br	343,151	-	-
Grants- IDOT Safe Rtes to school	78,161	-	-
USCS/IDOT Rte 53/Peotone Rd	861,000	2,090,310	-
S. Arsenal Road Funding	3,300,000	-	3,738
Ridgeport - Water/Sewer Expansion	500,000	426,793	2,027,125
Interest Income	300	280	1,036
Total revenues received	<u>5,562,612</u>	<u>3,173,285</u>	<u>2,615,323</u>
Expenditures Disbursed:			
Ridgeport W/S Extension	625,000	792,360	1,825,058
South Arsenal Road Project	4,125,000	29,831	3,738
Landfill Closure	77,250	43,930	50,335
NI Parking Lot Phase 1	25,000	-	-
Safe Routes Schools Project	122,126	-	-
KKK St Sidewalk Project	-	172	-
KKK St / Forked Creek Bridge Proj.	512,565	6,018	39,948
Kahler Rd DCEO IKE Project	597,829	482,444	36,728
USCS/IDOT Rte 53 & Peotone Rd	1,076,250	2,090,310	-
NI Bike Path & Planning	40,000	-	-
N. Island Ped. Bridge Project	-	31,542	177,620
KKK River Dam Survey Project	-	6,700	3,613
Miscellaneous Projects & Equipment	115,000	64,958	216,918
Total expenditures disbursed	<u>7,316,020</u>	<u>3,548,265</u>	<u>2,353,958</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(1,753,408)	(374,980)	261,365
Other financing sources (uses):			
Transfer in (out)	-	(5,125)	31,674
Net change in fund balance	<u>\$ (1,753,408)</u>	<u>(380,105)</u>	<u>293,039</u>
Fund balance, beginning of year		519,119	226,080
Fund balance, end of year		<u>139,014</u>	<u>519,119</u>

CITY OF WILMINGTON, ILLINOIS  
BOND AND INTEREST FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2013

<u>Assets</u>	
Cash in bank	\$ 142,661
Total Assets	<u>\$ 142,661</u>
<u>Liabilities &amp; Fund Balance</u>	
Liabilities:	
SSA debt service restricted fund	\$ 31,984
Municipal equity:	
Restricted fund balance for debt service	<u>110,677</u>
Total Liabilities & Fund Balance	<u>\$ 142,661</u>

Schedule B-6

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
Property taxes	\$ 147,484	145,892	137,851
SSA repayments	33,298	32,743	27,686
Interest income	500	174	521
Total revenues received	<u>181,282</u>	<u>178,809</u>	<u>166,058</u>
Expenditures Disbursed:			
Principal	310,905	248,724	239,000
Interest	74,072	59,258	61,688
Service fees	9,375	5,995	5,499
Miscellaneous & contingency	1,250	-	-
Total expenditures disbursed	<u>395,602</u>	<u>313,977</u>	<u>306,187</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(214,320)	(135,168)	(140,129)
Other financing sources (uses):			
Transfer out	(10,655)	(14,875)	(11,674)
Bond proceeds	143,724	149,000	143,724
Net change in fund balance	<u>\$ (81,251)</u>	<u>(1,043)</u>	<u>(8,079)</u>
Fund balance, beginning of year		<u>111,720</u>	<u>119,799</u>
Fund balance, end of year		<u>110,677</u>	<u>111,720</u>



## CITY OF WILMINGTON, ILLINOIS

Schedule of Funding Progress  
Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 2,013,960	2,716,848	702,888	74.13%	1,231,366	57.08%
12/31/11	1,551,854	2,628,076	1,076,222	59.05%	1,281,721	83.97%
12/31/10	1,468,349	2,487,387	1,019,038	59.03%	1,242,457	82.02%
12/31/09	1,597,839	2,592,069	994,230	61.64%	1,466,822	67.78%
12/31/08	2,014,593	3,043,814	1,029,221	66.19%	1,284,262	80.14%
12/31/07	2,972,644	2,721,086	(251,558)	109.24%	1,267,707	0.00%
12/31/06	3,254,809	2,928,955	(325,854)	111.13%	1,096,271	0.00%
12/31/05	3,018,725	2,719,772	(298,953)	110.99%	945,029	0.00%
12/31/04	2,998,841	2,764,442	(234,399)	108.48%	913,161	0.00%
12/31/03	2,864,580	2,728,900	(135,680)	104.97%	923,040	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$2,123,296.

On a market basis, the funded ratio would be 78.15%.

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

POLICE PENSION FUND  
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)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1) 4/30/12	\$ 3,655,193	6,291,044	2,635,851	58.1%	852,062	309.3%
1) 4/30/11	3,250,915	5,722,660	2,471,745	56.8%	927,890	266.4%
4/30/10	2,669,795	5,488,164	2,818,369	48.6%	908,288	310.3%
1) 4/30/09	2,346,839	5,163,074	2,816,235	45.5%	866,782	324.9%
1) 4/30/08	2,039,325	4,182,712	2,143,387	48.8%	808,302	265.2%
4/30/07	1,699,845	3,322,098	1,622,253	51.2%	714,154	227.2%
4/30/06	1,451,518	2,863,860	1,412,342	50.7%	684,437	206.4%
1) 4/30/05	1,167,601	2,807,389	1,639,788	41.6%	622,243	263.5%
1) 4/30/04	979,454	2,407,553	1,428,099	40.7%	561,215	254.5%
4/30/03	806,168	1,938,390	1,132,222	41.6%	561,215	201.7%
4/30/02	628,041	1,648,483	1,020,442	38.1%	473,568	215.5%

1) Based on actuarial study

All others based on the values determined by the Department of Insurance of the State of Illinois.

