

VILLAGE OF DWIGHT, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2018



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying modified cash basis financial statements 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 and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise 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 error or fraud.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dwight, Illinois, as of March 31, 2018, and the respective changes in modified cash basis financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Dwight, Illinois' basic financial statements. The other information on pages 38-50, including notes to other information on page 51, and the supplementary information on pages 52-69 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The IMRF pension data schedules, and the schedules of assessed valuations, tax rates, tax extensions and tax collections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Dwight, Illinois, for the year ended March 31, 2017, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated June 26, 2017, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of the Village of Dwight, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Dwight, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 25, 2018

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
March 31, 2018

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2018	2017
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 3,443,308	598,620	4,041,928	9,458,222
Accounts receivable	-	104,512	104,512	53,670
Land held for sale	48,210	-	48,210	48,210
Total current assets	<u>3,491,518</u>	<u>703,132</u>	<u>4,194,650</u>	<u>9,560,102</u>
Non-current assets:				
Capital Assets				
Land	171,366	45,500	216,866	216,866
Equipment	1,628,938	1,160,785	2,789,723	2,690,410
Buildings and improvements	6,878,364	198,826	7,077,190	7,007,278
Construction in progress	-	-	-	108,304
Infrastructure	2,970,758	18,008,248	20,979,006	20,909,094
Accumulated Depreciation	<u>(4,369,806)</u>	<u>(9,946,624)</u>	<u>(14,316,430)</u>	<u>(13,514,123)</u>
Total non-current assets	<u>7,279,620</u>	<u>9,466,735</u>	<u>16,746,355</u>	<u>17,417,829</u>
Total assets	<u>\$ 10,771,138</u>	<u>10,169,867</u>	<u>20,941,005</u>	<u>26,977,931</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ -	10,808	10,808	13,412
Customer deposits	-	13,230	13,230	13,110
Accrued interest payable	-	15,305	15,305	22,975
Due within one year:				
Bonds payable	470,000	280,000	750,000	690,000
EPA loan payable	-	319,455	319,455	381,328
Total current liabilities	<u>470,000</u>	<u>638,798</u>	<u>1,108,798</u>	<u>1,120,825</u>
Long-term Liabilities:				
Due in more than one year:				
Bonds payable	5,940,000	1,480,000	7,420,000	8,170,000
EPA loan payable	-	2,396,939	2,396,939	2,716,436
Total long-term liabilities	<u>5,940,000</u>	<u>3,876,939</u>	<u>9,816,939</u>	<u>10,886,436</u>
Total liabilities	<u>6,410,000</u>	<u>4,515,737</u>	<u>10,925,737</u>	<u>12,007,261</u>
<u>Net Position</u>				
Net investment in capital assets	7,279,620	6,750,341	14,029,961	14,320,065
Restricted	3,179,453	134,389	3,313,842	1,943,348
Unrestricted	<u>(6,097,935)</u>	<u>(1,230,600)</u>	<u>(7,328,535)</u>	<u>(1,292,743)</u>
Total net position	<u>\$ 4,361,138</u>	<u>5,654,130</u>	<u>10,015,268</u>	<u>14,970,670</u>

