

VILLAGE OF DWIGHT  
DWIGHT, ILLINOIS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED MARCH 31, 2013

*Prepared by:*

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VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

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	PAGE
INDEPENDENT AUDITORS' REPORT.....	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).....	3-10
FINANCIAL STATEMENTS	
Government-wide Financial Statement- Statement of Net Assets – Modified Cash Basis (Statement A) .....	11
Government-wide Financial Statement- Statement of Activities – Modified Cash Basis (Statement B).....	12
Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds (Statement C) .....	13
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Governmental Funds (Statement D).....	14-15
Statement of Fund Net Assets Proprietary Funds (Statement E).....	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds (Statement F).....	17
Statement of Cash Flows Proprietary Funds (Statement G).....	18
Statement of Fiduciary Net Assets (Statement H).....	19
NOTES TO FINANCIAL STATEMENTS.....	20-39

VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

---

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule A-1) .....	40
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule A-2) .....	41-46
Major Special Revenue Funds:	
Reserve for Capital Expenditures Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule B-1) .....	47
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule B-2) .....	48
Schedule of Funding Progress – Illinois Municipal Retirement Fund (Schedule 1) .....	49
OTHER SUPPLEMENTAL INFORMATION	
Non-Major Governmental Funds - Combining Statement of Assets, Liabilities and Fund Balances Arising from Cash Transactions (Schedule C-1) .....	50
Non-Major Governmental Funds - Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances (Schedule C-2).....	51
Motor Fuel Tax Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-3) .....	52
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule C-4) .....	52

VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

---

	PAGE
FICA & IMRF Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-5).....	53
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule C-6).....	53
Commercial Rent Subsidy Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-7).....	54
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule C-8).....	54
Commercial Rehab Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-9).....	55
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule C-10).....	55
TIF Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-11).....	56
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule C-12).....	56
CDAP Economic Development Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule C-13).....	57
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule C-14).....	57

VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

---

	PAGE
2005 MFT Bond Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-1).....	58
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-2).....	58
Public Service Bond Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-3).....	59
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-4).....	59
Proprietary Funds:	
Waterworks Fund:	
Statement of Fund Net Assets (Schedule E-1) .....	60
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Budget and Actual (Schedule E-2).....	61
Water Capital Project Fund:	
Statement of Fund Net Assets (Schedule E-3) .....	62
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Budget and Actual (Schedule E-4).....	62
Sewer Fund:	
Statement of Fund Net Assets (Schedule E-5) .....	63
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Budget and Actual (Schedule E-6).....	64
Sewer Replacement Reserve Fund:	
Statement of Fund Net Assets (Schedule E-7) .....	65
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Budget and Actual (Schedule E-8).....	66

VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

---

PAGE

Water Bond Fund:

Statement of Fund Net Assets (Schedule E-9) ..... 67

Statement of Revenues, Expenses, and  
Changes in Fund Net Assets – Budget and Actual (Schedule E-10) ..... 67

Fiduciary Funds:

Combining Statement of Changes in Fiduciary Net Assets (Schedule F) ..... 68

Assessed Valuations, Tax Rates, Tax  
Extensions and Tax Collections (Schedule 2) ..... 69

TIF District

Assessed Valuations, Tax Rates, Tax  
Extensions and Tax Collections (Schedule 3) ..... 70

Legal Debt Margin (Schedule 4) ..... 71

Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance

And Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
With *Government Auditing Standards* ..... 72-73





***INDEPENDENT AUDITORS' REPORT***



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## Independent Auditors' Report

To the Honorable Mayor and  
Village Board of Trustees  
Village of Dwight, Illinois

We have audited the accompanying financial statements of the Village of Dwight, Illinois, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

### *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 of material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dwight, Illinois, as of March 31, 2013, and the respective changes in financial position – modified cash basis, thereof for the year then ended in conformity with the basis of accounting as described in Note 1.

## **Basis of Accounting**

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

## **Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dwight, Illinois' basic financial statements. The management's discussion and analysis, budgetary comparison information, and Schedule of Funding Progress – Illinois Municipal Retirement Fund on pages 3-10 and 40-49, 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 Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dwight, Illinois' basic financial statements. The introductory section, 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 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 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

Morris, Illinois  
July 8, 2013

***MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)***



## VILLAGE OF DWIGHT, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2013

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The Village of Dwight, Illinois' (the "Village") management's discussion and analysis (MD&A) is generally intended to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activities, (3) identify changes in the Village's financial position (its ability to meet future financial demands and conditions), (4) identify any material deviations from the governmental unit's financial plan (budget), and (5) identify individual fund issues or concerns.

This discussion and analysis of the Village of Dwight's financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2013. Please read it in conjunction with the Village's financial statements, which begin on page 11.

#### HIGHLIGHTS

##### Governmental Financial Highlights:

- The Village's governmental assets exceeded its liabilities at the close of the fiscal year by \$5,246,961 (net assets). Of this amount, \$583,248 (unrestricted net assets) may be used to meet the Village's ongoing obligations.
- The Village's total governmental net assets increased by \$835,471 during the fiscal year 2013 as reported in the statement of activities.
- The Village's major governmental revenues consisted of \$687,758 in property tax revenues and \$1,711,951 in other tax revenue.
- As of the close of fiscal year 2013, the Village's governmental funds reported combined ending fund balances of \$1,462,350, a decrease of \$317,054 in comparison to the prior year.

##### Business-type Financial Highlights:

- The Village's business-type assets exceeded its liabilities at the close of the fiscal year by \$5,863,182 (net assets).
- The Village's business-type net assets increased by \$448,612 during fiscal year 2013 as reported in the statement of activities.
- The Village's major business-type revenues consisted of \$1,862,289 in charges for services.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the Village of Dwight's basic financial statements. The Village of Dwight'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 Village of Dwight's finances, in a manner similar to a private-sector business, using the modified cash basis of accounting.

## VILLAGE OF DWIGHT, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2013

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The statement of net assets presents the Village of Dwight'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 Village of Dwight is improving or deteriorating. The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as cash flows occur.

Both of the government-wide financial statements distinguish functions of the Village of Dwight 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 Village of Dwight include general government, public safety, highways and streets, culture and recreation, and debt services. There are two business-type activities accounted for by the Village, the water and sewer utilities.

#### **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 Village of Dwight, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike 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 governmental fund financial statements are reported using the cash basis of accounting.

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

The Village maintains 10 individual governmental funds and 5 business-type 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 balances for major governmental funds (the General Fund and Reserve for Capital Expenditures Fund). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 13-15 of this report.

## VILLAGE OF DWIGHT, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2013

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#### ***Proprietary Funds***

Proprietary funds are presented using the accrual basis of accounting. The information for the proprietary funds can be found in the business-type activities column on the government-wide financial statements. The Village maintains five proprietary funds, the Waterworks Fund, Water Capital Project Fund, Water Bond Fund, Sewer Fund and Sewer Replacement Reserve Fund, which are in the form of enterprise funds.

The proprietary fund financial statements provide separate information for the Waterworks Fund, Water Capital Project Fund, Sewer Fund, and Sewer Replacement Reserve Fund, considered to be major funds of the Village. The proprietary funds financial statements can be found on pages 16-18 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 20-39 of this report.

#### **Required Supplementary Information**

This information addresses the Village's budgetary comparison schedules, and the IMRF (Illinois Municipal Retirement Fund), Schedule of Funding Progress. The Village adopts an annual estimate of appropriations for its General Fund, Special Revenue Funds, and Enterprise Funds. A budgetary comparison schedule has been provided for the General Fund and the Reserve for Capital Expenditures Fund (the Village's major governmental funds) to demonstrate compliance with this appropriated budget. The pension schedules have been provided to present the Village's progress in funding its obligation to provide pension benefits to Village employees through the Illinois Municipal Retirement Fund. Required supplementary information can be found of pages 40-49 of this report.

#### **Other Supplementary Information**

Combining statements as discussed earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pages 50-51 of this report. The Village has also elected to include a statement of assets, liabilities and fund balance and a statement of revenues received, expenditures disbursed and changes in fund balance compared with budgeted amounts of the following: Special Revenue Funds (page 52-57), Debt Service Funds (page 58-59), and statements of fund net assets and statements of revenues, expenses and changes in fund net assets with budgetary comparison for the Proprietary Funds (pages 60-67). A combining statement of changes in fiduciary net assets is on page 68 of this report. The assessed valuations, tax rates, extensions and collections are presented on pages 69 and 70.



VILLAGE OF DWIGHT, ILLINOIS

Management's Discussion and Analysis - Unaudited  
For the Year Ended March 31, 2013

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**Government-wide Financial Analysis**

Program revenues were generated from charges for services (which includes garbage, water and sewer charges, various local and county fines, park user fees, miscellaneous licenses, permits, and fees). General revenues were generated from local property taxes, other taxes (consisting of income tax, sales tax, use tax, motor fuel tax, replacement tax, utility taxes, hotel taxes and telecommunications tax), investment interest, donations, reimbursements and miscellaneous sources.

The Village's total revenues decreased by \$23,807, while expenditures decreased by \$1,406,929. The revenue decrease is related to decreases in property taxes and charges for services. Expenses decreased significantly due to maintenance performed on the water system in the prior year, as well as expenditures from the TIF Fund for the redevelopment project.

**Financial Analysis of the Village's Major Funds**

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds*

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Village's major governmental funds are the General Fund and the Reserve for Capital Expenditures Fund.

*Budgetary Highlights*

The Village's budget is prepared according to Illinois law and is based on accounting for certain transactions on a cash basis of accounting. A budget to actual schedule is provided as required supplementary information for the General Fund and the Reserve for Capital Expenditures Fund. A budget to actual schedule is provided for the Non-major Special Revenue & Debt Service Funds on a more detailed basis as part of other supplementary information. The Village's actual expenditures exceeded appropriations in various major funds by the amounts stated below. In both cases, expenditures exceeded appropriations due to depreciation expense, which was not included in the Village's appropriations.

Waterworks Fund	\$ 34,136
Sewer Fund	173,044

Appropriations for the General Fund exceeded actual expenditures by \$274,679 for the fiscal year ending March 31, 2013.

VILLAGE OF DWIGHT, ILLINOIS

Management's Discussion and Analysis - Unaudited  
For the Year Ended March 31, 2013

**Discussion of Financial Statements (Current Year Compared to Prior Year):**

Table 1  
Net Assets

	Governmental Activities			Business-Type Activities		
	2013	2012	% Change	2013	2012	% Change
<b>Assets:</b>						
Current and other assets	\$ 1,462,350	1,779,404	-17.82%	617,764	721,306	-14.35%
Capital assets	4,328,961	3,390,828	27.67%	11,355,113	11,507,641	-1.33%
<b>Total assets</b>	<b>\$ 5,791,311</b>	<b>5,170,232</b>	<b>12.01%</b>	<b>11,972,877</b>	<b>12,228,947</b>	<b>-2.09%</b>
<b>Liabilities:</b>						
Other liabilities	\$ -	-	0.00%	12,479	15,831	-21.17%
Due in one year	219,546	215,829	1.72%	726,875	702,665	3.45%
Long-term debt outstanding	324,804	542,914	-40.17%	5,370,341	6,095,880	-11.90%
<b>Total liabilities</b>	<b>\$ 544,350</b>	<b>758,743</b>	<b>-38.45%</b>	<b>6,109,695</b>	<b>6,814,376</b>	<b>-29.63%</b>
<b>Net assets:</b>						
Invested in capital assets net of debt	\$ 3,784,611	2,632,085	43.79%	5,257,897	4,709,096	11.65%
Restricted	879,102	894,760	-1.75%	87,697	254,166	-65.50%
Unrestricted	583,248	884,644	-34.07%	517,588	451,309	14.69%
<b>Total net assets</b>	<b>\$ 5,246,961</b>	<b>4,411,489</b>	<b>18.94%</b>	<b>5,863,182</b>	<b>5,414,571</b>	<b>8.29%</b>

**Condensed Financial Information:** (Statement of Net Assets)

As shown above, the Village's governmental net assets increased by 18.94% during the current fiscal year. The increase is related to the purchase of a significant amount of capital assets. The Village has \$583,248 in unrestricted net assets to fund daily operations.

Business-type activities net assets increased by 8.29% during the 2013 fiscal year. The change is related to a reduction in debt during the current fiscal year. The Village has \$517,588 to fund the daily Water & Sewer Operations.

In total, the Village's net assets increased by approximately 13.07% which indicates the Village's financial position improved significantly during the current fiscal year.