*OTHER SUPPLEMENTAL INFORMATION*

## CITY OF WILMINGTON, ILLINOIS

Combining Statement of Assets, Liabilities, and Fund Balances Arising  
 from Cash Transactions - Non-Major Special Revenue Funds  
 April 30, 2013

	ESDA Fund	Motor Fuel Tax Fund	Ridgeport TIF #2 Fund	Total April 30, 2013
<u>Assets</u>				
Cash in Bank	\$ 115,504	234,450	1,536	351,490
Total assets	<u>\$ 115,504</u>	<u>234,450</u>	<u>1,536</u>	<u>351,490</u>
<u>Fund Balance</u>				
Assigned fund balance	\$ 84,609	-	-	84,609
Restricted fund balance	30,895	234,450	1,536	266,881
Total fund balance	<u>\$ 115,504</u>	<u>234,450</u>	<u>1,536</u>	<u>351,490</u>

## CITY OF WILMINGTON, ILLINOIS

Combining Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balances - Non-Major Special Revenue Funds  
For the Year Ended April 30, 2013

	ESDA Fund	Motor Fuel Tax Fund	Ridgeport TIF #2 Fund	Total April 30, 2013
Revenues Received:				
Property Tax	\$ 48,664	-	-	48,664
TIF Revenue	-	-	1,535	1,535
Miscellaneous	84,609	-	-	84,609
Grants	9,815	-	-	9,815
MFT Allotments	-	163,792	-	163,792
Interest Income	83	142	1	226
Reimbursements	1,145	-	-	1,145
Total revenues received	144,316	163,934	1,536	309,786
Expenditures Disbursed:				
General Government	-	-	-	-
Public Safety	21,394	-	-	21,394
Street and Highway	-	31,780	-	31,780
Capital Outlay	16,080	-	-	16,080
Total expenditures disbursed	37,474	31,780	-	69,254
Excess (deficiency) of revenues received over (under) expenditures disbursed	106,842	132,154	1,536	240,532
Other financing sources (uses):				
Operating transfer in (out)	(30,000)	6,000	-	(24,000)
Fund balance, beginning of year	38,662	96,296	-	134,958
Fund balance, end of year	\$ 115,504	234,450	1,536	351,490

CITY OF WILMINGTON, ILLINOIS  
ESDA FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2013

<u>Assets</u>	
Cash in bank	\$ 115,504
<u>Fund Balance</u>	
Assigned fund balance	\$ 84,609
Restricted fund balance	30,895
Fund balance	<u>\$ 115,504</u>

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

Schedule D-4

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
Property Taxes	\$ 50,013	48,664	48,787
Grants	9,744	9,815	6,502
Other Reimbursements	-	1,145	382
Other Income	-	84,609	2,000
Insurance Claim Reimbursement	-	-	12,262
Interest Income	200	83	401
Sale of Equip & Vehicles	-	-	1,374
Total revenues received	<u>59,957</u>	<u>144,316</u>	<u>71,708</u>
Expenditures Disbursed:			
Salaries	14,250	7,260	4,866
Dues and Subscriptions	638	330	295
Maintenance - Equipment	5,625	1,798	5,758
Maintenance - Radio & Pagers	1,875	220	430
Maintenance - Vehicles	3,750	3,679	1,956
Notices and publications	188	-	-
Telephone Service	1,875	4,245	915
Training Services	3,125	150	219
Subscription Weather Service	1,250	84	-
Gasoline & Oil	4,375	1,802	2,109
Office Supplies & Postage	1,250	730	828
Operating Supplies & Tools	2,500	829	1,215
Miscellaneous & Cont.	1,875	267	818
Equipment Purchases	21,000	15,058	19,137
Office Furniture & Equipment	1,875	1,022	1,162
Total Expenditures disbursed	<u>65,450</u>	<u>37,474</u>	<u>39,708</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(5,493)	106,842	32,000
Other financing sources (uses):			
Transfer out	(37,500)	(30,000)	(30,000)
Net change in fund balance	<u>\$ (42,993)</u>	76,842	2,000
Fund balance, beginning of year		38,662	36,662
Fund balance, end of year		<u>115,504</u>	<u>38,662</u>

CITY OF WILMINGTON, ILLINOIS  
MOTOR FUEL TAX FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2013

<u>Assets</u>	
Cash in bank	\$ 234,450
<u>Fund Balance</u>	
Fund balance	\$ 234,450

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
MFT State Allotments	\$ 141,875	141,497	142,417
Interest Income	100	142	74
Capital Bill Program Allotment	22,295	22,295	22,295
Total revenues received	164,270	163,934	164,786
Expenditures Disbursed:			
Engineering Services	2,500	1,000	1,050
Maintenance - Street	25,000	7,495	79,812
Maintenance - Traffic Signal	7,500	3,864	4,048
Street Projects	75,000	-	61,930
Road Repair Material	51,650	19,421	19,683
Salt & Cinders	-	-	23,826
Total expenditures disbursed	161,650	31,780	190,349
Excess (deficiency) of revenues received over (under) expenditures disbursed	2,620	132,154	(25,563)
Other financing sources (uses):			
Transfers from (to) other funds	6,000	6,000	-
Net change in fund balance	\$ 8,620	138,154	(25,563)
Fund balance, beginning of year		96,296	121,859
Fund balance, end of year		234,450	96,296

CITY OF WILMINGTON, ILLINOIS  
RIDGEPORT TIF #2 FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2013

<u>Assets</u>	
Cash in bank	<u>\$ 1,536</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 1,536</u>

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues Received:			
Ridgeport TIF Revenue	\$ -	1,535	-
Interest Income	-	1	-
Total revenues received	-	<u>1,536</u>	-
Expenditures Disbursed:			
TIF Projects	-	-	-
Miscellaneous & Contingencies	-	-	-
Total expenditures disbursed	-	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	1,536	-
Fund balance, beginning of year		-	-
Fund balance, end of year		<u>1,536</u>	-