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

**Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended March 31, 2018**

Program Activities	Expenditures	Program Revenues			Governmental Activities	Net (Expenditures) Revenue and Changes in Net Position		
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities	Total	
							2018	2017
Governmental activities:								
General government	\$ 1,137,214	126,631	-	-	(1,010,583)	-	(1,010,583)	(2,077,883)
Garbage services	311,155	306,297	-	-	(4,858)	-	(4,858)	(51,773)
Public safety	1,613,351	182,086	-	-	(1,431,265)	-	(1,431,265)	(1,354,078)
Streets and lighting	4,487,684	-	451,451	-	(4,036,233)	-	(4,036,233)	1,726,152
Culture and recreation	242,323	27,644	-	-	(214,679)	-	(214,679)	(136,481)
Unallocated interest - expense	212,201	-	-	-	(212,201)	-	(212,201)	-
Total governmental activities	8,003,928	642,658	451,451	-	(6,909,819)	-	(6,909,819)	(1,894,063)
Business-type activities:								
Waterworks	2,177,158	833,259	-	-	-	(1,343,899)	(1,343,899)	(506,007)
Sewer	953,905	1,072,775	-	-	-	118,870	118,870	252,563
Total business-type activities	3,131,063	1,906,034	-	-	-	(1,225,029)	(1,225,029)	(253,444)
Total primary government	\$ 11,134,991	2,548,692	451,451	-	(6,909,819)	(1,225,029)	(8,134,848)	(2,147,507)
General revenues:								
Taxes:								
					662,836	-	662,836	695,347
					329,457	-	329,457	311,966
					1,069,206	-	1,069,206	836,270
					415,069	-	415,069	451,627
					40,309	-	40,309	43,086
					110,191	-	110,191	103,469
					166,690	-	166,690	138,079
					107,878	-	107,878	108,583
					39,846	-	39,846	37,658
					93,881	-	93,881	91,918
					26,020	4,129	30,149	23,079
					58,552	-	58,552	4,081
					16,706	-	16,706	13,989
					28,381	10,295	38,676	24,252
					3,165,022	14,424	3,179,446	2,883,404
Special items:								
					18,394	(18,394)	-	-
					-	-	-	349,581
					-	-	-	(115,120)
					18,394	(18,394)	-	234,461
Change in net position					(3,726,403)	(1,228,999)	(4,955,402)	970,358
Net position, beginning of year					8,087,541	6,883,129	14,970,670	14,000,312
Net position, end of year					\$ 4,361,138	5,654,130	10,015,268	14,970,670

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

**Statement of Assets, Liabilities and Fund Balances
Modified Cash Basis - Governmental Funds
March 31, 2018**

	Major Funds				Non-major Governmental Funds	Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund		2018	2017
<u>Assets</u>							
Cash	\$ 271,822	6,449	870,359	1,680,016	614,662	3,443,308	7,312,378
Total assets	<u>\$ 271,822</u>	<u>6,449</u>	<u>870,359</u>	<u>1,680,016</u>	<u>614,662</u>	<u>3,443,308</u>	<u>7,312,378</u>
<u>Fund Balances</u>							
Unassigned	\$ 271,822	(275,266)	-	-	-	(3,444)	(2,812)
Assigned	-	-	-	-	115,982	115,982	8,895
Committed	-	199,527	-	-	-	199,527	-
Restricted	-	82,188	870,359	1,680,016	498,680	3,131,243	7,306,295
Total fund balances	<u>\$ 271,822</u>	<u>6,449</u>	<u>870,359</u>	<u>1,680,016</u>	<u>614,662</u>	<u>3,443,308</u>	<u>7,312,378</u>

Reconciliation to Statement of Net Position:

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

Land held for sale		48,210	48,210
Capital assets used in governmental activities of \$11,649,426 (net of accumulated depreciation of \$4,369,806) are not financial resources and, therefore, are not reported in the funds.		7,279,620	7,561,953
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(6,410,000)</u>	<u>(6,835,000)</u>
Net position of governmental activities		<u>\$ 4,361,138</u>	<u>8,087,541</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2018