VILLAGE OF DWIGHT, ILLINOIS

Management's Discussion and Analysis - Unaudited  
For the Year Ended March 31, 2013

Table 2  
Change in Net Assets

	Governmental Activities			Business-Type Activities		
	2013	2012	% Change	2013	2012	% Change
Receipts						
Program Receipts:						
Charges for services	\$ 778,603	815,379	-4.51%	1,862,289	1,917,256	-2.87%
Federal grants, State grants and entitlements	245,717	59,562	312.54%	-	-	0.00%
General Receipts:						
Property taxes	687,758	688,615	-0.12%	-	-	0.00%
Other taxes	1,711,951	1,638,524	4.48%	-	-	0.00%
Other general receipts	107,179	297,594	-63.98%	(23,604)	(23,230)	1.61%
Total receipts	3,531,208	3,499,674	0.90%	1,838,685	1,894,026	-2.92%
Program expenditures						
General government	518,826	1,456,936	-64.39%	-	-	N/A
Garbage services	286,829	306,599	-6.45%	-	-	N/A
Public safety	1,352,355	1,395,035	-3.06%	-	-	N/A
Streets and lighting	310,199	271,096	14.42%	-	-	N/A
Culture & recreation	198,054	181,568	9.08%	-	-	N/A
Water	-	-	0.00%	591,248	1,036,411	-42.95%
Sewer	-	-	0.00%	798,825	807,724	-1.10%
Unallocated interest	29,470	37,366	-21.13%	-	-	N/A
Total expenditures	2,695,733	3,648,600	-26.12%	1,390,073	1,844,135	-24.62%
Change in net assets	835,472	(148,926)	661.00%	448,612	49,891	799.18%
Net assets at beginning of the year	4,411,489	4,560,415	-3.27%	5,414,571	5,364,680	0.93%
Net assets at end of year	\$ 5,246,961	4,411,489	18.94%	5,863,182	5,414,571	8.29%

**Condensed Financial Information:** (Statement of Activities)

Governmental revenues increased from 2012 to 2013 by .90%. The increase is related to an increase to operating grants and contributions. Governmental expenditures decreased by 26.12%. The decrease was due to a decrease in general government expenditures.

Business-type revenues decreased by 2.92% during the current fiscal year. Business-type expenses decreased by 24.62%. The decrease is related to significant water system repairs in fiscal year 2012. There were no such significant repairs in the current fiscal year.

VILLAGE OF DWIGHT, ILLINOIS

Management's Discussion and Analysis - Unaudited  
For the Year Ended March 31, 2013

**Capital Asset and Long-term Debt Activity**

*Capital Assets*

The Village's investment in capital assets for its governmental activities at year end totaled \$4,328,961 (net of accumulated depreciation), while the investment in capital assets for business-type activities at year end totaled \$11,355,113 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, vehicles, other improvements, and infrastructure, such as streets, water and sewer. There were \$1,473,361 (\$1,142,321 governmental & \$331,040 business-type) of capital asset additions recorded during the year, \$0 of net capital asset disposals recorded during the year, and \$687,754 of depreciation charges were expensed on the total capital assets. See footnote 4 for details of capital assets.

Governmental Net Book Value of Capital Assets		
	2013	2012
Land	\$ 136,366	136,366
Buildings & Improvements	3,200,175	2,948,109
Equipment	1,542,420	1,517,802
Infrastructure	2,925,695	2,060,060
Accumulated Depreciation	(3,475,695)	(3,271,509)
<b>Total</b>	<b>\$ 4,328,961</b>	<b>3,390,828</b>

Business-Type Net Book Value of Capital Assets		
	2013	2012
Land	\$ 45,500	45,500
Buildings & Improvements	128,914	128,914
Equipment	864,550	830,767
Infrastructure	17,915,516	17,618,260
Accumulated Depreciation	(7,599,367)	(7,115,800)
<b>Total</b>	<b>\$ 11,355,113</b>	<b>11,507,641</b>

The Village's significant capital purchases consisted of the following:

- Garrett Park improvements	\$ 252,066
- Northbrook and Route 47 improvements	409,847
- East Williams Street construction	718,829

## VILLAGE OF DWIGHT, ILLINOIS

### Management's Discussion and Analysis - Unaudited For the Year Ended March 31, 2013

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#### *Debt Administration*

At March 31, 2013, the Village had \$544,350 in governmental activities long-term debt which consisted of notes payable and bonds payable. Amounts due next year on these obligations are \$219,546.

Governmental Activities - Outstanding Debt		
	2013	2012
Notes payable	\$ 39,350	43,743
Bonds payable	505,000	715,000
Total	<u>\$ 544,350</u>	<u>758,743</u>

At March 31, 2013, the Village had \$6,097,216 in business-type activities long-term debt which consists of an EPA loan payable, equipment notes payable and bonds payable. Amounts due next year on these obligations are \$726,875.

Business-Type Activities - Outstanding Debt		
	2013	2012
EPA loan payable	\$ 4,792,866	5,189,702
Notes payable	39,350	43,843
Bonds payable	1,265,000	1,565,000
Total	<u>\$ 6,097,216</u>	<u>6,798,545</u>

Refer to Note 5 for long-term debt obligation information.

#### **Economic Factors**

Financial and budget planning is directly related to and supportive of the Village's budget plan and operational needs. The Village's financial outlook is influenced by factors such as the economy, employment rates, and commercial and residential growth. On March 31, 2013 the Dwight Correctional Facility closed. This closure is expected to have a significant direct impact on the Village in the subsequent fiscal years due to the elimination of water, sewer, and ambulance fees charged to the prison. Additionally, the closure is expected to indirectly impact the Village, as sales tax revenues will likely decline as a result of decreased patronage of local businesses.

#### **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and potential creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Village of Dwight, Illinois  
209 S. Prairie Ave.  
Dwight, Illinois 60420  
Phone: (815) 584-3077

***FINANCIAL STATEMENTS***



Government-wide Financial Statement  
Statement of Net Assets - Modified Cash Basis  
March 31, 2013

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2013	2012
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 1,462,350	494,502	1,956,852	2,381,412
Accounts receivable	-	123,262	123,262	119,298
Total current assets	1,462,350	617,764	2,080,114	2,500,710
Non-current assets:				
Capital Assets				
Land	136,366	45,500	181,866	181,866
Equipment	1,542,420	864,550	2,406,970	2,348,569
Buildings and improvements	3,200,175	128,914	3,329,089	3,077,023
Infrastructure	2,925,695	17,915,516	20,841,211	19,678,320
Accumulated Depreciation	(3,475,695)	(7,599,367)	(11,075,062)	(10,387,309)
Total non-current assets	4,328,961	11,355,113	15,684,074	14,898,469
Total assets	\$ 5,791,311	11,972,877	17,764,188	17,399,179
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ -	909	909	4,491
Customer deposits	-	11,570	11,570	11,340
Due within one year:				
Notes payable	4,546	4,546	9,092	11,658
Bonds payable	215,000	315,000	530,000	510,000
EPA loan payable	-	407,329	407,329	396,836
Total current liabilities	219,546	739,354	958,900	934,325
Long-term Liabilities:				
Due in more than one year:				
Notes payable	34,804	34,804	69,608	75,928
Bonds payable	290,000	950,000	1,240,000	1,770,000
EPA loan payable	-	4,385,537	4,385,537	4,792,866
Total long-term liabilities	324,804	5,370,341	5,695,145	6,638,794
Total liabilities	\$ 544,350	6,109,695	6,654,045	7,573,119
<u>Net Assets</u>				
Invested in capital assets, net of related debt	\$ 3,784,611	5,257,897	9,042,508	7,341,181
Restricted	879,102	87,697	966,799	1,148,926
Unrestricted	583,248	517,588	1,100,836	1,335,953
Total net assets	\$ 5,246,961	5,863,182	11,110,143	9,826,060

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



Government-wide Financial Statement  
Statement of Activities - Modified Cash Basis  
For the Year Ended March 31, 2013

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Assets	
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-Type Activities	Total
Governmental activities:						
General Government	\$ 518,826	134,203	-	-	(384,623)	(1,192,843)
Garbage services	286,829	279,887	-	-	(6,942)	(7,389)
Public Safety	1,352,355	314,445	-	-	(1,037,910)	(1,047,243)
Streets and lighting	310,199	-	245,717	-	(64,482)	(211,534)
Culture and recreation	198,054	49,043	-	-	(149,011)	(133,172)
Unallocated interest - expense	29,470	-	-	-	(29,470)	(37,366)
Total governmental activities	2,695,733	777,578	245,717	-	(1,672,438)	(2,629,547)
Business-type activities:						
Waterworks	591,248	875,620	-	-	284,372	(273,965)
Sewer	798,825	986,669	-	-	187,844	202,974
Total business-type activities	1,390,073	1,862,289	-	-	472,216	(70,991)
Total primary government	\$ 4,085,806	2,639,867	245,717	-	(1,672,438)	(2,700,538)
General revenues:						
Taxes:						
Property taxes				687,758	-	687,758
Utility tax				370,039	-	370,039
Sales tax				681,230	-	681,230
Income tax				396,381	-	396,381
Replacement tax				38,033	-	38,033
Local use tax				67,049	-	67,049
TIF revenue				27,094	-	27,094
Motor fuel tax				102,321	-	102,321
Hotel/Motel tax				29,804	-	29,804
Interest on investments				10,522	560	11,082
Donations				5,332	-	5,332
Reimbursements				25,335	-	25,335
Other Financing Sources				30,594	(30,594)	-
Miscellaneous				36,422	6,430	42,852
Total general revenues				2,507,914	(23,604)	2,484,310
Change in net assets				835,471	448,612	1,284,083
Net assets at beginning of year				4,411,490	5,414,571	9,826,060
Net assets at end of year				\$ 5,246,961	5,863,182	11,110,143

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

**Statement of Assets, Liabilities, and Fund Balances**  
**Modified Cash Basis - Governmental Funds**  
**March 31, 2013**

	Major Funds			Total	
	General Fund	Reserve Capital Expenditures Fund	Non-major Governmental Funds	Governmental Funds 2013	Governmental Funds 2012
<u>Assets</u>					
Cash	\$ 539,930	588,709	333,711	1,462,350	1,779,404
Due from TIF Fund	209,000	-	-	209,000	191,000
<b>Total assets</b>	<b>\$ 748,930</b>	<b>588,709</b>	<b>333,711</b>	<b>1,671,350</b>	<b>1,970,404</b>
<u>Liabilities and fund balances</u>					
Liabilities:					
Due to General Fund	-	-	209,000	209,000	191,000
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>209,000</b>	<b>209,000</b>	<b>191,000</b>
Fund balances:					
Unassigned	\$ 742,002	-	(208,816)	533,186	834,627
Assigned	-	-	50,062	50,062	50,017
Restricted	6,928	588,709	283,465	879,102	894,760
<b>Total fund balances</b>	<b>748,930</b>	<b>588,709</b>	<b>124,711</b>	<b>1,462,350</b>	<b>1,779,404</b>
<b>Total liabilities and fund balances</b>	<b>\$ 748,930</b>	<b>588,709</b>	<b>333,711</b>		

**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 \$7,804,656 (net of accumulated depreciation of \$3,475,695) are not financial resources and, therefore, are not reported in the funds.	4,328,961	3,390,828
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(544,350)	(758,743)
<b>Net assets of governmental activities</b>	<b>\$ 5,246,961</b>	<b>4,411,489</b>