CITY OF WILMINGTON, ILLINOIS  
 WATER OPERATIONS FUND

Statement of Fund Net Assets  
 April 30, 2013

<u>Assets</u>	
Cash in bank	\$ 79,543
Accounts receivable	125,339
Capital assets:	
Land	600,500
Vehicles	204,214
Equipment	218,331
Buildings	3,173,976
Improvements	2,471,669
Accumulated depreciation	<u>(1,370,735)</u>
 Total assets	 <u><u>\$ 5,502,837</u></u>
 <u>Net Assets</u>	
Net assets:	
Invested in capital assets, net of related debt	\$ 5,297,955
Restricted net assets	-
Unrestricted net assets	<u>204,882</u>
 Total net assets	 <u><u>\$ 5,502,837</u></u>



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

**Statement of Revenues, Expenses, and  
Change in Fund Net Assets - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)**

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
<b>Revenues:</b>			
<b>Water:</b>			
Water Service	\$ 780,000	816,982	732,652
Water Meters	15,750	4,112	3,838
Water Base Fees	-	37,206	-
Other Reimbursement	15,000	7,941	27,290
Interest Income	-	76	564
Other Income	16,000	11,609	7,255
<b>Total Water Revenues</b>	<b>826,750</b>	<b>877,926</b>	<b>771,599</b>
<b>Garbage:</b>			
Garbage Services	407,465	407,208	406,943
<b>Total Water Operating &amp; Maintenance Fund Revenue</b>	<b>1,234,215</b>	<b>1,285,134</b>	<b>1,178,542</b>
<b>Expenses:</b>			
<b>Water:</b>			
Salaries	445,440	348,793	374,913
FICA	36,429	30,709	32,084
IMRF	61,826	52,712	54,951
SUTA	8,026	7,000	6,936
Department Overtime Pay	31,250	25,709	29,151
Computer Programming Fees	12,500	9,629	6,849
Dues & Subscriptions	750	249	244
Employee Hospital Insurance	78,505	60,148	69,332
Legal Fees	2,500	583	1,591
Maintenance - Equipment	17,500	4,504	10,134
Maintenance - Fire Hydrants	2,500	2,178	2,735
Maintenance - Grounds & Buildings	8,125	2,410	2,410
Maintenance - Pumping Systems	9,375	8,299	10,995
Maintenance - Water Mains	12,500	7,450	9,397
Maintenance - Water Meters	6,875	4,903	5,208
Maintenance - Water Service Lines	8,750	1,117	3,586
Maintenance - Vehicles	5,625	1,498	824
Notices & Legal Publications	1,250	486	663
Other Professional Services	19,375	10,807	-
General Liability & Workers Comp	31,250	25,550	24,563

CITY OF WILMINGTON, ILLINOIS  
WATER OPERATIONS FUND

Statement of Revenues, Expenses, and  
Change in Fund Net Assets - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Expenses: (continued)			
Water: (continued)			
Sludge Disposal	-	-	18,170
Telephone	8,125	6,922	6,349
Training	2,500	986	877
Utilities	62,500	41,740	46,109
Gasoline & Oil	10,000	6,042	7,778
Office Supplies & Postage	12,500	10,648	9,581
Operating Supplies & Tools	23,375	6,366	12,834
Purchase Backflow Preventers	625	-	-
Service Fees	3,750	3,000	2,264
Uniforms	4,125	2,836	3,097
Water Treatment Chemicals	114,375	79,967	81,424
Miscellaneous & Contingency	2,500	83	1,309
Equipment Purchases	6,250	1,459	2,497
Fire Hydrants	9,375	2,151	2,255
New Meters	19,688	15,686	9,531
Total Water Expenses	1,080,039	782,620	850,641
Garbage:			
Garbage Collection & Disposal	509,331	405,107	389,258
Depreciation Expense	-	171,226	145,273
Total Water Operating & Maintenance Fund Expenses	1,589,370	1,358,953	1,385,172
Excess (deficiency) of revenues over (under) expenses	(253,289)	(73,819)	(206,630)
Other financing sources (uses):			
Contributed capital	-	1,220,451	263,800
Transfer in	-	-	100,000
Transfer out	-	(9,566)	-
Net Income (Loss)	\$ (253,289)	1,137,066	157,170
Net Assets, beginning of year		4,365,771	6,804,772
Restructuring of Sewer Fund		-	(2,596,171)
Net Assets, end of year		5,502,837	4,365,771

**CITY OF WILMINGTON, ILLINOIS  
WATER CAPITAL PROJECTS FUND**

**Statement of Fund Net Assets  
April 30, 2013**

<u>Assets</u>		
Cash in bank		\$ 430,882
Accounts receivable		30,122
Total assets		<u>\$ 461,004</u>
<u>Net Assets</u>		
Restricted Net Assets (Ridgeport)		\$ 350,000
Unrestricted Net Assets		111,004
Total Net Assets		<u>\$ 461,004</u>

Schedule E-4

**Statement of Revenues, Expenses, and  
Change in Fund Net Assets - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)**