	Major Funds					Total	
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund	Non-major Governmental Funds	Governmental Funds 2018	Governmental Funds 2017
Revenues received:							
Property taxes	\$ 406,849	-	-	-	255,987	662,836	695,347
Utility tax	329,457	-	-	-	-	329,457	311,966
Sales tax	640,238	-	428,968	-	-	1,069,206	836,270
Income tax	415,069	-	-	-	-	415,069	451,627
Replacement tax	40,309	-	-	-	-	40,309	43,086
Local use tax	110,191	-	-	-	-	110,191	103,469
Hotel/Motel tax	39,846	-	-	-	-	39,846	37,658
Video gaming tax	93,881	-	-	-	-	93,881	91,918
Interest income	3,819	2,195	10,779	6,669	2,558	26,020	20,342
Motor Fuel Tax	-	-	-	-	107,878	107,878	108,583
TIF Revenue	-	-	-	166,690	-	166,690	138,079
Charges for Services	517,071	-	-	-	-	517,071	538,196
Fines, fees, and forfeitures	88,505	-	-	-	-	88,505	116,064
Grants	20,727	230,605	24,119	176,000	-	451,451	2,116,048
Licenses and permits	37,082	-	-	-	-	37,082	30,791
Donations	58,552	-	-	-	-	58,552	4,081
Reimbursements	11,065	-	-	-	5,641	16,706	13,989
Miscellaneous	25,702	-	-	2,679	-	28,381	14,036
Total revenues received	2,838,363	232,800	463,866	352,038	372,064	4,259,131	5,671,550
Expenditures disbursed:							
Current:							
General government	463,601	11,334	-	-	266,401	741,336	1,985,594
Garbage services	311,155	-	-	-	-	311,155	316,294
Public safety	1,613,351	-	-	-	-	1,613,351	1,594,085
Streets and lighting	328,888	-	3,504,455	654,341	-	4,487,684	298,640
Culture and recreation	242,323	-	-	-	-	242,323	169,245
Capital Outlay	-	113,545	-	-	-	113,545	1,982,425
Debt Service							
Principal	-	-	-	85,000	340,000	425,000	-
Interest	-	-	-	64,894	147,307	212,201	-
Total expenditures disbursed	2,959,318	124,879	3,504,455	804,235	753,708	8,146,595	6,346,283
Excess (deficiency) of revenues received over (under) expenditures disbursed	(120,955)	107,921	(3,040,589)	(452,197)	(381,644)	(3,887,464)	(674,733)

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2018**

	Major Funds				Non-major Governmental Funds	Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund		2018	2017
Other financing sources (uses):							
Bond proceeds	\$ -	-	-	-	-	-	6,835,000
Bond issuance premium	-	-	-	-	-	-	319,157
Bond issuance discount	-	-	-	-	-	-	(89,427)
Transfers in	-	18,394	98,541	210,653	487,782	815,370	209,059
Transfers out	-	(210,653)	(487,782)	(98,541)	-	(796,976)	(209,059)
Total other financing sources (uses)	-	(192,259)	(389,241)	112,112	487,782	18,394	7,064,730
Net change in fund balance	(120,955)	(84,338)	(3,429,830)	(340,085)	106,138	(3,869,070)	6,389,997
Fund balances - beginning	392,777	90,787	4,300,189	2,020,101	508,524	7,312,378	922,381
Fund balances - ending	\$ 271,822	6,449	870,359	1,680,016	614,662	3,443,308	7,312,378

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds \$ (3,869,070) 6,389,997

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

Proceeds of bonds, loans and capital leases issued are other financing sources in the governmental funds, but they increase long-term liabilities in the Statement of Net Position. - (6,835,000)

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

Bonds Payable 425,000 -

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.

Purchase of land held for sale - 48,210
 Purchase of capital assets 50,545 3,714,259
 Disposal of assets, net of depreciation - (1,784,826)
 Depreciation (332,878) (326,522)

Change in net position of governmental activities (Statement B) \$ (3,726,403) 1,206,118

Statement of Fund Net Position
Proprietary Funds
March 31, 2018

	Major Funds					March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Sewer Replacement Reserve Fund	Water Bond Fund	2018	2017
<u>Assets</u>							
Current assets:							
Cash	\$ 143,714	146,220	141,165	167,521	-	598,620	2,145,844
Accounts receivable	43,631	-	49,722	11,159	-	104,512	53,670
Total current assets	187,345	146,220	190,887	178,680	-	703,132	2,199,514
Non-current assets:							
Land	10,500	-	35,000	-	-	45,500	45,500
Buildings & improvements	198,826	-	-	-	-	198,826	128,914
Equipment	702,834	-	457,951	-	-	1,160,785	1,112,017
Construction in progress	-	-	-	-	-	-	108,304
Infrastructure	6,875,128	-	11,133,120	-	-	18,008,248	17,938,336
Accumulated depreciation	(4,147,561)	-	(5,799,063)	-	-	(9,946,624)	(9,477,195)
Total non-current assets	3,639,727	-	5,827,008	-	-	9,466,735	9,855,876
Total assets	\$ 3,827,072	146,220	6,017,895	178,680	-	10,169,867	12,055,390
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	\$ 8,871	-	1,937	-	-	10,808	13,412
Customer deposits	13,230	-	-	-	-	13,230	13,110
Accrued interest payable	-	-	-	3,474	11,831	15,305	22,975
Bonds payable - current portion	280,000	-	-	-	-	280,000	265,000
EPA loan payable - current portion	-	-	95,301	224,154	-	319,455	381,328
Total current liabilities	302,101	-	97,238	227,628	11,831	638,798	695,825
Long-term liabilities:							
Bonds payable - long term portion	1,480,000	-	-	-	-	1,480,000	1,760,000
EPA Loan Payable - long term portion	-	-	249,036	2,147,903	-	2,396,939	2,716,436
Total long-term liabilities	1,480,000	-	249,036	2,147,903	-	3,876,939	4,476,436
Total liabilities	1,782,101	-	346,274	2,375,531	11,831	4,515,737	5,172,261
<u>Net Position</u>							
Invested in capital assets, net of related debt	3,639,727	-	5,482,671	(2,372,057)	-	6,750,341	6,758,112
Restricted	-	146,220	-	-	(11,831)	134,389	1,472,053
Unrestricted	(1,594,756)	-	188,950	175,206	-	(1,230,600)	(1,347,036)
Total net position (deficit)	\$ 2,044,971	146,220	5,671,621	(2,196,851)	(11,831)	5,654,130	6,883,129