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended March 31, 2013**

	Major Funds			Total	
	General Fund	Reserve Capital Expenditures Fund	Non-major Governmental Funds	Governmental Funds 2013	Governmental Funds 2012
<b>Revenues received:</b>					
Property taxes	\$ 426,988	-	260,770	687,758	688,615
Utility tax	370,039	-	-	370,039	384,992
Sales tax	681,230	-	-	681,230	672,854
Income tax	396,381	-	-	396,381	316,085
Replacement tax	38,033	-	-	38,033	38,286
Local use tax	67,049	-	-	67,049	62,523
Hotel/Motel tax	29,804	-	-	29,804	32,727
Interest income	5,395	4,447	680	10,522	16,885
Motor Fuel Tax	-	-	102,321	102,321	107,061
TIF Revenue	-	-	27,094	27,094	23,996
Charges for Services	643,375	-	-	643,375	695,398
Fines, fees, and forfeitures	85,235	-	-	85,235	63,517
Grants	9,685	236,032	-	245,717	59,562
Licenses and permits	48,968	-	-	48,968	43,699
Donations	5,332	-	-	5,332	16,408
Reimbursements	21,970	-	3,365	25,335	61,735
Miscellaneous	17,475	-	18,947	36,422	27,570
<b>Total revenues received</b>	<b>2,846,959</b>	<b>240,479</b>	<b>413,177</b>	<b>3,500,615</b>	<b>3,311,913</b>
<b>Expenditures disbursed:</b>					
<b>Current:</b>					
General government	413,968	650,044	330,708	1,394,720	1,118,521
Garbage services	286,829	-	-	286,829	306,599
Public safety	1,352,355	-	-	1,352,355	1,395,035
Streets and lighting	310,199	-	-	310,199	271,096
Culture and recreation	198,054	-	-	198,054	181,568
Capital Outlay	-	62,242	-	62,242	63,429
Debt Service					
Principal	-	4,393	210,000	214,393	246,967
Interest	-	1,440	28,030	29,470	37,366
<b>Total expenditures disbursed</b>	<b>2,561,405</b>	<b>718,119</b>	<b>568,738</b>	<b>3,848,262</b>	<b>3,620,581</b>
<b>Excess (deficiency) of revenues received over (under) expenditures disbursed</b>	<b>285,554</b>	<b>(477,640)</b>	<b>(155,561)</b>	<b>(347,647)</b>	<b>(308,668)</b>

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2013**

Other financing sources (uses):					
Loan Proceeds	-	-	-	-	45,660
Transfers In	-	412,506	244,159	656,665	239,951
Transfers Out	(561,071)	-	(65,000)	(626,071)	(196,302)
Total other financing sources (uses)	(561,071)	412,506	179,159	30,594	89,309
Net Change in fund balance	(275,518)	(65,134)	23,598	(317,053)	(219,359)
Fund balances - beginning	1,024,448	653,843	101,113	1,779,404	1,998,763
Fund balances - ending	\$ 748,930	588,709	124,711	1,462,350	1,779,404

**Reconciliation to the Statement of Activities:**

Net Change in Fund Balances - total governmental funds \$ (317,053) (219,359)

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

Proceeds from debt issuance is an other financing source in the governmental funds, but the issuance increases long-term liabilities in the Statement of Net Assets:

Notes Payable - (45,660)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Bonds Payable 214,393 246,967

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.

Purchase of capital assets 1,142,322 76,369  
 Disposal of capital assets - (19,704)  
 Depreciation (204,186) (187,539)

Change in net assets of governmental activities (Statement B) \$ 835,471 (148,926)

Statement of Fund Net Assets  
Proprietary Funds  
March 31, 2013

	Major Funds					March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Sewer Replacement Reserve Fund	Water Bond Fund	2013	2012
<u>Assets</u>							
Current assets:							
Cash	\$ 271,716	38,639	85,149	49,940	49,058	494,502	602,008
Accounts receivable	60,635	-	62,627	-	-	123,262	119,298
Total current assets	332,351	38,639	147,776	49,940	49,058	617,764	721,306
Non-current assets:							
Land	10,500	-	35,000	-	-	45,500	45,500
Buildings & improvements	128,914	-	-	-	-	128,914	128,914
Equipment	427,377	-	437,173	-	-	864,550	830,767
Infrastructure	6,875,128	-	11,040,388	-	-	17,915,516	17,618,260
Accumulated depreciation	(3,171,279)	-	(4,428,088)	-	-	(7,599,367)	(7,115,800)
Total non-current assets	4,270,640	-	7,084,473	-	-	11,355,113	11,507,641
Total assets	\$ 4,602,991	38,639	7,232,249	49,940	49,058	11,972,877	12,228,947
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	-	-	909	-	-	909	4,491
Customer deposits	11,570	-	-	-	-	11,570	11,340
Bonds payable - current portion	315,000	-	-	-	-	315,000	300,000
EPA loan payable - current portion	-	-	209,360	197,969	-	407,329	396,836
Notes payable - current portion	4,546	-	-	-	-	4,546	5,829
Total current liabilities	331,116	-	210,269	197,969	-	739,354	718,496
Non-current liabilities:							
Bonds payable - long term portion	950,000	-	-	-	-	950,000	1,265,000
EPA Loan Payable - long term portion	-	-	1,170,534	3,215,003	-	4,385,537	4,792,866
Notes Payable - long term portion	34,804	-	-	-	-	34,804	38,014
Total non-current liabilities	984,804	-	1,170,534	3,215,003	-	5,370,341	6,095,880
Total liabilities	1,315,920	-	1,380,803	3,412,972	-	6,109,695	6,814,376
<u>Net Assets</u>							
Invested in capital assets, net of related debt	2,966,290	-	5,704,579	(3,412,972)	-	5,257,897	4,709,096
Restricted	-	38,639	-	-	49,058	87,697	254,166
Unrestricted	320,781	-	146,867	49,940	-	517,588	451,309
Total net assets	\$ 3,287,071	38,639	5,851,446	(3,363,032)	49,058	5,863,182	5,414,571

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 For the Year Ended March 31, 2013

	Major Funds						Year Ended March 31, 2012
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Replacement Reserve Fund	Water Bond Fund	Year Ended March 31, 2013	
Operating revenues:							
Sewer charges	-	-	787,194	199,475	-	986,669	1,010,698
Water charges	874,870	750	-	-	-	875,620	906,558
Reimbursements	-	-	-	-	-	-	144,112
Other	984	-	5,446	-	-	6,430	2,563
Total operating revenues	875,854	750	792,640	199,475	-	1,868,719	2,063,931
Operating expenses:							
Water and sewer operations	313,569	33,660	383,623	4,422	-	735,274	1,299,421
Depreciation	203,034	-	280,533	-	-	483,567	478,400
Total operating expenses	516,603	33,660	664,156	4,422	-	1,218,841	1,777,821
Operating income (loss)	359,251	(32,910)	128,484	195,053	-	649,878	286,110
Non-operating revenues (expenses):							
Agent fees	-	-	-	-	(495)	(495)	(475)
Interest income	214	104	126	73	43	560	1,647
Interest expense	(1,440)	-	-	(130,247)	(39,050)	(170,737)	(209,951)
Total non-operating revenues (expenses)	(1,226)	104	126	(130,174)	(39,502)	(170,672)	(208,779)
Income (loss) before transfers	358,025	(32,806)	128,610	64,879	(39,502)	479,206	77,331
Transfers in	169,611	36,400	115,126	196,875	39,050	557,062	408,254
Transfers out	(91,345)	(169,611)	(211,574)	(115,126)	-	(587,656)	(435,694)
Total	78,266	(133,211)	(96,448)	81,749	39,050	(30,594)	(27,440)
Change in net assets	436,291	(166,017)	32,162	146,628	(452)	448,612	49,891
Total net assets - beginning	2,850,780	204,656	5,819,284	(3,509,660)	49,510	5,414,571	5,364,680
Total net assets - ending	\$ 3,287,071	38,639	5,851,446	(3,363,032)	49,058	5,863,182	5,414,571

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2013**

	2013	2012
Cash flows From operating activities:		
Receipts from customers	\$ 1,864,755	1,944,633
Payments for goods and services	(370,211)	(951,285)
Payments to employees	(368,646)	(351,689)
Net cash provided by operating activities	<u>1,125,898</u>	<u>641,659</u>
Cash flows from noncapital financing activities:		
Increase/(decrease) in current liabilities	230	971
Transfers (to) from other funds	(30,594)	(27,440)
Net cash provided by (used in) noncapital financing activities	<u>(30,364)</u>	<u>(26,469)</u>
Cash flows from capital financing activities:		
Capital purchases	(331,039)	(36,527)
Principal paid on capital debt	(701,329)	(648,074)
Interest paid on loan payable	(171,232)	(210,426)
Net cash provided by (used in) capital financing activities	<u>(1,203,600)</u>	<u>(895,027)</u>
Cash flows from investing activities:		
Interest	560	1,647
Net cash provided by investing activities	<u>560</u>	<u>1,647</u>
Net increase (decrease) in cash and cash equivalents	(107,506)	(278,190)
Cash balance - beginning of the year	<u>602,008</u>	<u>880,198</u>
Cash Balance - end of the year	<u>\$ 494,502</u>	<u>602,008</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 649,878	286,110
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	483,567	478,400
Changes in assets and liabilities	(7,547)	(122,851)
Net cash provided by operating activities	<u>\$ 1,125,898</u>	<u>641,659</u>

Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 March 31, 2013

		Agency Funds	
		March 31,	
		2013	2012
	<u>Assets</u>		
Cash		\$ 4,530	5,487
Total assets		<u>\$ 4,530</u>	<u>5,487</u>
	<u>Liabilities</u>		
Payable to others		\$ 4,530	5,487
Total liabilities		<u>\$ 4,530</u>	<u>5,487</u>





***NOTES TO FINANCIAL STATEMENTS***



## VILLAGE OF DWIGHT, ILLINOIS

### Notes to Financial Statements For the Year Ended March 31, 2013

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Dwight 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 Village's accounting policies are described below.

#### A. *Reporting Entity*

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

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

*A. Reporting Entity – (Continued)*

Government-wide and Fund Financial Statements:

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

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

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

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

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

*B. Fund Accounting*

The accounts of the Village 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. Village 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 Village has the following funds:

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

B. *Fund Accounting* – (Continued)

General Fund - The General Fund is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the Village, including operation of the Village's general service departments, street and highway maintenance, and public safety are accounted for in this fund.

Reserve for Capital Expenditures Fund – accounts for funds set aside for the acquisition of capital assets, except for those funded by enterprise fund activities.

The other governmental funds of the Village are considered non-major and are as follows:

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds to specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds are:

FICA/IMRF Fund – accounts for taxes restricted for payment of retirement benefits to social security and the Illinois Municipal Retirement Fund.

CDAP Economic Development – accounts for funds restricted for loans and grants to encourage economic development in the Village.

Commercial Rent Subsidy Fund – accounts for funds restricted for providing rent subsidies for one year with the intent to benefit tenants and landlords by better utilization of existing commercial structures in the Village.

Commercial Rehabilitation Loan Fund – accounts for funds restricted for loans provided from a consortium of lending institutions in financing the restoration and/or rehabilitation of properties in the area.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is a Special Revenue Fund used to account for the motor fuel tax monies received from the State of Illinois. These monies are restricted for street and road project expenditures approved by the State of Illinois.

TIF Fund - The TIF Fund is described in detail in Note 18 to these financial statements.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. The 2005 MFT and the Public Service Bond Funds are the Village's only Debt Service funds. The fund balances of the funds are reserved to signify the amounts that are restricted exclusively for debt service expenses.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

*B. Fund Accounting – (Continued)*

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. The Waterworks Fund, Water Capital Fund, Sewer Fund, Sewer Replacement Fund, and Water Bond Fund are the major enterprise funds of the Village. Operating revenues include user charges and reimbursements, and operating expenses include the costs associated with providing goods and services to the public. Non-operating revenues and expenses include interest and fiscal agent fees.

*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.

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

All proprietary funds are accounted for using the accrual basis of accounting in fiscal year 2013. Revenues are recognized when earned. Expenses are recognized when incurred. In the prior year, all proprietary funds were accounted for using the cash basis of accounting.

Accrual basis financial statements include recognition of receivables and payables and other accrued and deferred items.

*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.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

*D. Capital Assets and Long-Term Liabilities – (Continued)*

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. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. The service lives by type of asset are as follows:

Buildings & Infrastructure	40 years
Improvements	10 years
Equipment	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.

The 2011 property tax levy, in the amount of \$632,000 was received by the Village in the current fiscal year. The 2012 tax levy in the amount of \$632,000 was adopted on December 10, 2012 and will be received by the Village in the subsequent fiscal year.

*F. Budgets and Budgetary Accounting*

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

1. The municipal budget officer compiles a budget containing estimates of revenues available to the Village for the fiscal year for which the budget is drafted, together with recommended expenditures for the Village and all the Village's departments, commissions and boards.
2. Passage of the annual budget by the Board of Trustees is in lieu of passage of the appropriation ordinance as required by Section 8-2-9 of the Illinois Municipal Code.
3. The annual budget is adopted by the Board of Trustees before the beginning of the fiscal year to which it applies.
4. Formal budgetary integration is employed as a management control device at the fund level during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. The Budget is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Budgetary comparisons presented in this report are on this non-GAAP budgetary basis. On March 26, 2012 the Village approved Ordinance No. 1313 adopting the annual budget for the fiscal year ending March 31, 2013 and the Village amended the budget on March 29, 2013.



VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

*G. 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 Village's financial position and operations. Certain amounts for 2012 may have been reclassified to conform to the 2013 presentation.