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues:			
City Engineer Services	\$ 11,400	12,557	18,680
Water Capacity User Fee	4,500	17,000	1,800
CDBG Grant- Water Main Replmnt	256,176	-	-
Water Dist. Sys Maint. Fee	5,500	3,530	2,200
Meter repl. program fees	52,962	57,984	47,688
Debt service fees	59,724	39,968	39,910
Rental of property	6,000	7,150	7,000
Other Income- Misc.	-	64,574	-
Interest Income	-	5,814	1,053
Total revenues	<u>396,262</u>	<u>208,577</u>	<u>118,331</u>
Expenses:			
Maintenance - equipment	312,500	54,023	94,766
Meter replacement salary	-	-	1,422
City Engineer Services	57,416	38,419	-
Engineering Services	-	-	23,939
Capital Equipment Purchases	-	-	117,042
Water Line Rte 53 Recap Expansion	37,500	-	-
CDBG Grant Water C/P Wtr Main	320,220	-	-
IEPA Loan Principal	50,000	-	-
Total expenses	<u>777,636</u>	<u>92,442</u>	<u>237,169</u>
Excess (deficiency) of revenues over (under) expenses	(381,374)	116,135	(118,838)
Other financing sources (uses):			
Transfer in:	-	9,566	67,539
Transfer out:	-	(315,479)	(115,000)
Net Income (Loss)	<u>\$ (381,374)</u>	<u>(189,778)</u>	<u>(166,299)</u>
Net Assets, beginning of year		<u>650,782</u>	<u>817,081</u>
Net Assets, end of year		<u>461,004</u>	<u>650,782</u>

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

**Statement of Fund Net Assets**  
**April 30, 2013**

<u>Assets</u>	
Cash in bank	\$ 268,131
Accounts receivable	142,086
Capital assets:	
Land	911,700
Vehicles	204,214
Equipment	218,331
Buildings	14,100,762
Improvements	2,053,534
Accumulated depreciation	<u>(2,042,768)</u>
Total assets	<u>\$ 15,855,990</u>
 <u>Liabilities &amp; Net Assets</u>	
Liabilities:	
Due within one year	\$ 578,000
Due beyond one year	<u>10,743,084</u>
Total liabilities	<u>11,321,084</u>
Net assets:	
Invested in capital assets, net of related debt	4,124,689
Restricted net assets	-
Unrestricted net assets	<u>410,217</u>
Total net assets	<u>4,534,906</u>
Total liabilities and net assets	<u>\$ 15,855,990</u>

CITY OF WILMINGTON, ILLINOIS  
SEWER OPERATIONS FUND

Statement of Revenues, Expenses, and  
Change in Fund Net Assets - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
<b>Revenues:</b>			
Capacity user's fee	\$ 14,000	64,185	13,218
New sewer plant monies	288,000	407,770	280,566
Sewer service fees	792,272	735,367	776,185
Other reimbursements	3,500	-	-
Miscellaneous	6,600	8,125	13,864
Interest Income	500	113	1,018
<b>Total revenues</b>	<b>1,104,872</b>	<b>1,215,560</b>	<b>1,084,851</b>
<b>Expenses:</b>			
<b>Current:</b>			
Regular wages	315,176	272,790	298,158
Payroll tax expenses	25,545	22,077	23,512
IMRF	43,310	38,043	41,490
State unemployment taxes	5,825	5,731	5,116
Overtime wages	18,750	9,819	11,295
Computer maintenance fees	13,750	11,016	9,355
Health & life insurance	44,779	52,231	53,382
Engineering services	2,500	-	-
Legal Fees	1,250	250	684
Property/equipment insurance	2,500	1,196	1,720
General liability/workers comp. insurance	51,250	41,000	40,716
Equipment rental	1,250	-	-
Sewer sludge disposal	20,000	17,831	-
Telephone/cell phone service	6,250	5,455	4,233
Maintenance - equipment	31,250	24,915	10,538
Maintenance - buildings & grounds	13,750	9,268	7,897
Maintenance - sewers	16,250	12,322	13,005
Maintenance - vehicles	2,500	1,040	666
Notices/publications	313	-	78
Training expense	2,500	2,090	994
Utilities - electric/gas	106,250	60,602	80,508
Gasoline/oil	7,500	4,307	4,957
Office supplies/postage	12,500	10,598	9,272
Small tools and supplies	34,375	10,816	25,222
Chemicals	37,500	18,747	17,471
Uniforms	4,219	2,221	1,952
Misc. & Contingency	1,250	880	950
Service Fees	1,875	-	-
Other professional services	19,375	17,142	2,264
<b>Capital Outlay:</b>	-	1,434	550
Equipment Purchase	5,500	-	-
Depreciation expense	-	431,618	405,666
<b>Debt Service:</b>			
IEPA Loan Principal Payment	724,736	-	-
IEPA Loan Interest Payment	374,030	299,224	313,451
<b>Total expenses</b>	<b>1,947,808</b>	<b>1,384,663</b>	<b>1,385,102</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>\$ (842,936)</b>	<b>(169,103)</b>	<b>(300,251)</b>
<b>Other financing sources (uses):</b>			
Contributed capital		1,220,452	-
<b>Net Assets, beginning of year</b>		<b>3,483,557</b>	<b>1,187,637</b>
<b>Restructuring of Sewer Fund</b>		<b>-</b>	<b>2,596,171</b>
<b>Net Assets, end of year</b>		<b>4,534,906</b>	<b>3,483,557</b>

**CITY OF WILMINGTON, ILLINOIS  
SEWER CAPITAL PROJECTS FUND**

**Statement of Fund Net Assets  
April 30, 2013**

<u>Assets</u>	
Cash in bank	\$ 366,075
Receivables	4,382
	<hr/>
Total Assets	\$ 370,457
	<hr/>
<u>Net Assets</u>	
Net Assets	\$ 370,457
	<hr/>

**Statement of Revenues, Expenses, and  
Change in Fund Net Assets - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)**

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues:			
City Engineer Services	\$ 15,311	16,089	6,695
Sewer Collection System Fee	11,400	2,280	2,280
Property Rental	6,000	7,150	7,000
Interest Income	100	249	372
	<hr/>	<hr/>	<hr/>
Total revenues	32,811	25,768	16,347
	<hr/>	<hr/>	<hr/>
Expenses:			
Engineering Services	19,139	13,252	16,304
Misc. & contingency	1,250	-	-
Sewer Line Rte 53 Recap	25,000	-	-
Sewer Plant Construction	75,000	-	21,458
	<hr/>	<hr/>	<hr/>
Total expenses	120,389	13,252	37,762
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenses	\$ (87,578)	12,516	(21,415)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer in		300,000	-
		<hr/>	<hr/>
Net Assets, beginning of year		57,941	79,356
		<hr/>	<hr/>
Net Assets, end of year		370,457	57,941
		<hr/>	<hr/>