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

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended March 31, 2018

	Major Funds					Year Ended March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Replacement Reserve Fund	Water Bond Fund	2018	2017
Operating revenues:							
Sewer charges	\$ -	-	863,260	209,515	-	1,072,775	1,138,837
Water charges	831,759	1,500	-	-	-	833,259	872,376
Other	10,140	-	155	-	-	10,295	10,216
Total operating revenues	841,899	1,500	863,415	209,515	-	1,916,329	2,021,429
Operating expenses:							
Water and sewer operations	599,455	1,329,287	425,164	184,657	-	2,538,563	1,670,091
Depreciation	205,561	-	270,367	-	-	475,928	474,815
Total operating expenses	805,016	1,329,287	695,531	184,657	-	3,014,491	2,144,906
Operating income (loss)	36,883	(1,327,787)	167,884	24,858	-	(1,098,162)	(123,477)
Non-operating revenues (expenses):							
Agent fees	-	-	-	-	(475)	(475)	(238)
Interest income	844	1,954	684	647	-	4,129	2,737
Interest expense	(1,375)	-	-	(73,717)	(41,005)	(116,097)	(119,513)
Bond issuance premium	-	-	-	-	-	-	30,424
Bond issuance discount	-	-	-	-	-	-	(25,693)
Total non-operating revenues (expenses)	(531)	1,954	684	(73,070)	(41,480)	(112,443)	(112,283)
Income (loss) before contributions and transfers	36,352	(1,325,833)	168,568	(48,212)	(41,480)	(1,210,605)	(235,760)
Transfers in	-	200,000	-	333,799	29,649	563,448	2,202,362
Transfers out	(44,443)	(200,000)	(337,399)	-	-	(581,842)	(2,202,362)
Total	(44,443)	-	(337,399)	333,799	29,649	(18,394)	-
Change in net position	(8,091)	(1,325,833)	(168,831)	285,587	(11,831)	(1,228,999)	(235,760)
Total net position (deficit) - beginning	2,053,062	1,472,053	5,840,452	(2,482,438)	-	6,883,129	7,118,889
Total net position (deficit) - ending	\$ 2,044,971	146,220	5,671,621	(2,196,851)	(11,831)	5,654,130	6,883,129