**NOTE 2: CASH AND INVESTMENTS**

Illinois statute authorizes the Village to invest in obligations of the U.S. Treasury, U.S. Agencies and banks and savings and loan associations covered by the federal depository insurance. The Village may also invest in commercial paper of U.S. corporations with assets exceeding \$500,000,000 provided that (a) the obligations are rated with the three highest classifications by at least two standards rating services and they mature within 180 days from the date of purchase, and (b) no more than 25% of any fund is invested in such obligation at any one time and (c) such purchases do not exceed 10% of the corporation's outstanding obligations.

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.

Separate bank accounts are not maintained for all Village 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 Village Council.

Cash and investments as of March 31, 2013 are classified for the Village as follows:

**Statement of Net Assets**

Cash	\$ 828,894
Investments	<u>1,127,958</u>
Total	<u>\$ 1,956,852</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

The Village's deposits and certificates of deposits are required to be 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 Village's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At March 31, 2013, the carrying amount of the Village's deposits was \$1,956,852 and the bank balance was \$2,134,135.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category #1	\$ -	-
Category #2	1,032,552	1,209,835
Category #3	794,547	794,547
IL Funds	<u>129,753</u>	<u>129,753</u>
Total	<u>\$ 1,956,852</u>	<u>2,134,135</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.

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. The Village does not have a deposit policy for custodial credit risk.

**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.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

**NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 136,366	-	-	136,366
Capital assets being depreciated				
Machinery & equipment	1,517,800	24,620	-	1,542,420
Infrastructure	2,060,060	865,635	-	2,925,695
Buildings	2,948,109	252,066	-	3,200,175
Total capital assets being depreciated	6,525,969	1,142,321	-	7,668,290
Less accumulated depreciation for:				
Machinery & equipment	(1,308,112)	(70,162)	-	(1,378,274)
Infrastructure	(311,191)	(73,144)	-	(384,335)
Buildings	(1,652,206)	(60,880)	-	(1,713,086)
Total accumulated depreciation	(3,271,509)	(204,186)	-	(3,475,695)
Total capital assets being depreciated, net	3,254,460	938,135	-	4,192,595
Governmental activities capital assets, net	<u>\$ 3,390,826</u>	<u>938,135</u>	<u>-</u>	<u>4,328,961</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land - Water Fund	\$ 10,500	-	-	10,500
Land - Sewer Fund	35,000	-	-	35,000
Total capital assets not being depreciated	45,500	-	-	45,500
Capital assets being depreciated				
Buildings/infrastructure - Water Fund	128,914	-	-	128,914
Utility Systems - Water Fund	6,705,514	169,611	-	6,875,125
Equipment - Water Fund	416,654	10,724	-	427,378
Utility Systems - Sewer Fund	10,912,742	127,645	-	11,040,387
Equipment - Sewer Fund	414,116	23,060	-	437,176
Total capital assets being depreciated	18,577,940	331,040	-	18,908,980
Less accumulated depreciation for:				
Buildings/infrastructure - Water Fund	(122,467)	(3,223)	-	(125,690)
Utility Systems - Water Fund	(2,534,100)	(171,878)	-	(2,705,978)
Equipment - Water Fund	(311,677)	(27,933)	-	(339,610)
Utility Systems - Sewer Fund	(3,803,640)	(259,560)	-	(4,063,200)
Equipment - Sewer Fund	(343,915)	(20,974)	-	(364,889)
Total accumulated depreciation	(7,115,799)	(483,568)	-	(7,599,367)
Total capital assets being depreciated, net	11,462,141	(152,528)	-	11,309,613
Business-type activities capital assets, net	<u>\$ 11,507,641</u>	<u>(152,528)</u>	<u>-</u>	<u>11,355,113</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

**NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS**

The following is a summary of general long-term debt transactions of the Village for the year ended March 31, 2013:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
<b>Governmental Activities:</b>					
Equipment Installment Note	\$ 43,743	-	4,393	39,350	4,546
Bonds Payable - Series 2009	370,000	-	100,000	270,000	100,000
Bonds Payable - MFT	345,000	-	110,000	235,000	115,000
Total Governmental Activities	\$ 758,743	-	214,393	544,350	219,546
<b>Business-type Activities:</b>					
Equipment Installment Note	\$ 43,743	-	4,393	39,350	4,546
Bonds Payable - Series 2010	1,565,000	-	300,000	1,265,000	315,000
IEPA Loan Payable	3,606,083	-	193,111	3,412,972	197,969
IEPA Loan Payable	715,246	-	121,792	593,454	125,337
IEPA Loan Payable	868,373	-	81,933	786,440	84,023
Total Business-type Activities	\$ 6,798,445	-	701,229	6,097,216	726,875

At March 31, 2013, bonds and notes payable consisted of the following:

\$630,000 – Refunding Bond (Alternate Revenue Source) Series 2009, due in annual installments of \$75,000 - \$105,000 from December 1, 2009 through December 1, 2015, interest ranges from 2.5% to 2.85%.

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2014	\$ 100,000	3,848	3,848	107,696
2015	105,000	2,423	2,423	109,846
2016	65,000	926	926	66,852
	\$ 270,000	7,197	7,197	284,394

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

\$1,000,000 – General Obligation Bond (Alternate Revenue Source), due in annual installments of \$85,000 - \$120,000 from December 1, 2005 through December 1, 2014, interest ranges from 4.5% to 5.1%.

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2014	\$ 115,000	5,993	5,993	126,986
2015	120,000	3,060	3,060	126,120
	<u>\$ 235,000</u>	<u>9,053</u>	<u>9,053</u>	<u>253,106</u>

Equipment Installment Note – due to Merchants Capital Resources, Inc., payable in 60 monthly installments of \$972.18 including interest at 3.45%, with a balloon payment in the amount of \$44,738.80 due on November 8, 2016. The outstanding balance of this note at March 31, 2013 is \$78,700. The debt balance and related payments are equally split between the Reserve for Capital Expenditures Fund (Governmental) and the Waterworks Fund.

Due During Year Ended March 31,	Principal	Interest	Total
2014	\$ 9,094	2,572	11,666
2015	9,413	2,253	11,666
2016	9,712	1,954	11,666
2017	50,481	1,093	51,574
	<u>\$ 78,700</u>	<u>7,872</u>	<u>86,572</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

\$1,840,000 – 1994 General Obligation Refunding Waterworks Bonds, Series 2010, payable beginning December 1, 2011 through December 1, 2016, interest ranges from 2.3% to 3.00% and are not subject to redemption prior to maturity.

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2014	\$ 315,000	16,075	16,075	347,150
2015	325,000	12,453	12,453	349,906
2016	330,000	8,715	8,715	347,430
2017	295,000	4,425	4,425	303,850
	<u>\$ 1,265,000</u>	<u>41,668</u>	<u>41,668</u>	<u>1,348,336</u>

Note Payable – Illinois Environmental Protection Agency (IEPA), payable in semi-annual installments of \$70,795 inclusive of interest, term of the loan agreement is from July 17, 1998 to July 17, 2017, interest rate of 2.89%.

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2014	\$ 125,330	8,585	7,676	141,591
2015	128,988	6,764	5,839	141,591
2016	132,743	4,900	3,948	141,591
2017	136,607	2,982	2,002	141,591
2018	69,786	1,012	-	70,798
	<u>\$ 593,454</u>	<u>24,243</u>	<u>19,465</u>	<u>637,162</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

Note Payable – Illinois Environmental Protection Agency (IEPA), payable in semi-annual installments of \$51,715 inclusive of interest, term of the loan agreement is from June 1, 2002 to June 1, 2021, interest rate of 2.535%.

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2014	\$ 83,955	10,002	9,473	103,430
2015	86,133	8,937	8,360	103,430
2016	88,297	7,845	7,288	103,430
2017	90,551	6,725	6,154	103,430
2018	92,887	5,576	4,967	103,430
2019	95,302	4,364	3,764	103,430
2020	97,733	3,156	2,541	103,430
2021	100,226	1,918	1,286	103,430
2022	51,356	648	-	52,004
	<u>\$ 786,440</u>	<u>49,171</u>	<u>43,833</u>	<u>879,444</u>

\$4,500,000 Note Payable - Illinois Environmental Protection Agency (IEPA), payable in semi-annual installments inclusive of interest at 2.5%, term of the loan agreement is from November 15, 2006 to December 15, 2027.

Due During Year Ended March 31,	Principal	Interest		Total
		September 27	March 27	
2014	\$ 197,969	42,662	41,433	282,064
2015	202,949	40,188	38,927	282,064
2016	208,055	37,651	36,358	282,064
2017	213,289	35,050	33,725	282,064
2018	218,654	32,384	31,026	282,064
2019	224,155	29,651	28,258	282,064
2020	229,794	26,849	25,421	282,064
2021	235,575	23,976	22,513	282,064
2022	241,500	21,032	19,532	282,064
2023	247,576	18,013	16,475	282,064
2024	253,804	14,918	13,342	282,064
2025	260,188	11,746	10,130	282,064
2026	266,734	8,493	6,837	282,064
2027	273,444	5,159	3,461	282,064
2028	139,286	1,746	-	141,032
	<u>\$ 3,412,972</u>	<u>349,518</u>	<u>327,438</u>	<u>4,089,928</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

**NOTE 6: INDIVIDUAL FUND DISCLOSURES**

During the course of normal operations, the Village has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary type funds financial statements generally reflect such transactions as transfers.

All Village 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 March 31, 2013, there was \$209,000 payable from the TIF Fund to the General Fund. A temporary transfer was made from the General Fund to cover TIF Fund expenditures in the current year.

The transfers represent both routine and non-routine items. Generally, transfers occur to meet the operating purposes of another fund. Transfers were made to debt service and special revenue funds from the General Fund and the MFT Fund. Transfers were made to capital projects and debt service funds from the Water & Sewer Funds. The transfers were made to fund capital projects and for the Village to pay long-term debt.

<u>Fund</u>	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
Governmental Funds:		
General Fund	\$ -	561,072
Reserve Capital Expenditures	412,506	-
Public Service Bond Fund	111,045	-
MFT Bond Fund	127,985	-
Motor Fuel Tax	5,129	65,000
Total Governmental Funds	656,665	626,072
Business-type Funds:		
Water Capital Project Fund	36,400	169,611
Water Fund	169,611	91,345
Water Bond Fund	39,050	-
Sewer Replacement Reserve	196,876	115,126
Sewer Fund	115,126	211,574
Total Business-type Funds:	557,063	587,656
Total Transfers	\$ 1,213,728	1,213,728



VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

**NOTE 7: PARTICIPATION IN PUBLIC ENTITY RISK POOL**

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village participates in the Illinois Municipal League Risk Management Association. The Village is liable for up to a \$500 annual deductible for all years it participates in the plan. The Village's policy is to record any related expenditures in the year in which the Village is notified and pays the assessment. The Village is not aware of any additional assessments owed as of March 31, 2013.

During the year ended March 31, 2013, 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 Village is not a defendant in any current litigation. With regards to other pending matters, the eventual outcome and the related liability, if any, is not determinable at this time

**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 contribution rate for calendar year 2012 was 15.90 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.

*Annual Pension Cost* - The required contribution for calendar year 2012 was \$180,369.

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2012	180,369	100%	\$ -
12/31/2011	175,404	100%	-
12/31/2010	177,987	100%	-

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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**NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) - (Continued)**

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 85.36 percent funded. The actuarial accrued liability for benefits was \$4,180,702 and the actuarial value of assets was \$3,568,720, resulting in an under funded actuarial accrued liability (UAAL) of \$611,982. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,134,395 and the ratio of the UAAL to the covered payroll was 54 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.

**NOTE 10: COMPENSATED ABSENCES**

The Village provides full-time employees with vacation, sick, and personal leave in varying amounts.

Vacation pay is awarded, based on years of service, annually at the beginning of each employee's employment anniversary date. Vacation must be taken during the year and may only be carried over if approved by the employee's immediate supervisor. Unused vacation days are paid to all employees upon separation of service. The Village's obligation for unused vacation at March 31, 2013 was \$61,794.

Each employee is awarded eight hours of sick pay for each month worked during a calendar year. Sick pay may be accumulated up to 700 hours. Employees have the option of trading unused sick leave exceeding 700 hours for additional vacation time at a rate of two hours for one hour of vacation.