**CITY OF WILMINGTON, ILLINOIS  
WATER TP REHAB FUND**

**Statement of Fund Net Assets  
April 30, 2013**

<u>Assets</u>	
Cash in bank	\$ -
Total assets	<u>\$ -</u>
<u>Liabilities &amp; Net Assets</u>	
Liabilities:	
IEPA Loan - Due in One Year	\$ 21,381
IEPA Loan - Due in More than One Year	607,971
Total liabilities	629,352
Unrestricted Net Assets (Deficit)	(629,352)
Total Liabilities & Net Assets	<u>\$ -</u>

## Schedule E-10

**Statement of Revenues, Expenses, and  
Change in Fund Net Assets - Budget and Actual  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)**

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
Revenues:			
IEPA Loan	\$ 462,798	-	-
Interest Income	-	-	3
Total revenues	<u>462,798</u>	<u>-</u>	<u>3</u>
Expenses:			
Water Treatment Plant Construction	578,498	454,716	134,666
Interest expense	-	2,913	-
Misc. & Contingency	-	-	-
Total expenses	<u>578,498</u>	<u>457,629</u>	<u>134,666</u>
Excess (deficiency) of revenues over (under) expenses	(115,700)	(457,629)	(134,663)
Other financing sources (uses):			
Transfer in:	-	15,479	15,000
Transfer out:	-	-	(67,539)
Net Income (Loss)	<u>\$ (115,700)</u>	<u>(442,150)</u>	<u>(187,202)</u>
Net Assets (Deficit), beginning of year		<u>(187,202)</u>	<u>-</u>
Net Assets (Deficit), end of year		<u>(629,352)</u>	<u>(187,202)</u>

CITY OF WILMINGTON, ILLINOIS  
AGENCY FUNDS

Change in Net Assets  
April 30, 2013  
(With Comparative Figures for 2012)

	Agency Funds						Totals		
	Police DUI Account	Canine School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	DFC Grant Account (Federal Grant)	Year Ended April 30, 2013	April 30, 2012
<u>Assets</u>									
Cash in bank	\$ 2,184	4,087	9,183	13,368	6,081	43,674	-	78,577	102,364
<u>Liabilities</u>									
Payable to others	\$ 2,184	4,087	9,183	13,368	6,081	43,674	-	78,577	102,364

Schedule F-2

Statement of Change in Fiduciary Net Assets  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Agency Funds						Totals		
	Police DUI Account	Canine School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	DFC Grant Account (Federal Grant)	Year Ended April 30, 2013	April 30, 2012
Additions - Revenues	\$ -	1,100	1,444	14,911	2,927	3,000	97,717	121,099	131,135
Deductions - Expenditures	-	50	-	1,964	532	44,623	97,717	144,886	133,059
Change in Net Assets	-	1,050	1,444	12,947	2,395	(41,623)	-	(23,787)	(1,924)
Other financing sources (uses):									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Cash balance, beginning of year	2,184	3,037	7,739	421	3,686	85,297	-	102,364	104,288
Cash balance, end of year	\$ 2,184	4,087	9,183	13,368	6,081	43,674	-	78,577	102,364



CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Schedule 1

Comparison of Expenditures with Appropriations  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended April 30, 2013	April 30, 2012
<u>Finance and Administrative Department</u>			
Salaries	\$ 248,549	198,839	205,602
Salary - Aldermen	48,375	32,662	35,606
City Engineer Services	19,139	12,918	-
Computer programming fees	22,500	16,926	12,586
Dues and subscriptions	9,375	7,475	6,524
Employee health insurance	67,173	51,889	52,242
Retired employees health insurance	105,000	91,777	115,420
Engineering services	12,500	2,667	31,296
Legal services	50,000	30,028	53,551
Maintenance - equipment	1,875	791	413
Notices and legal publications	3,750	829	2,887
Other professional services	7,500	8,073	3,343
PACE bus service	7,500	9,963	6,570
Telephone services	16,250	12,016	12,661
Training expenses	10,000	7,715	4,252
Gasoline and oil	10,000	1,009	3,055
Office supplies and postage	10,000	6,712	7,081
Administration contingency	2,500	1,228	1,490
Economic Development	4,375	5,600	400
Service fees	1,250	1,000	113
Mayor's contingency	1,875	1,519	554
Community festivals	20,000	9,870	15,578
Miscellaneous and contingency	62,500	3,498	1,783
Police commission expenses	15,000	22,878	11,098
Office furniture and equipment	4,375	3,503	2,710
Total finance and administrative department	761,360	541,385	586,815
<u>Public grounds and buildings</u>			
Maintenance - equipment	7,500	1,665	4,527
Maintenance - grounds and buildings	75,000	24,590	75,564
Maintenance - cleaning service	25,000	17,725	17,093
Other professional services	15,000	9,923	23,961
Pest control	1,875	1,329	758
Rental of Building/Storage Space	7,000	4,660	5,810
Telephone service	1,250	688	763
Utilities	625	-	76
Operating supplies and tools	625	45	121
Miscellaneous and contingency	375	-	8
Capital outlay - equipment purchase	3,125	-	388
Total Public grounds and buildings	137,375	60,625	129,069