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2018

	Year Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Receipts from customers	\$ 1,865,367	2,024,803
Payments for goods and services	(2,189,193)	(1,266,264)
Payments to employees	(351,734)	(393,204)
Net cash provided by operating activities	<u>(675,560)</u>	<u>365,335</u>
Cash flows from noncapital financing activities:		
Increase/(decrease) in accrued interest payable	(7,670)	22,975
Net cash provided by (used in) noncapital financing activities	<u>(26,064)</u>	<u>22,975</u>
Cash flows from capital financing activities:		
Capital purchases	(86,787)	(124,363)
Proceeds of capital debt	-	2,025,000
Premium on issuance of capital debt	-	30,424
Discount on issuance of capital debt	-	(25,693)
Principal paid on capital debt	(646,370)	(735,512)
Interest paid on loan payable	(116,572)	(119,751)
Net cash provided by (used in) capital financing activities	<u>(849,729)</u>	<u>1,050,105</u>
Cash flows from investing activities:		
Interest received	4,129	2,737
Net cash provided by investing activities	<u>4,129</u>	<u>2,737</u>
Net increase (decrease) in cash and cash equivalents	(1,547,224)	1,441,152
Cash balance - beginning of the year	2,145,844	704,692
Cash Balance - end of the year	<u>\$ 598,620</u>	<u>2,145,844</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (1,098,162)	(123,477)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	475,928	474,815
(Increase) decrease in accounts receivable	(50,842)	3,374
Increase (decrease) in accounts payable	(2,604)	10,623
Increase (decrease) in customer deposits	120	-
Net cash provided by operating activities	<u>\$ (675,560)</u>	<u>365,335</u>

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

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 Basic Financial Statements For the Year Ended March 31, 2018

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

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the 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 inter-fund activity has been removed from these statements.

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

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

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

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

Fund Financial Statements:

The accounts of the 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 Basic Financial Statements For the Year Ended March 31, 2018

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

B. Government-wide and Fund Financial Statements – (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 most 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.

Referendum Fund – accounts for funds restricted for capital projects to be financed by revenues received from the non-home rule sales tax. This fund was added in 2017 after the sales tax referendum was passed during the March 15, 2016 general election. The Village imposed a Non-Home Rule Municipal Retailers' Occupation Tax and Non-Home Rule Municipal Service Occupation Tax at a rate of 1.0% for expenditures on public infrastructure and municipal operations.

TIF Fund - The TIF Fund is described in detail in Note 17 to these financial statements.

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.

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.

Debt Service Funds - The Debt Service Funds are used to account for the payment on Bonds. The debt service funds are:

Referendum Bond Fund - The Bond Referendum Fund is a Special Revenue Fund used to pay principal and interest of the Series 2016C General Obligation Bond.

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). The Village did not report any non-major Capital Project Funds for the year ended March 31, 2018.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

Measurement Focus

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

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

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

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

Basis of Accounting

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

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – (Continued)

Basis of Accounting – (Continued)

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

D. Assets, Liabilities, and Net Position

Cash and Investments

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

Capital Assets and Long-term Liabilities

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

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

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. 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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

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

Capital Assets and Long-term Liabilities – (Continued)

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

Net Position

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

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2018, net investment in capital assets consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, at cost	\$ 11,649,426	19,413,359
Less: Accumulated depreciation	(4,369,806)	(9,946,624)
Less: EPA loan payable	-	(2,716,394)
Net investment in capital assets	<u>\$ 7,279,620</u>	<u>6,750,341</u>

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

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

Reclassifications

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

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 2016 property tax levy, in the amount of \$635,575, reduced by statutory limitations to \$597,358, was received by the Village in the current fiscal year. The 2017 tax levy in the amount of \$749,790, reduced by statutory limitations to \$747,291, was adopted on December 11, 2017 and will be received by the Village in the subsequent fiscal year.

NOTE 2: CASH AND CASH EQUIVALENTS

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 inter-fund loans.

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, 2018, the bank balance of the Village's deposits was \$4,309,435 and the carrying amount was \$4,041,728 (excluding petty cash of \$200). All of the Village's uninsured deposits (\$3,124,566) were collateralized with securities held by the pledging financial institution.

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.

VILLAGE OF DWIGHT, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2018**

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Village receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services. The Village received Personal Property Replacement Tax totaling \$40,309 for the year ended March 31, 2018.

NOTE 4: LAND HELD FOR SALE

During the year ended March 31, 2017, the Village purchase several lots within the Village limits. The Village demolished dilapidated structures on the lots and intends to sell the lots in the future. The land held for sale is classified as a current asset as the Village plans to liquidate the lots in the near future. The land held for sale also meets the criteria of an investment under GASB 72.