Following the end of the calendar year, employees with excess accumulated sick leave hours are paid one hour of pay for every two hour in excess of the 700 maximum accumulation. Accumulated sick hours are paid to employees when they separate from service due to retirement or a reduction in work force. The total accumulated sick leave obligation at year end was \$259,652.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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**NOTE 11: LEGAL DEBT MARGIN**

The following schedule illustrates the legal debt margin of the Village as of March 31, 2013:

Assessed valuation - 2012		<u>\$ 69,188,903</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 5,967,543
Debt outstanding at March 31, 2013:		
Notes payable	\$ 78,700	
General obligation bonds payable	1,770,000	
EPA loans payable	<u>4,792,866</u>	
	6,641,566	
EPA loan and other debt not included for purposes of debt limitation statute	<u>(6,641,566)</u>	<u>-</u>
Legal debt margin		<u>\$ 5,967,543</u>

**NOTE 12: SOCIAL SECURITY**

Employees not qualifying for coverage under the Illinois Retirement Fund are considered as "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Village paid \$96,001, the total required contribution for the year ended March 31, 2013.

**NOTE 13: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure, as part of the fund financial statements, an overview of certain information concerning individual funds including:

The following funds overspent their appropriations, due to depreciation expensed, by the amount stated:

Waterworks Fund	\$ 34,136
Sewer Fund	173,044

**NOTE 14: RESTRICTED FUND BALANCE**

Amounts classified as restricted fund balance represent portions of fund balance which are specifically restricted by legal or administrative policy are not available for general operation expenditures.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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**NOTE 14: RESTRICTED FUND BALANCE – (Continued)**

**Restricted tax levies:**

Cash receipts and the related disbursements of the following restricted tax levies are accounted for in the General Fund. A portion of the General Fund's equity represents cumulative receipts over cumulative disbursements which is restricted for future expenditures for the following purposes:

	<u>Levy</u>	<u>Expenditure</u>	<u>Restricted Balance</u>
Audit	\$ 11,012	8,250	6,928
Street Lighting	36,391	64,144	-
Parks	54,586	101,928	-
Road & Bridge	64,229	239,352	-
Liability Insurance	103,110	104,456	-
Total	<u>\$ 269,328</u>	<u>518,130</u>	<u>6,928</u>

**NOTE 15: MOTOR FUEL TAX ALLOTMENTS**

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

**NOTE 16: GRANTS**

The Village has been awarded a grant from Illinois Department of Commerce and Economic Opportunity. The grant was awarded to the Village for electric vehicle charging rebate program. The Village received a total of \$3,500 for this program during the 2013 fiscal year.

The Village also was awarded \$3,185 from the Department of Justice. The grant is to cover costs related buying police vests.

The Village was approved for a Safe Route to School Grant from Illinois Department of Transportation on February 3, 2012. Work is planned to start in June 2013. The grant requires a 80% to 20% split with the Village paying 20% of the expenditures on the project. Revenues and expenditures for the Illinois Department of Transportation's portion will be recognized in fiscal year 2014.

**NOTE 17: 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.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

The Village health plan for employees contains a provision whereby the Village will pay single health insurance premiums for retiring full-time employees that have a minimum of 15 years of service with the Village. The Village pays a percentage of the premium ranging from 50% to 70% depending on the years of service at retirement until the retiree becomes eligible for Medicare. The Village pays no part of the premiums once the retiree reaches age 65, but the retiree is eligible to remain on the group policy and pay the monthly premiums. The Village has not determined the actuarial obligation attributable to this plan.

**NOTE 18: TIF DISTRICT**

On April 3, 2009, the Village Board of Trustees passed Ordinance 1264 establishing a tax increment financing district. The goal of the Tax Increment Financing law is to induce private development, which would not occur without public expenditures, in economically depressed areas in order to improve property value and eliminate blight.

Also on April 3, 2009, the Village approved the Downtown/IL 47 Redevelopment Plan and Project and designated the Downtown/IL 47 Redevelopment Project Area as the TIF District.

The Village will use incremental tax revenues to pay for redevelopment project costs and obligations incurred during both projects.

The TIF Fund is accounted for on these financial statements as a Special Revenue Fund.

The Village made payments totaling \$49,675 to developers and \$212 to engineers during the current fiscal year per an approved agreement.

Currently, the General Fund is covering all shortfalls until Property Tax basis increases.

**NOTE 19: FUND BALANCE – GASB 54 PRESENTATION**

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

	<u>Nonspendable</u>	<u>Committed</u>	<u>Assigned</u>	<u>Restricted</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
General Fund	-	-	-	6,928	742,002	748,930
Reserve for Capital Expenditures	-	-	-	588,709	-	588,709
Motor Fuel Tax	-	-	-	127,100	-	127,100
FICA & IMRF	-	-	-	75,994	-	75,994
Commercial Rent Subsidy	-	-	9,886	-	-	9,886
Commercial Rehab	-	-	40,176	-	-	40,176
TIF	-	-	-	-	(208,816)	(208,816)
CDAP Economic Development	-	-	-	79,717	-	79,717
2005 MFT Bond	-	-	-	654	-	654
Total All Funds	<u>\$ -</u>	<u>-</u>	<u>50,062</u>	<u>879,102</u>	<u>533,186</u>	<u>1,462,350</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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

*A. Non-spendable Fund Balance*

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

*B. Restricted Fund Balance*

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Village 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 Village 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 Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village 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.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Financial Statements  
For the Year Ended March 31, 2013

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**NOTE 20: LEASES**

The Village has a lease agreement with McGrath Office Equipment for a copy machine. Payments are made monthly in the amounts of \$225, and the lease expires August 3, 2014. The Village also has a lease agreement with NeoPost for a postage machine. Payments are made monthly in the amount of \$26, and lease payments are scheduled to increase at 5% annually. The lease is being carried on a month-to-month agreement and has no expiration date. The following is the schedule of the annual obligations:

<u>YEAR ENDING</u> <u>MARCH 31,</u>	<u>McGrath</u>	<u>NeoPost</u>	<u>Total</u>
2014	\$ 2,700	330	3,030
2015	1,125	347	1,472
2016	-	364	364
2017	-	382	382
2018	-	401	401

**NOTE 21: CDAP LOAN BANKRUPTCY**

The Village has two loan agreements with Spuds, Inc. and one with Dwight Restaurant Group, LLC. Spuds, Inc. has declared bankruptcy and currently owes the Village a remaining balance of \$201,587. The Village is legally pursuing the amount owed to them but has not determined at this time what will be collected in the future. The loan with Dwight Restaurant Group, LLC. is currently behind in payments to the Village and as of March 31, 2013 the outstanding loan balance still owed to the Village is \$67,614.

**NOTE 22: DEVELOPMENT AGREEMENT**

The Village has a development agreement with Love's Travel Stops and Country Stores, Inc. for reimbursement of payments provided for Northbrook Drive and Route 47 improvements.

Love's provided the Village \$144,112 in 2011 to assist the Village in paying for the cost of installation of street lights at Illinois Route 47 and Northbrook Drive. Under the agreement, the Village is to reimburse Love's the full amount from 90% of the Village's share of retail sales tax generated by Loves. During the year ended March 31, 2013, the Village reimbursed Love's \$73,038. The outstanding balance owed to Love's as of March 31, 2013 is \$71,074.

***REQUIRED SUPPLEMENTARY INFORMATION***





VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-1

Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

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<u>Assets</u>		
Cash		\$ 539,930
Due from Tax Increment Financing Fund		<u>209,000</u>
Total assets		<u>\$ 748,930</u>
<u>Fund Balance</u>		
Fund balance:		
Unassigned		\$ 742,002
Restricted for audit		<u>6,928</u>
Total fund balance		<u>\$ 748,930</u>

VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-2

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Property taxes	\$ 434,000	434,000	426,988	408,388
Utility tax	235,000	220,000	227,043	235,162
Telecommunications taxes	150,000	140,000	142,996	149,830
Hotel/Motel taxes	32,000	28,000	29,804	32,727
State sales tax	680,000	670,000	681,230	672,854
State income taxes	341,652	341,652	396,381	316,085
Local use taxes	67,308	67,308	67,049	62,523
Replacement taxes	35,250	35,250	38,033	38,286
Gas tax refund	1,250	1,250	2,068	3,699
Garbage/refuse	244,000	290,938	279,887	299,210
Ambulance receipts	300,000	280,000	276,683	288,317
Police compensation	43,000	35,000	37,762	59,475
Grants	25,000	5,000	9,685	59,562
Interest income	8,000	5,000	5,395	8,136
Miscellaneous	16,500	3,500	14,099	7,873
Permits	13,050	7,850	8,829	16,398
Licenses	27,700	27,150	40,139	27,301
County fines	44,915	46,165	67,611	52,419
Village fines	10,500	10,500	17,624	11,098
Donations	2,300	2,800	5,332	16,408
Park/Pool charges for service	46,200	44,400	49,043	48,396
Tourism revenue	2,500	2,000	3,376	-
Retiree insurance reimbursement	12,400	12,400	19,902	20,207
Reimbursements	6,060	6,060	-	2,512
Total revenues received	\$ 2,778,585	2,716,223	2,846,959	2,836,866

VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-2  
(Continued)

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Expenditures disbursed:				
General Government:				
Current:				
Salaries - Employees	\$ 84,500	\$ 85,540	83,388	82,554
Salaries - Elected	21,500	21,500	16,270	22,505
Employee benefits	40,241	35,391	32,775	33,806
Unemployment insurance	300	250	250	149
Worker's compensation	2,200	1,000	8,245	17,036
Transportation services	4,000	4,800	4,800	4,000
Building maintenance	16,500	16,500	14,071	15,792
Equipment maintenance	5,000	8,500	8,394	7,733
Engineering services	25,000	20,000	9,198	6,242
Legal & professional services	45,500	51,750	31,214	61,658
Dues and fees	2,000	4,000	1,451	1,776
Printing and publications	2,000	2,000	957	1,091
Postage	4,000	4,000	2,896	3,433
Telephone	3,500	4,000	2,727	3,182
Travel	2,000	-	428	-
Training	2,000	2,000	430	338
Economic development	22,000	26,000	25,181	16,183
Hotel/Motel expenditures	50,000	35,000	31,872	22,491
Utilities	3,000	3,000	1,292	2,483
Insurance	17,500	17,500	37,202	35,347
Equipment rental	4,500	4,500	4,351	3,012
Other contractual services	1,500	1,500	1,059	1,448
Maintenance supply - building	2,000	2,000	868	1,109
Maintenance supply - equipment	1,000	1,000	40	56
Office supplies	4,500	4,500	3,214	3,349
Sales tax paid	120	120	114	118
Sales tax abatement	-	75,000	73,038	2,754
Miscellaneous expense	20,277	15,000	10,375	12,516
Capital Outlay	-	-	-	-
Garbage disposal:				
Current:				
Disposal services	240,000	286,938	286,133	306,159
Postage	400	150	573	-
Supplies	150	150	123	122
Miscellaneous expense	150	500	-	318

VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-2  
(Continued)

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Expenditures disbursed (Continued):				
Public Safety:				
Current:				
Salaries - Employees	\$ 598,798	\$ 606,648	571,858	560,531
Employee benefits	86,410	81,410	77,702	68,340
Unemployment insurance	1,000	1,250	1,223	177
Worker's compensation	25,500	10,000	8,548	23,545
Uniform allowance	7,500	7,500	3,333	6,649
Contractual services	24,831	25,000	24,658	25,547
Maintenance - equipment	5,500	5,500	4,074	3,321
Maintenance - vehicles	8,000	8,000	4,277	9,437
Telephone	6,500	7,000	6,449	6,342
Printing & advertising	1,250	1,250	987	1,680
Dues and fees	1,500	1,750	1,860	1,262
Travel expense	2,500	2,500	340	228
Training expense	5,000	6,500	6,386	1,201
Insurance	18,500	18,500	17,837	16,834
Supplies	3,500	3,500	3,009	2,797
Fuel/oil	34,000	34,000	31,559	29,571
Drug enforcement	-	-	-	105
Canine unit	1,500	1,500	-	5,146
Officer friendly expenditures	7,500	7,500	8,099	7,195
Range expense	1,500	1,500	-	4,541
Prisoner medical care	500	500	-	-
Humane officer & animal control	1,000	1,000	61	480
Miscellaneous	3,000	3,000	2,399	2,196
Capital Outlay	-	-	-	6,222
ESDA:				
Current:				
Salaries	1,500	1,500	1,368	654
Unemployment insurance	15	15	10	5
Contractual services	5,500	5,500	5,344	5,370
Repair & maintenance	1,000	1,000	399	17
Telephone	600	600	548	554
Training expense	-	-	-	210
Insurance	50	50	23	28
Other	250	250	176	369
Capital Outlay	-	-	-	-

VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-2  
(Continued)

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Expenditures disbursed (Continued):				
Ambulance Services:				
Current:				
Salaries	\$ 71,330	\$ 71,330	71,301	69,224
Employee benefits	9,141	9,141	8,330	7,371
Unemployment insurance	80	110	102	-
Worker's compensation	9,000	8,000	3,225	7,832
Uniform allowance	3,500	3,500	1,358	3,741
Contractual services	435,616	435,616	399,315	441,722
Ambulance - OT	10,000	10,000	8,752	7,265
Ambulance - other	21,400	21,400	21,190	21,300
Maintenance - equipment	2,000	6,500	6,410	2,545
Maintenance - vehicles	10,000	15,000	13,604	15,255
Telephone	2,800	3,000	2,860	2,847
Printing & publications	150	150	-	-
Dues and fees	300	1,000	900	678
Travel expense	200	200	-	135
Training expense	2,000	1,800	1,321	2,146
Insurance	5,000	8,000	7,625	3,725
Office supplies	1,500	1,500	998	1,145
Other supplies	1,500	1,500	1,150	1,338
Medical supplies	9,000	10,500	10,463	10,753
Fuel/oil	19,000	19,000	16,215	16,285
Donations	1,500	1,500	1,348	1,202
Miscellaneous expense	1,000	1,500	1,229	1,401
Capital Outlay	-	-	-	-
Streets & Lighting:				
Current:				
Salaries	61,500	62,000	46,505	44,820
Salaries - OT	2,250	3,300	3,217	2,407
Employee Benefits	8,118	8,118	6,942	6,144
Unemployment insurance	150	150	85	4
Worker's compensation	5,500	5,500	2,222	3,739
Uniform allowance	420	420	192	389
Contractual services	1,000	1,000	-	-
Maintenance - equipment	20,000	20,000	10,419	24,725
Maintenance - streets & alleys	65,000	40,000	31,223	27,134
Maintenance - lighting	2,000	3,750	3,607	1,273
Maintenance - sidewalks	5,000	5,000	840	564
Maintenance - trees	15,000	17,500	17,150	14,950

VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-2  
(Continued)

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Expenditures disbursed (Continued):				
Streets & Lighting (Continued):				
Utilities	\$ 38,500	\$ 37,250	29,314	31,477
Snow removal	22,500	22,500	19,803	12,614
Construction projects	-	100,000	101,984	62,682
Creek maintenance	15,000	15,000	4,159	3,000
Engineering services	14,000	15,000	9,659	13,589
Telephone	900	900	876	829
Printing & publications	200	200	-	-
Training expense	250	250	135	53
Insurance	6,250	6,750	6,703	5,345
Operating supplies	3,500	3,500	1,599	2,420
Small tools	500	500	395	388
Fuel/oil	15,000	15,000	12,890	12,310
Miscellaneous expense	500	500	280	240
Parks and Recreation:				
Current:				
Salaries	90,000	91,000	78,400	80,603
Salaries - OT	2,000	2,000	178	1,526
Employee benefits	14,212	14,212	12,495	11,057
Unemployment insurance	243	300	285	181
Worker's compensation	3,500	3,500	1,475	2,550
Uniform allowance	750	750	639	701
Repair & maintenance	7,500	7,500	1,679	4,940
Maintenance - equipment	6,000	6,000	2,871	4,263
Construction projects	1,000	2,250	-	-
Utilities	1,200	1,200	778	784
Insurance	5,500	34,000	33,750	5,025
Operating supplies	2,000	2,000	39	700
Fuel/oil	6,500	6,500	3,089	4,745
Miscellaneous	500	500	-	-
Pool:				
Current:				
Salaries	37,500	37,500	35,068	35,055
Unemployment insurance	250	275	256	236
Worker's compensation	3,000	3,000	465	2,549
Maintenance - pool	7,500	9,000	8,679	7,446
Telephone	800	800	734	760
Printing	550	550	300	300

VILLAGE OF DWIGHT, ILLINOIS  
GENERAL FUND

SCHEDULE A-2  
(Continued)

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Expenditures disbursed (Continued):				
Pool (Continued):				
Utilities	\$ 8,000	\$ 8,000	7,284	7,123
Insurance	1,500	1,500	1,316	1,417
Supplies	1,250	1,250	719	1,163
Concession stand supplies	7,500	6,500	4,477	6,468
Sales tax paid	750	750	669	691
Swim team expense	1,000	1,600	1,571	391
Miscellaneous expense	805	1,000	838	894
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures disbursed	<u>2,611,907</u>	<u>2,836,084</u>	<u>2,561,405</u>	<u>2,529,888</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	166,678	(119,861)	285,554	306,978
Other financing sources (uses):				
Transfers out	<u>(249,895)</u>	<u>(594,030)</u>	<u>(561,071)</u>	<u>(131,302)</u>
Total other financing sources (uses)	<u>(249,895)</u>	<u>(594,030)</u>	<u>(561,071)</u>	<u>(131,302)</u>
Net change in fund balance	<u>\$ (83,217)</u>	<u>\$ (713,891)</u>	(275,518)	175,676
Fund balance, beginning of year			<u>1,024,448</u>	<u>848,772</u>
Fund balance, end of year			<u>748,930</u>	<u>1,024,448</u>



VILLAGE OF DWIGHT, ILLINOIS  
RESERVE FOR CAPITAL EXPENDITURES FUND

SCHEDULE B-1

Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

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	<u>Assets</u>	
Cash		\$ 588,709
Total assets		<u>\$ 588,709</u>
	<u>Fund Balance</u>	
Fund balance		\$ 588,709
Total fund balance		<u>\$ 588,709</u>

VILLAGE OF DWIGHT, ILLINOIS  
RESERVE FOR CAPITAL EXPENDITURES FUND

SCHEDULE B-2

Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Interest income	\$ 2,000	\$ 3,000	4,447	7,683
Grant income	44,363	44,363	236,032	-
Other income	-	80,000	-	750
Total revenues received	46,363	127,363	240,479	8,433
Expenditures disbursed:				
Current:				
Construction projects	\$ 360,000	\$ 620,000	603,243	2,489
Engineering service	55,000	47,500	46,481	50,059
Miscellaneous expense	-	350	320	6,328
Capital outlay:				
Equipment purchases	25,000	65,000	62,242	34,108
Vehicles	-	-	-	23,099
Improvements	40,000	40,000	-	-
Debt Service:				
Principal	-	4,400	4,393	46,967
Interest	-	1,450	1,440	1,473
Total expenditures disbursed	480,000	778,700	718,119	164,523
Excess (deficiency) of revenues received over (under) expenditures disbursed	(433,637)	(651,337)	(477,640)	(156,090)
Other financing sources (uses):				
Loan proceeds	-	-	-	45,660
Transfers in	76,500	400,000	412,506	-
Transfers out	-	-	-	-
Total other financing sources (uses)	76,500	400,000	412,506	45,660
Net change in fund balance	\$ (357,137)	\$ (251,337)	(65,134)	(110,430)
Fund balance, beginning of year			653,843	764,273
Fund balance, end of year			588,709	653,843

**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	\$ 3,568,720	4,180,702	611,982	85.36%	1,134,395	53.95%
12/31/11	3,144,740	3,903,415	758,675	80.56%	1,108,748	68.43%
12/31/10	2,805,874	3,523,490	717,616	79.63%	1,117,305	64.23%
12/31/09	2,466,657	3,276,162	809,505	75.29%	1,084,315	74.66%
12/31/08	2,230,421	3,072,103	841,682	72.60%	1,101,277	76.43%
12/31/07	2,704,241	2,951,978	247,737	91.61%	1,055,039	23.48%

On a market value basis, actuarial value of assets as of December 31, 2012 is \$3,679,955.  
On a market basis, the funded ratio would be 88.02%

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

***OTHER SUPPLEMENTAL INFORMATION***



VILLAGE OF DWIGHT, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

	Special Revenue Funds					Debt Service Funds			Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	Commercial Rehab Fund	TIF Fund	CDAP Economic Development Fund	2005 MFT Bond Fund	Public Service Bond Fund	2013	March 31, 2012
<u>Assets</u>										
Cash in bank	\$ 127,100	75,994	9,886	40,176	184	79,717	654	-	333,711	292,113
Total assets	\$ 127,100	75,994	9,886	40,176	184	79,717	654	-	333,711	292,113
<u>Liabilities and Fund Balance</u>										
Liabilities:										
Due to General Fund	\$ -	-	-	-	209,000	-	-	-	209,000	191,000
Total liabilities	-	-	-	-	209,000	-	-	-	209,000	191,000
Fund balance:										
Restricted	127,100	75,994	-	-	-	79,717	654	-	283,465	236,751
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	9,886	40,176	-	-	-	-	50,062	50,017
Unassigned	-	-	-	-	(208,816)	-	-	-	(208,816)	(185,655)
Total fund balance (deficit)	127,100	75,994	9,886	40,176	(208,816)	79,717	654	-	124,711	101,113
Total liabilities and fund balance	\$ 127,100	75,994	9,886	40,176	184	79,717	654	-	333,711	292,113

VILLAGE OF DWIGHT, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2

Combining Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balances  
For the Year Ended March 31, 2013

	Special Revenue Funds							Debt Service Funds			Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial		CDAP Economic Development Fund	2005 MFT Bond Fund	Public Service Bond Fund	2013	2012			
			Rent Subsidy Fund	Commercial Rehab Fund								TIF Fund
Revenues received:												
Property taxes	\$ -	260,770	-	-	-	-	-	-	-	260,770	-	280,227
Interest income	78	120	9	36	7	404	26	-	-	680	-	1,066
Motor fuel tax	102,321	-	-	-	-	-	-	-	-	102,321	-	107,061
TIF revenue	-	-	-	-	27,094	-	-	-	-	27,094	-	23,996
Revolving loan	-	-	-	-	-	3,365	-	-	-	3,365	-	35,317
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	18,947	-	-	-	-	-	-	-	-	18,947	-	18,947
<b>Total revenues received</b>	<b>121,346</b>	<b>260,890</b>	<b>9</b>	<b>36</b>	<b>27,101</b>	<b>3,769</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>413,177</b>	<b>-</b>	<b>466,614</b>
Expenditures disbursed:												
General Government	12,482	266,964	-	-	50,262	-	500	500	500	330,708	-	690,277
Debt Service:												
Principal	-	-	-	-	-	-	110,000	100,000	100,000	210,000	-	200,000
Interest	-	-	-	-	-	-	17,485	10,545	10,545	28,030	-	35,893
<b>Total expenditures disbursed</b>	<b>12,482</b>	<b>266,964</b>	<b>-</b>	<b>-</b>	<b>50,262</b>	<b>-</b>	<b>127,985</b>	<b>111,045</b>	<b>111,045</b>	<b>568,738</b>	<b>-</b>	<b>926,170</b>
Excess (deficiency) of revenues received over (under) expenditures disbursed	108,864	(6,074)	9	36	(23,161)	3,769	(127,959)	(111,045)	(111,045)	(155,561)	-	(459,556)
Other financing sources (uses):												
Transfers In	5,129	-	-	-	-	-	127,985	111,045	111,045	244,159	-	239,951
Transfers Out	(65,000)	-	-	-	-	-	-	-	-	(65,000)	-	(65,000)
<b>Total other financing sources (uses)</b>	<b>(59,871)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,985</b>	<b>111,045</b>	<b>111,045</b>	<b>179,159</b>	<b>-</b>	<b>174,951</b>
Net change in fund balance	48,993	(6,074)	9	36	(23,161)	3,769	26	-	-	23,598	-	(284,605)
Fund balance (deficit), beginning of year	78,107	82,068	9,877	40,140	(185,655)	75,948	628	-	-	101,113	-	385,718
<b>Fund balance (deficit), end of year</b>	<b>\$ 127,100</b>	<b>75,994</b>	<b>9,886</b>	<b>40,176</b>	<b>(208,816)</b>	<b>79,717</b>	<b>654</b>	<b>-</b>	<b>-</b>	<b>124,711</b>	<b>-</b>	<b>101,113</b>

VILLAGE OF DWIGHT, ILLINOIS  
MOTOR FUEL TAX FUND

SCHEDULE C-3

Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

<u>Assets</u>		
Cash		\$ 127,100
Total assets		<u>\$ 127,100</u>
<u>Fund Balance</u>		
Fund balance		\$ 127,100
Total fund balance		<u>\$ 127,100</u>

Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

SCHEDULE C-4

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Motor fuel tax allotments	\$ 102,660	\$ 102,660	102,321	107,061
Interest income	50	50	78	75
Miscellaneous income	-	-	18,947	18,947
Total revenues received	<u>102,710</u>	<u>102,710</u>	<u>121,346</u>	<u>126,083</u>
Expenditures disbursed:				
Construction projects	-	12,500	12,482	112,326
Engineering service	-	-	-	5,129
Total expenditures disbursed	<u>-</u>	<u>12,500</u>	<u>12,482</u>	<u>117,455</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	102,710	90,210	108,864	8,628
Other financing sources (uses):				
Transfers in	-	-	5,129	3,058
Transfers out	(65,000)	(65,000)	(65,000)	(65,000)
Total other financing sources (uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>(59,871)</u>	<u>(61,942)</u>
Net change in fund balance	<u>\$ 37,710</u>	<u>\$ 25,210</u>	48,993	(53,314)
Fund balance, beginning of year			78,107	131,421
Fund balance, end of year			<u>127,100</u>	<u>78,107</u>



Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

<u>Assets</u>		
Cash		\$ 75,994
Total assets		<u>\$ 75,994</u>
<u>Fund Balance</u>		
Fund balance		
Restricted - IMRF		\$ 24,892
Restricted - FICA		<u>51,102</u>
Total fund balance		<u>\$ 75,994</u>

Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Property taxes - IMRF	\$ 165,000	\$ 165,000	165,171	180,146
Property taxes - FICA	95,500	95,500	95,599	100,081
Interest income	125	100	120	205
Total revenues received	<u>260,625</u>	<u>260,600</u>	<u>260,890</u>	<u>280,432</u>
Expenditures disbursed:				
FICA contribution	105,000	105,000	96,001	95,021
IMRF contribution	185,000	185,000	170,963	176,608
Total expenditures disbursed	<u>290,000</u>	<u>290,000</u>	<u>266,964</u>	<u>271,629</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (29,375)</u>	<u>\$ (29,400)</u>	(6,074)	8,803
Fund balance, beginning of year			<u>82,068</u>	<u>73,265</u>
Fund balance, end of year			<u>75,994</u>	<u>82,068</u>

Statement of Assets, Liabilities, and  
 Fund Balance - Arising from Cash Transactions  
 March 31, 2013

<u>Assets</u>		
Cash		\$ 9,886
Total assets		<u>\$ 9,886</u>
<u>Fund Balance</u>		
Fund balance		\$ 9,886
Total fund balance		<u>\$ 9,886</u>

Statement of Revenues Received, Expenditures Disbursed  
 and Changes in Fund Balance - Budget & Actual  
 For the Year Ended March 31, 2013  
 (With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Interest	\$ 5	\$ 5	9	14
Other income	-	-	-	-
Total revenues received	<u>5</u>	<u>5</u>	<u>9</u>	<u>14</u>
Expenditures disbursed:				
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 5</u>	<u>\$ 5</u>	9	14
Fund balance, beginning of year			<u>9,877</u>	<u>9,863</u>
Fund balance, end of year			<u>9,886</u>	<u>9,877</u>

VILLAGE OF DWIGHT, ILLINOIS  
 COMMERCIAL REHAB FUND

SCHEDULE C-9

Statement of Assets, Liabilities, and  
 Fund Balance - Arising from Cash Transactions  
 March 31, 2013

<u>Assets</u>		
Cash		\$ 40,176
Total assets		<u>\$ 40,176</u>
 <u>Fund Balance</u>		
Fund balance		\$ 40,176
Total fund balance		<u>\$ 40,176</u>

Statement of Revenues Received, Expenditures Disbursed  
 and Changes in Fund Balance - Budget & Actual  
 For the Year Ended March 31, 2013  
 (With Comparative Figures for 2012)

SCHEDULE C-10

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Interest income	\$ 50	\$ 30	36	58
Total revenues received	<u>50</u>	<u>30</u>	<u>36</u>	<u>58</u>
Expenditures disbursed:				
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 50</u>	<u>\$ 30</u>	36	58
Fund balance, beginning of year			<u>40,140</u>	<u>40,082</u>
Fund balance, end of year			<u>40,176</u>	<u>40,140</u>

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013**

<u>Assets</u>	
Cash	\$ 184
Total assets	<u>\$ 184</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Due to General Fund	<u>\$ 209,000</u>
Fund balance (deficit)	<u>(208,816)</u>
Total liabilities and fund balance	<u>\$ 184</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)**

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
TIF revenue	\$ 25,000	\$ 26,000	27,094	23,996
Interest income	10	10	7	19
Total revenues received	<u>25,010</u>	<u>26,010</u>	<u>27,101</u>	<u>24,015</u>
Expenditures disbursed:				
Construction projects	30,000	50,000	49,675	217,281
Dues	-	375	375	-
Engineering service	-	250	212	22,737
Total expenditures disbursed	<u>30,000</u>	<u>50,625</u>	<u>50,262</u>	<u>240,018</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (4,990)</u>	<u>\$ (24,615)</u>	(23,161)	(216,003)
Other financing sources (uses):				
Transfers in	-	20,000	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 20,000</u>	-	-
Net change in fund balance				
Fund balance (deficit), beginning of year			<u>(185,655)</u>	<u>30,348</u>
Fund balance (deficit), end of year			<u>(208,816)</u>	<u>(185,655)</u>

VILLAGE OF DWIGHT, ILLINOIS  
 CDAP ECONOMIC DEVELOPMENT FUND

SCHEDULE C-13

Statement of Assets, Liabilities, and  
 Fund Balance - Arising from Cash Transactions  
 March 31, 2013

<u>Assets</u>	
Cash	\$ 79,717
Total assets	<u>\$ 79,717</u>
<u>Fund Balance</u>	
Fund balance	\$ 79,717
Total fund balance	<u>\$ 79,717</u>

Statement of Revenues Received, Expenditures Disbursed  
 and Changes in Fund Balance - Budget & Actual  
 For the Year Ended March 31, 2013  
 (With Comparative Figures for 2012)

SCHEDULE C-14

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Principal - Mansion	\$ 10,262	\$ 10,262	1,331	7,386
Interest - Mansion	1,738	1,738	2,034	1,801
Principal - Spuds	43,524	43,524	-	3,877
Interest - Spuds	4,992	4,992	-	22,253
Interest Income	250	250	404	658
Total revenues received	<u>60,766</u>	<u>60,766</u>	<u>3,769</u>	<u>35,975</u>
Expenditures disbursed:				
Development	-	-	-	60,175
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,175</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 60,766</u>	<u>\$ 60,766</u>	3,769	(24,200)
Fund balance, beginning of year			<u>75,948</u>	<u>100,148</u>
Fund balance, end of year			<u>79,717</u>	<u>75,948</u>

VILLAGE OF DWIGHT, ILLINOIS  
2005 MFT BOND FUND

SCHEDULE D-1

Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

<u>Assets</u>		
Cash		\$ 654
Total assets		<u>\$ 654</u>
<u>Fund Balance</u>		
Fund balance		\$ 654
Total fund balance		<u>\$ 654</u>

Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

SCHEDULE D-2

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Interest Income	\$ 10	\$ 10	26	37
Total revenues received	<u>10</u>	<u>10</u>	<u>26</u>	<u>37</u>
Expenditures disbursed:				
Debt Service:				
Fees	500	500	500	500
Principal	110,000	110,000	110,000	105,000
Interest	17,485	17,485	17,485	22,735
Total expenditures disbursed	<u>127,985</u>	<u>127,985</u>	<u>127,985</u>	<u>128,235</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(127,975)	(127,975)	(127,959)	(128,198)
Other financing sources (uses):				
Transfer in	<u>127,350</u>	<u>127,985</u>	<u>127,985</u>	<u>128,235</u>
Net change in fund balance	<u>\$ (625)</u>	<u>\$ 10</u>	26	37
Fund balance, beginning of year			<u>628</u>	<u>591</u>
Fund balance, end of year			<u>654</u>	<u>628</u>

Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2013

<u>Assets</u>		
Cash		\$ -
Total assets		<u>\$ -</u>
<u>Fund Balance</u>		
Fund balance		\$ -
Total fund balance		<u>\$ -</u>

Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

SCHEDULE D-4

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues received:				
Total revenues received	\$ -	\$ -	-	-
Expenditures disbursed:				
Debt Service:				
Fees	500	500	500	500
Principal	100,000	100,000	100,000	95,000
Interest	10,545	10,545	10,545	13,158
Total expenditures disbursed	<u>111,045</u>	<u>111,045</u>	<u>111,045</u>	<u>108,658</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(111,045)	(111,045)	(111,045)	(108,658)
Other financing sources (uses):				
Transfers in	<u>111,045</u>	<u>111,045</u>	<u>111,045</u>	<u>108,658</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund balance, beginning of year			-	-
Fund balance, end of year			<u>-</u>	<u>-</u>

VILLAGE OF DWIGHT, ILLINOIS  
 WATERWORKS FUND

SCHEDULE E-1

Major Proprietary Fund  
 Statement of Fund Net Assets  
 March 31, 2013

<u>Assets</u>	
Current assets:	
Cash	\$ 271,716
Accounts receivable	60,635
Total current assets	<u>332,351</u>
Non-current assets:	
Capital assets	7,441,919
Accumulated depreciation	<u>(3,171,279)</u>
Total non-current assets	<u>4,270,640</u>
Total assets	<u>\$ 4,602,991</u>
 <u>Liabilities and Net Assets</u> 	
Current liabilities:	
Accounts payable	\$ -
Water deposits	11,570
Current portion of long-term debt:	
Bonds payable	315,000
Notes payable	<u>4,546</u>
Total current liabilities	<u>331,116</u>
Long-term liabilities:	
Due in more than one year:	
Bonds payable	950,000
Notes payable	<u>34,804</u>
Total long-term liabilities	<u>984,804</u>
Total liabilities	1,315,920
Net assets	<u>3,287,071</u>
Total liabilities and net assets	<u>\$ 4,602,991</u>



VILLAGE OF DWIGHT, ILLINOIS  
WATERWORKS FUND

SCHEDULE E-2

Major Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original & Final Budget	Original & Final Budget	Year Ended March 31,	
			2013	2012
Revenues:				
Water	\$ 825,000	\$ 850,000	864,864	893,805
Water Meters	1,000	1,000	1,782	2,281
Water penalties	6,750	6,750	8,224	7,576
Interest	400	200	214	416
Miscellaneous	2,500	1,000	984	1,253
Total revenues	835,650	858,950	876,068	905,331
Expenses:				
Current:				
Salaries	180,000	182,500	181,692	177,399
Salaries - OT	12,500	10,000	3,349	15,311
Employee benefits	27,970	27,970	27,768	24,572
Unemployment insurance	500	500	342	-
Worker's compensation	8,000	8,000	-	-
Uniform allowance	1,167	1,167	733	1,036
Contractual services	7,500	7,500	2,223	5,366
Maintenance - equipment	10,000	10,000	1,493	3,874
Maintenance - system	75,000	75,000	35,631	100,847
Professional services	7,100	3,000	-	-
Postage	2,200	2,200	1,026	1,125
Telephone	1,000	1,000	806	849
Printing and publishing	1,175	1,175	848	732
Dues	600	650	605	585
Travel	300	300	-	-
Training	1,500	1,500	285	105
Utilities	55,000	55,000	32,912	51,482
Insurance	11,000	12,000	-	-
Lease/rentals	2,750	4,500	4,460	1,250
Operating supplies	5,100	5,100	2,390	1,812
Small tools	500	500	271	469
Fuel/oil	12,000	10,000	5,768	9,831
Chemicals	25,000	20,000	9,924	17,473
Interest	-	5,840	1,440	1,420
Miscellaneous expense	3,000	3,000	1,043	1,154
Capital outlay	40,000	40,000	-	10,565
Depreciation	-	-	203,034	199,765
Total expenses	490,862	488,402	518,043	627,022
Excess of revenues over (under) expenses	344,788	370,548	358,025	278,309
Other financing sources (uses):				
Transfers in	-	-	169,611	16,209
Transfers out	(362,432)	(370,000)	(91,345)	(290,137)
Total other financing sources (uses)	(362,432)	(370,000)	78,266	(273,928)
Change in net assets	\$ (17,644)	\$ 548	436,291	4,381
Net assets, beginning of year			2,850,780	2,846,399
Net assets, end of year			3,287,071	2,850,780

VILLAGE OF DWIGHT, ILLINOIS  
WATER CAPITAL PROJECT FUND

SCHEDULE E-3

Major Proprietary Fund  
Statement of Fund Net Assets  
March 31, 2013

<u>Assets</u>	
Cash	\$ 38,639
Total assets	<u>\$ 38,639</u>
<u>Net Assets</u>	
Net assets	\$ 38,639
Total net assets	<u>\$ 38,639</u>