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Comparison of Expenditures with Appropriations  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
<u>Building Department</u>			
Salaries	\$ -	-	21,544
City Engineer Services	20,389	13,261	26,166
Computer programming fees	2,500	705	1,210
Consulting fee	6,250	1,980	2,000
Due & subscriptions	625	-	62
Employees' health/life insurance	-	-	6,710
Legal fees	1,250	333	167
Maintenance - vehicle	-	4,200	643
City Engineer Auto Allowance	5,250	-	-
Telephone services	1,250	730	230
Training expenses	1,250	40	-
Gasoline and oil	625	-	2,000
Office supplies and postage	1,250	467	618
Operating supplies and tools	625	-	77
Miscellaneous and contingency	9,375	50	9,081
Capital outlay - equipment	2,500	-	432
Total building department	53,139	21,766	70,940
<u>Planning &amp; Zoning Department</u>			
Salaries	6,250	3,285	3,285
City engineering services	19,139	12,915	24,969
Consulting fees - Developers	31,250	47,443	4,311
Consulting fees	12,500	15,208	10,583
Engineering Fees - Developers	187,500	17,138	42,006
Legal services	18,750	12,399	14,753
Legal services - Developers	43,750	6,137	4,281
Will County Sheriff Services	9,375	7,500	7,500
Notice and legal publication	1,875	769	233
Office supplies and postage	625	300	500
Miscellaneous and contingency	625	141	55
Total planning department	331,639	123,235	112,476
<u>Police Department</u>			
Salaries:			
Salaries	1,106,544	873,764	932,152
Overtime	125,000	125,564	107,303
Part-Time Officer	75,000	48,869	48,190
Part-Time Officer OT Wages	1,250	419	717
Crossing Guard	6,750	5,100	4,530
Vacation Buy-out	21,250	7,056	-
Animal Welfare	5,000	1,350	4,410
Community Service & Affairs	625	97	492
Wescom Dispatching Services	230,375	184,252	180,876
Dues and Subscriptions	2,500	1,185	1,475
Employee Health Insurance	267,533	214,059	238,640
Legal Fees	62,500	87,408	111,250
Computer Maintenance & Program Fees	18,750	5,510	15,066
Maintenance:			
Equipment	36,250	8,593	11,164
Radio & Pagers	3,750	1,721	122
Vehicles	25,000	16,638	21,429
Notices Legal Publications	1,250	45	126
Telephone Service	12,500	8,597	8,296
Training	15,000	3,760	10,573
Special Training & Equipment	9,375	5,623	6,482
Equipment Rental	625	-	-
Animal Tags	125	-	44
Gasoline & Oil	81,250	50,340	52,704
Operating Supplies & Tools	9,375	4,815	5,219
Uniforms	15,000	10,941	8,965

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Comparison of Expenditures with Appropriations  
For the Year Ended April 30, 2013  
(With Comparative Figures for 2012)

	Original and Final Appropriations	Year Ended	
		April 30, 2013	April 30, 2012
<u>Police Department (continued)</u>			
Office Supplies - Postage	\$ 7,500	4,416	4,470
Audio/Visual Aids	625	-	-
Miscellaneous & Contingency	2,500	670	1,938
Equipment Purchase	17,500	9,014	10,234
Office Furniture & Equipment	2,500	1,458	1,682
Total police department	<u>2,163,201</u>	<u>1,681,264</u>	<u>1,788,549</u>
<u>Public Works - Streets and Alleys</u>			
Salaries	218,648	187,989	194,399
City Engineer Services	57,418	38,753	-
Overtime wages	18,750	10,875	10,389
Computer Maintenance & Program Fees	625	-	73
Employee Health Insurance	61,964	55,552	63,865
Engineering Fees	1,250	-	641
Dues, subscriptions & memberships	250	164	-
JULIE Fees	3,750	1,876	1,340
Legal Fees	1,250	-	-
Maintenance:			
Bridges	2,500	-	-
Curb & Gutter	1,250	252	320
Equipment	12,500	5,809	10,485
Parking Lots	5,000	-	500
Sidewalks	8,750	4,062	5,886
Storm Sewers	12,500	4,121	3,911
Streets	106,250	45,683	64,637
Vehicles	12,500	10,247	4,970
Notice & Publications	375	122	207
Rental & Equipment	3,125	300	2,000
Street Light Electric	100,000	74,088	76,566
Telephone Service	6,250	3,027	4,403
Training	2,500	141	170
Tree & Weed removal	5,000	2,023	2,367
Gasoline & Oil	35,000	25,695	31,368
Office Supplies & Postage	1,250	366	629
Operating Supplies & Tools	15,000	8,634	12,192
Sign Replacement	7,500	3,347	6,035
Uniforms	7,500	4,306	4,239
Vehicle Tags	1,375	1,295	3,083
Miscellaneous & Cont.	1,250	224	161
Equipment Purchases	13,750	11,047	-
Total streets and alleys	<u>725,029</u>	<u>499,998</u>	<u>504,836</u>
<u>IMRF and Social Security</u>			
FICA Payments	152,493	116,692	120,019
SUTA Payments	39,080	31,010	32,202
IMRF Payments	82,600	68,438	69,979
Total IMRF and Social Security	<u>274,173</u>	<u>216,140</u>	<u>222,200</u>
<u>Audit</u>			
Audit Fee	20,125	16,100	15,300
Payroll Processing Service	18,750	14,285	12,358
Miscellaneous Accounting fees	1,250	1,000	-
Total Audit	<u>40,125</u>	<u>31,385</u>	<u>27,658</u>
<u>Police Pension Contribution</u>	<u>287,159</u>	<u>224,138</u>	<u>265,529</u>
<u>General Liability Insurance &amp; U Workers' Comp.</u>			
General liability insurance	121,969	119,323	76,243
Miscellaneous & contingency	133,750	39,029	68,007
Total General Liability Insurance & Workers' Comp.	<u>255,719</u>	<u>158,352</u>	<u>144,250</u>
Total General Fund	<u>\$ 5,028,919</u>	<u>3,558,288</u>	<u>3,852,322</u>