Under GASB 72, an investment is a security or other asset that:

- a. a government holds primarily for the purpose of income or profit
- b. has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

As the Village intends to sell the properties in the future rather than developing the properties for Village purposes, the properties are classified as investments on the Statement of Net Position and are reported at fair value, which approximates cost. The fair value of the land held for sale is \$48,210 at March 31, 2018. The fair value was evaluated by using Level 2 inputs; quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 171,366	-	-	171,366
Total capital assets not being depreciated:	<u>171,366</u>	<u>-</u>	<u>-</u>	<u>171,366</u>
Capital assets being depreciated				
Machinery & equipment	1,578,393	50,545	-	1,628,938
Infrastructure	2,970,758	-	-	2,970,758
Buildings	6,878,364	-	-	6,878,364
Total capital assets being depreciated	<u>11,427,515</u>	<u>50,545</u>	<u>-</u>	<u>11,478,060</u>
Less accumulated depreciation for:				
Machinery & equipment	(1,307,221)	(108,597)	-	(1,415,818)
Infrastructure	(679,807)	(74,269)	-	(754,076)
Buildings	(2,049,900)	(150,012)	-	(2,199,912)
Total accumulated depreciation	<u>(4,036,928)</u>	<u>(332,878)</u>	<u>-</u>	<u>(4,369,806)</u>
Total capital assets being depreciated, net	<u>7,390,587</u>	<u>(282,333)</u>	<u>-</u>	<u>7,108,254</u>
Governmental activities capital assets, net	<u>\$ 7,561,953</u>	<u>(282,333)</u>	<u>-</u>	<u>7,279,620</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land - Water Fund	\$ 10,500	-	-	10,500
Land - Sewer Fund	35,000	-	-	35,000
Construction in Progress - Water Fund	54,152	-	(54,152)	-
Construction in Progress - Sewer Fund	54,152	-	(54,152)	-
Total capital assets not being depreciated	<u>153,804</u>	<u>-</u>	<u>(108,304)</u>	<u>45,500</u>
Capital assets being depreciated:				
Buildings/infrastructure - Water Fund	128,914	69,912	-	198,826
Utility Systems - Water Fund	6,875,125	-	-	6,875,125
Equipment - Water Fund	654,067	55,267	(6,499)	702,835
Utility Systems - Sewer Fund	11,063,207	69,912	-	11,133,119
Equipment - Sewer Fund	457,954	-	-	457,954
Total capital assets being depreciated	<u>19,179,267</u>	<u>195,091</u>	<u>(6,499)</u>	<u>19,367,859</u>
Less accumulated depreciation for:				
Buildings/infrastructure - Water Fund	(128,914)	(1,748)	-	(130,662)
Utility Systems - Water Fund	(3,388,378)	(163,128)	-	(3,551,506)
Equipment - Water Fund	(431,206)	(40,685)	6,499	(465,392)
Utility Systems - Sewer Fund	(5,102,847)	(261,878)	-	(5,364,725)
Equipment - Sewer Fund	(425,850)	(8,489)	-	(434,339)
Total accumulated depreciation	<u>(9,477,195)</u>	<u>(475,928)</u>	<u>6,499</u>	<u>(9,946,624)</u>
Total capital assets being depreciated, net	<u>9,702,072</u>	<u>(280,837)</u>	<u>-</u>	<u>9,421,235</u>
Business-type activities capital assets, net	<u>\$ 9,855,876</u>	<u>(280,837)</u>	<u>(108,304)</u>	<u>9,466,735</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 5: CAPITAL ASSETS – (Continued)

Significant additions for the year ended March 31, 2018 included the following:

Governmental Activities:	
2018 Ford Police Interceptor	\$ 35,778
Business-Type Activities:	
Morton Building	\$ 139,824
Booster Pump	55,267

Depreciation allocation is as follows:

Governmental activities	<u>\$ 332,878</u>
Business-type activities	
Waterworks	205,560
Sewer	<u>270,368</u>
Total Business-type activities	<u>475,928</u>
Total Depreciation	<u><u>\$ 808,806</u></u>