Statement of Revenues, Expenses, & Changes in Fund Net Assets  
Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

SCHEDULE E-4

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues:				
Tap-on fees	\$ 1,500	\$ 1,500	750	2,896
Interest Income	200	100	104	258
Total revenues	<u>1,700</u>	<u>1,600</u>	<u>854</u>	<u>3,154</u>
Expenses:				
Current:				
Engineering service	26,000	26,000	25,905	31,514
Miscellaneous expense	200	200	-	180
Capital outlay - construction project	210,000	200,000	7,755	309,157
Total expenses	<u>236,200</u>	<u>226,200</u>	<u>33,660</u>	<u>340,851</u>
Excess of revenues over (under) expenses	(234,500)	(224,600)	(32,806)	(337,697)
Other financing sources (uses):				
Transfer in	30,000	30,000	36,400	200,000
Transfer out	-	-	(169,611)	-
Net change in net assets	<u>\$ (204,500)</u>	<u>\$ (194,600)</u>	(166,017)	(137,697)
Net assets, beginning of year			<u>204,656</u>	<u>342,353</u>
Net assets, end of year			<u>38,639</u>	<u>204,656</u>

VILLAGE OF DWIGHT, ILLINOIS  
SEWER FUND

SCHEDULE E-5

Major Proprietary Fund  
Statement of Fund Net Assets  
March 31, 2013

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<u>Assets</u>	
Current assets:	
Cash	\$ 85,149
Accounts receivable	62,627
Total current assets	<u>147,776</u>
Non-current assets:	
Capital assets	11,512,561
Accumulated depreciation	<u>(4,428,088)</u>
Total non-current assets	<u>7,084,473</u>
Total assets	<u>\$ 7,232,249</u>
 <u>Liabilities and Net Assets</u>	
Current Liabilities:	
Accounts payable	\$ 909
Current portion of long-term debt:	
EPA loan payable	<u>209,360</u>
Total current liabilities	<u>210,269</u>
Long-term liabilities:	
Due in more than one year:	
EPA loan payable	<u>1,170,534</u>
Total long-term liabilities	<u>1,170,534</u>
Total liabilities	<u>1,380,803</u>
Net assets	<u>5,851,446</u>
Total liabilities and net assets	<u>\$ 7,232,249</u>

VILLAGE OF DWIGHT, ILLINOIS  
SEWER FUND

SCHEDULE E-6

Major Proprietary Fund

Statement of Revenues, Expenses and Changes in Fund Net Assets - Budget & Actual

For the Year Ended March 31, 2013

(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
<b>Revenues:</b>				
Sewer	\$ 762,500	\$ 762,500	786,182	799,176
Surcharge	300	100	68	71
Industrial cost recovery	1,500	1,000	944	1,357
Interest	100	100	126	235
Miscellaneous	200	1,200	5,446	1,310
<b>Total revenues</b>	<b>764,600</b>	<b>764,900</b>	<b>792,766</b>	<b>802,149</b>
<b>Expenses:</b>				
<b>Current:</b>				
Salaries	180,000	180,000	179,598	174,290
Salaries - OT	2,000	4,100	4,007	1,788
Employee benefits	27,970	27,970	27,768	24,572
Unemployment insurance	475	475	342	-
Worker's compensation	7,750	7,750	-	-
Uniform allowance	1,167	1,167	992	948
Contractual services	15,000	17,500	17,246	14,677
Maintenance - equipment	15,000	20,000	19,631	13,775
Maintenance - vehicle	750	750	380	210
Maintenance - system	30,000	30,000	20,145	15,016
Accounting	4,500	-	-	-
Engineering service	2,500	2,500	-	106
Postage	1,250	1,250	1,103	1,093
Telephone	3,200	3,500	3,307	3,059
Printing & publishing	800	800	300	260
Dues	10,200	10,200	10,171	10,164
Travel	400	400	-	-
Training	500	500	-	-
Utilities	120,000	110,000	84,981	118,470
Insurance	12,000	12,000	-	-
Lease / rentals	500	500	-	-
Operating supplies	5,000	5,000	4,905	5,355
Small tools	550	1,000	779	552
Fuel/oil	6,500	7,500	6,685	3,158
Chemicals	1,000	1,000	62	129
Miscellaneous expense	1,000	1,250	1,221	999
<b>Capital outlay</b>				
Equipment	20,000	20,000	-	-
Improvements	24,000	24,000	-	-
Depreciation	-	-	280,533	278,635
<b>Total expenses</b>	<b>494,012</b>	<b>491,112</b>	<b>664,156</b>	<b>667,256</b>
<b>Excess of revenues over (under) expenses</b>	<b>270,588</b>	<b>273,788</b>	<b>128,610</b>	<b>134,893</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	115,126	-
Transfers out	(353,000)	(400,000)	(211,574)	(145,557)
<b>Change in net assets</b>	<b>\$ (82,412)</b>	<b>\$ (126,212)</b>	<b>32,162</b>	<b>(10,664)</b>
<b>Net assets, beginning of year</b>			<b>5,819,284</b>	<b>5,829,949</b>
<b>Net assets, end of year</b>			<b>5,851,446</b>	<b>5,819,284</b>

VILLAGE OF DWIGHT, ILLINOIS  
SEWER REPLACEMENT RESERVE FUND

SCHEDULE E-7

Major Proprietary Fund  
Statement of Fund Net Assets  
March 31, 2013

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<u>Assets</u>	
Cash	\$ 49,940
Total assets	<u>\$ 49,940</u>
 <u>Liabilities &amp; Net Assets</u>	
Current Liabilities	
Current Portion of EPA Loan Payable	\$ 197,969
Total current liabilities	<u>197,969</u>
Non-current Liabilities:	
EPA Loan Payable	<u>3,215,003</u>
Total non-current liabilities	<u>3,215,003</u>
Total liabilities	<u>3,412,972</u>
Net assets (deficit)	<u>(3,363,032)</u>
Total liabilities & net assets	<u>\$ 49,940</u>

VILLAGE OF DWIGHT, ILLINOIS  
SEWER REPLACEMENT RESERVE FUND

SCHEDULE E-8

Major Proprietary Fund  
Statement of Revenues, Expenses & Changes in Fund Net Assets - Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues:				
Tap-on fees	\$ 30,000	\$ 3,000	-	4,800
Debt service revenue for 2005 sewer loan	210,000	200,000	199,475	205,294
Interest Income	650	50	73	666
Total revenues	<u>240,650</u>	<u>203,050</u>	<u>199,548</u>	<u>210,760</u>
Expenses:				
Professional services	22,000	2,000	210	-
Capital outlay - construction project	135,000	125,000	4,212	-
Debt service:				
Principal	398,926	397,000	-	-
Interest	128,156	130,250	130,247	140,468
Total expenses	<u>684,082</u>	<u>654,250</u>	<u>134,669</u>	<u>140,468</u>
Excess of revenues over (under) expens	(443,432)	(451,200)	64,879	70,292
Other financing sources (uses):				
Transfer in	353,000	400,000	196,875	123,982
Transfer (out)	-	-	(115,126)	-
Net change in net assets	<u>\$ (90,432)</u>	<u>\$ (51,200)</u>	146,628	194,274
Net assets (deficit), beginning of year			<u>(3,509,660)</u>	<u>(3,703,934)</u>
Net assets (deficit), end of year			<u>(3,363,032)</u>	<u>(3,509,660)</u>

VILLAGE OF DWIGHT, ILLINOIS  
WATER BOND FUND

SCHEDULE E-9

Major Proprietary Fund  
Statement of Fund Net Assets  
March 31, 2013

<u>Assets</u>	
Cash	\$ 49,058
Total assets	<u>\$ 49,058</u>
<u>Net Assets</u>	
Net assets	\$ 49,058
Total net assets	<u>\$ 49,058</u>

Statement of Revenues, Expenses & Changes in Fund Net Assets  
Budget & Actual  
For the Year Ended March 31, 2013  
(With Comparative Figures for 2012)

SCHEDULE E-10

	Original Budget	Final Budget	Year Ended March 31,	
			2013	2012
Revenues:				
Interest Income	\$ 10	\$ 10	43	72
Total revenues	<u>10</u>	<u>10</u>	<u>43</u>	<u>72</u>
Expenses:				
Debt Service:				
Fees	1,300	1,300	495	475
Principal	300,000	300,000	-	-
Interest	35,600	40,000	39,050	68,063
Total expenses	<u>336,900</u>	<u>341,300</u>	<u>39,545</u>	<u>68,538</u>
Excess of revenues over (under) expens	(336,890)	(341,290)	(39,502)	(68,466)
Other financing sources (uses):				
Transfer in	287,500	340,000	39,050	68,063
Net change in net assets	<u>\$ (49,390)</u>	<u>\$ (1,290)</u>	(452)	(403)
Net assets, beginning of year			<u>49,510</u>	<u>49,913</u>
Net assets, end of year			<u>49,058</u>	<u>49,510</u>

VILLAGE OF DWIGHT, ILLINOIS  
 AGENCY FUNDS - DISASTER RELIEF FUND

SCHEDULE F

Statement of Changes in Fiduciary Net Assets  
 For the Year Ended March 31, 2013  
 (With Comparative Figures for 2012)

	Totals	
	Year Ended March 31,	
	2013	2012
Additions:		
Revenues	7	208
Deductions:		
Expenditures	964	3,692
Net increase (decrease)	(957)	(3,484)
Cash balance, beginning of year	5,487	8,971
Cash balance, end of year	4,530	5,487



Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	2008	2009	2010	2011	2012
Assessed valuations	\$ 77,550,643	77,323,600	74,628,555	72,707,997	69,188,903
Maximum Rate					
Tax Rates:					
General	0.1741	0.1754	0.1849	0.2166	0.2276
Audit	0.0142	0.0182	0.0188	0.0151	0.0072
IMRF	0.3353	0.3443	0.2412	0.2269	0.2385
Social Security	-	-	0.1340	0.1314	0.1380
Liability Insurance	0.1225	0.1494	0.1340	0.1417	0.1503
Street Lighting	0.0497	0.0494	0.0500	0.0500	0.0434
Parks	0.0645	0.0650	0.0750	0.0750	0.0650
Recreation	0.0194	0.0195	-	-	0.0434
Garbage	-	-	-	-	-
Totals	0.7795	0.8212	0.8379	0.8567	0.9135
Tax extensions:					
General	135,986	135,005	138,003	157,500	157,502
Audit	11,089	14,007	14,000	11,001	5,002
IMRF	261,903	265,007	180,004	165,004	165,002
Social Security			100,002	95,502	95,501
Liability Insurance	95,705	115,002	100,002	103,005	104,005
Street Lighting	38,545	38,003	37,314	36,354	30,000
Parks	50,374	50,001	55,971	54,531	45,000
Recreation	15,119	15,007	-	-	30,000
Garbage	-	-	-	-	-
Totals	608,721	632,032	625,296	622,897	632,012
Road & Bridge (from townships)	65,703	62,930	62,822	64,229	-
Tax collections	\$ 657,402	690,109	688,615	687,758	-

VILLAGE OF DWIGHT, ILLINOIS

TIF District  
 Assessed Valuations, Tax Rates, Tax Extensions  
 and Tax Collections

	2012
Assessed valuations	\$ 3,233,638
Tax Rates:	
General	-
Totals	-
Tax extensions:	
General	16,585
Totals	16,585
Tax collections	\$ -

**Legal Debt Margin**  
**For the Year Ended March 31, 2013**

Assessed valuation - 2012 tax year	<u>\$ 69,188,903</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 5,967,543
Outstanding Long-term Debt:	
Notes Payable	78,700
Bonds Payable	1,770,000
EPA Loan Payable	<u>4,792,866</u>
Total Outstanding Long-term Debt	6,641,566
Less: EPA Loan Payable and other debt (Not Applicable to Limitation)	<u>(6,641,566)</u>
Total Applicable Debt	<u>-</u>
Legal debt margin	<u>\$ 5,967,543</u>



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

To the Honorable Mayor and  
Village Board of Trustees  
Village of Dwight, 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 Village of Dwight, Illinois, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise Village of Dwight, Illinois' basic financial statements, and have issued our report thereon dated July 8, 2013.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of Village of Dwight, Illinois in a separate letter dated July 8, 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.

This report is intended solely for the information and use of management, the Board of Trustees, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
July 8, 2013