## CITY OF WILMINGTON, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions  
and Tax Collections

	2008	2009	2010	2011	2012
Assessed valuations	\$ 134,016,651	136,742,474	139,709,492	134,442,820	128,940,126
Tax Rates:					
Corporate	0.1139	0.0743	0.0472	0.1223	0.1186
Bond and Interest	0.1048	0.1031	0.1011	0.1097	0.1175
Police Pension	0.1188	0.1741	0.1864	0.1709	0.2172
Municipal Retirement	0.0380	0.0705	0.0578	0.0551	0.0549
Social Security	0.1142	0.0958	0.1008	0.0959	0.0935
ESDA/Civil Defense	0.0308	0.0344	0.0358	0.0372	0.0386
Police Protection	0.0492	0.0516	0.0716	0.0744	0.1153
Workmen's Compensation Insurance	0.0553	-	-	0.0261	0.0768
Liability Insurance	0.0676	0.0900	0.1038	0.0558	-
Municipal Audit	0.0152	0.0175	0.0215	0.0224	0.0248
Totals	0.7078	0.7113	0.7260	0.7698	0.8572
Tax Extensions:					
Corporate	\$ 152,645	101,600	65,943	164,424	152,923
Bond and Interest	140,181	140,981	141,246	147,484	151,505
Police Pension	159,212	238,069	260,418	229,763	280,058
Municipal Retirement	50,926	96,403	80,752	74,078	70,788
Social Security	153,047	130,999	140,827	128,931	120,559
ESDA/Civil Defense	41,277	47,039	50,016	50,013	49,771
Police Protection	65,936	70,559	100,032	100,025	148,668
Workmen's Compensation Insurance	74,111	-	-	35,090	99,026
Liability Insurance	90,595	123,068	145,018	75,019	-
Municipal Audit	20,371	23,930	30,038	30,115	31,977
Totals	948,302	972,648	1,014,290	1,034,941	1,105,274
Township Road and Bridge	69,631	71,408	74,734	75,754	
Totals	\$ 1,017,933	1,044,056	1,089,024	1,110,695	
Tax Collections	\$ 1,011,260	1,038,849	1,064,241	1,085,480	

CITY OF WILMINGTON, ILLINOIS

Schedule 3

**Legal Debt Margin**  
**April 30, 2013**

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Assessed valuation - 2012 tax year	<u>\$ 128,940,126</u>
Statutory debt limitation (8.625% of assessed valuation)	11,121,086
Total debt:	
GO Bonds - SSA Deer Ridge Park STB	245,000
GO Bonds - Alternate Revenue Source Bonds	935,000
GO Limited Bond Series 2012	<u>149,000</u>
Total applicable debt	<u>1,329,000</u>
Legal debt margin	<u>\$ 9,792,086</u>



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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, 2013, 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 August 6, 2013.

**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.

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 and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

## **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*.

### **City of Wilmington, Illinois' Response to Findings**

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

We noted certain matters that we reported to management of the City of Wilmington, Illinois, in a separate letter dated August 6, 2013.

### **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  
August 6, 2013

## CITY OF WILMINGTON, ILLINOIS

### Schedule of Findings – Significant Deficiencies For the Year Ended April 30, 2013

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#### Finding 2013-1: Schedule of Expenditures of Federal Awards – Significant Audit Adjustments

The City's financial personnel do not have sufficient financial reporting and accounting knowledge to perform a review of the City's schedule of expenditures of federal awards and there are not processes, procedures and controls related to financial reporting to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.

The City was awarded a Highway Planning and Construction grant which included a federal share of \$1,894,510 and state share of \$195,800. The Illinois Department of Transportation received the funds and completed the construction of the construction project on-behalf of the City. These funds were not recognized on the City's accounting records. An adjusting journal entry was recorded to include both the grant revenue and construction expenditures.



*SINGLE AUDIT*



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**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Wilmington, Illinois compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Wilmington, Illinois' major federal programs for the year ended April 30, 2013. The City of Wilmington, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Wilmington, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Wilmington, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Wilmington, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 in the accompanying schedule of findings and questioned costs.

### **Report on Internal Control Over Compliance**

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

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

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

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

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

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
August 6, 2013

**City of Wilmington**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended April 30, 2013**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<b><i>Other Programs</i></b>			
Department of Homeland Security Direct Programs			
Emergency Management Performance Grants	97.042		\$9,815
<i>Total Department of Homeland Security</i>			<u>\$9,815</u>
Department of Transportation Direct Programs			
Illinois Department of Transportation Highway Planning and Construction	20.205		\$17,595
Department of Transportation Pass-Through Programs			
Passed-through Illinois Department of Transportation			
Illinois Department of Transportation Highway Planning and Construction	20.205		\$1,894,510
<i>Total Highway Planning and Construction</i>			<u>\$1,894,510</u>
<i>Total Passed-through Illinois Department of Transportation</i>			<u>\$1,894,510</u>
<i>Total Department of Transportation</i>			<u>\$1,912,105</u>
United States Environmental Protection Agency Direct Programs			
Capitalization Grants for Drinking Water State Revolving Funds	66.468, 66.458		\$353,882
<i>Total United States Environmental Protection Agency</i>			<u>\$353,882</u>
Department of Health and Human Services Direct Programs			
Drug-Free Communities Support Program Grants	93.276		\$97,717
<i>Total Department of Health and Human Services</i>			<u>\$97,717</u>
Department of Housing and Urban Development Direct Programs			
Community Development Block Grants/State's program and Non-Entitlement Grants	14.228		\$482,444
<i>Total Department of Housing and Urban Development</i>			<u>\$482,444</u>
<b><i>Total Other Programs</i></b>			<u>\$2,855,963</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u>\$2,855,963</u>

## CITY OF WILMINGTON, ILLINOIS

### Notes to the Schedule of Expenditures of Federal Awards For the Year Ended April 30, 2013

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#### NOTE A: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents total federal awards expended for each individual federal program in accordance with OMB Circular A-133, Audits of States, *Local Governments and Non-Profit Organizations*. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA).

The schedule includes the federal grant activity of the City of Wilmington, Illinois and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Accordingly, revenues are recognized and recorded in the accounts when earned. In the same manner, expenditures are recognized and recorded when incurred.

#### NOTE B: SUBRECIPIENTS

The City of Wilmington, Illinois did not provide federal awards to sub recipients.

#### NOTE C: ADMINISTRATIVE AGENT

For the purposes of the DFC Grant Program, the City of Wilmington is an agent that is serving as the grantee on behalf of the Wilmington Coalition for a Healthy Community.

## CITY OF WILMINGTON, ILLINOIS

### Schedule of Findings and Questioned Costs For the Year Ended April 30, 2013

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#### A. SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unqualified opinion on the primary government's financial statements of the City of Wilmington, Illinois.
2. A significant deficiency relating to the audit of the general government's financial statements is reported in the Report on Compliance and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards. Refer to finding 2013-1 on page 75.
3. No instances of noncompliance material to the general government's financial statements of the City of Wilmington, Illinois were disclosed during the audit.
4. The Independent Auditors' Report on Compliance for the major federal award programs for the City of Wilmington, Illinois expresses an unqualified opinion.
5. The programs tested as major programs include the Capitalization Grants for Drinking Water State Revolving Funds, CFDA 66.468 & 66.458, Community Development Block Grants, CFDA 14.228, and Illinois Department of Transportation Highway Planning and Construction, CFDA 20.205.
6. The threshold for distinguishing Types A and B programs was \$300,000.
7. The City of Wilmington, Illinois was not determined to be a low-risk auditee.

## **CITY OF WILMINGTON, ILLINOIS**

### **Schedule of Findings and Questioned Costs For the Year Ended April 30, 2013**

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#### **B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

##### **Finding 2013-1: Schedule of Expenditures of Federal Awards – Significant Audit Adjustments**

The City's financial personnel do not have sufficient financial reporting and accounting knowledge to perform a review of the City's schedule of expenditures of federal awards and there are not processes, procedures and controls related to financial reporting to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.

The City was awarded a Highway Planning and Construction grant which included a federal share of \$1,894,510 and state share of \$195,800. The Illinois Department of Transportation received the funds and completed the construction of the construction project on-behalf of the City. These funds were not recognized on the City's accounting records. An adjusting journal entry was recorded to include both the grant revenue and construction expenditures.

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

There were no findings and questioned costs for federally funded programs for the fiscal year ended April 30, 2013.



**CITY OF WILMINGTON, ILLINOIS**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended April 30, 2013**

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There are no prior year findings that affected federally funded programs.



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August 6, 2013

To the Honorable Mayor and  
City Council  
City of Wilmington, Illinois

In planning and performing our audit of 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 as of and for the year ended April 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies identified in the attached memorandum in the City's internal control to be significant deficiencies.

The attached memo also describes other comments and suggestions regarding the City's internal controls which were not determined to be significant deficiencies.

This communication is intended solely for the information and use of management, the Mayor and members of the City Council, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

**Significant Deficiencies:**

**Finding 2013-1: Schedule of Expenditures of Federal Awards – Significant Audit Adjustments**

The City's financial personnel do not have sufficient financial reporting and accounting knowledge to perform a review of the City's schedule of expenditures of federal awards and there are not processes, procedures and controls related to financial reporting to provide a high level of assurance that any potential material omissions or other errors would be identified and corrected.

The City was awarded a Highway Planning and Construction grant which included a federal share of \$1,894,510 and state share of \$195,800. The Illinois Department of Transportation received the funds and completed the construction of the construction project on-behalf of the City. These funds were not recognized on the City's accounting records. An adjusting journal entry was recorded to include both the grant revenue and construction expenditures.

**Other Comments:**

**Comment 2013-1: Budget formulas incorrect**

Not all subtotals equal the sum of the individual amounts shown on the appropriation ordinance.

Recommendation:

Formulas should be reviewed in the budget to ensure all individual accounts are included in totals.

**Comment 2013-2: Bank Reconciliations**

Bank reconciliations are performed for each individual bank account, but are not reconciled with the City's accounting system. A discrepancy of \$4,310 was recognized when reviewing the bank reconciliations.

Recommendation:

Reconciliation discrepancies should be reviewed and corrected.

**Comment 2013-3: Motor Fuel Tax**

The State has not reconciled the Motor Fuel tax account for multiple years. As a result, the City has expended funds that were not shown as authorized by the State. The bank balance of the cash account is \$234,450, but the State shows an unobligated balance of \$423,518.

Recommendation:

Motor fuel tax expenditures are restricted and must be approved by the Illinois Department of Transportation prior to applying the funds. The City should reconcile the outstanding items to the State records reported on the Illinois Department of Transportation's online database to ensure only authorized funds are used.

**Comment 2013-4: Transfers not Reconciled**

The City's transactions included a significant amount of interfund transfers. The City did not perform a reconciliation which disclosed the amounts and reason for all interfund activity.

Recommendation:

The City must implement procedures to both reconcile and disclose the reasons for all interfund activity.

**Comment 2013-5: Significant Audit Adjustments**

During the course of our audit, we posted adjustments that had a material effect on the City's financial statements. A control deficiency 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 misstatements on a timely basis.

Recommendation:

The City must implement procedures to better prevent or detect misstatements on a timely basis.