NOTE 6: 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, 2018:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Governmental Activities:					
Bonds Payable - Series 2016B	\$ 1,970,000	-	85,000	1,885,000	100,000
Bonds Payable - Series 2016C	4,865,000	-	340,000	4,525,000	370,000
Total Governmental Activities	<u>\$ 6,835,000</u>	<u>-</u>	<u>425,000</u>	<u>6,410,000</u>	<u>470,000</u>
Business-type Activities:					
Bonds Payable - Series 2016A	\$ 2,025,000	-	265,000	1,760,000	280,000
IEPA Loan Payable	2,590,711	-	218,654	2,372,057	224,154
IEPA Loan Payable	69,787	-	69,787	-	-
IEPA Loan Payable	437,266	-	92,929	344,337	95,301
Total IEPA Loans Payable	<u>3,097,764</u>	<u>-</u>	<u>381,370</u>	<u>2,716,394</u>	<u>319,455</u>
Total Business-type Activities	<u>\$ 5,122,764</u>	<u>-</u>	<u>646,370</u>	<u>4,476,394</u>	<u>599,455</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 6: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

At March 31, 2018, bonds and notes payable consisted of the following:

\$1,970,000 – General Obligation (Tax Increment Alternate Revenue Source) Bonds, Series 2016B, payable beginning June 1, 2017 through December 1, 2033, interest rate ranges from 1.6% to 4.0%. Payments will be made from the TIF Fund.

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2019	\$ 100,000	26,830	26,830	153,660
2020	100,000	25,830	25,830	151,660
2021	100,000	25,030	25,030	150,060
2022	105,000	24,230	24,230	153,460
2023	105,000	23,390	23,390	151,780
2024-2028	560,000	98,953	98,953	757,906
2029-2033	670,000	45,575	45,575	761,150
2034	145,000	2,175	2,175	149,350
	<u>\$ 1,885,000</u>	<u>272,013</u>	<u>272,013</u>	<u>2,429,026</u>

\$4,865,000 – General Obligation (Sales Tax Alternative Revenue) Bonds, Series 2016C, payable beginning June 1, 2017 through December 1, 2028, interest rate ranges from 2.0% to 4.0%, Payments will be made from the Referendum Fund.

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2019	\$ 370,000	59,433	59,433	488,866
2020	375,000	55,733	55,733	486,466
2021	385,000	51,983	51,983	488,966
2022	390,000	48,133	48,133	486,266
2023	400,000	44,233	44,233	488,466
2024-2028	2,135,000	153,641	153,641	2,442,282
2029	470,000	9,400	9,400	488,800
	<u>\$ 4,525,000</u>	<u>422,556</u>	<u>422,556</u>	<u>5,370,112</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 6: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

\$2,025,000 – General Obligation (Alternate Revenue) Waterworks Bonds, Series 2016A, payable beginning June 1, 2017 through December 1, 2023, interest rate is 2.00%. Payments will be made from the Waterworks Fund and the Water Bond Fund.

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2019	\$ 280,000	17,600	17,600	315,200
2020	285,000	14,800	14,800	314,600
2021	290,000	11,950	11,950	313,900
2022	295,000	9,050	9,050	313,100
2023	300,000	6,100	6,100	312,200
2024	310,000	3,100	3,100	316,200
	<u>\$ 1,760,000</u>	<u>62,600</u>	<u>62,600</u>	<u>1,885,200</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%. This Note was paid in full during the fiscal year ended April 30, 2018.

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%. Payments are made from the Sewer Fund.

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2019	\$ 95,301	4,365	3,764	103,430
2020	97,733	3,156	2,541	103,430
2021	100,226	1,918	1,286	103,430
2022	51,077	649	-	51,726
	<u>\$ 344,337</u>	<u>10,088</u>	<u>7,591</u>	<u>362,016</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 6: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

\$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. Payments are made from the Sewer Replacement Reserve Fund.

Due During Year Ended March 31,	Principal	Interest		Total
		September 27	March 27	
2019	\$ 224,154	29,652	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
2024-2028	1,193,458	42,060	26,848	1,262,366
	<u>\$ 2,372,057</u>	<u>161,582</u>	<u>139,047</u>	<u>2,672,686</u>

NOTE 7: INDIVIDUAL FUND DISCLOSURES

During the course of normal operations, the Village has numerous transactions among 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

The transfers represent both routine and non-routine items. Generally, transfers occur to meet the operating purposes of another fund. Transfers were made to Reserve for Capital Expenditures Fund from the General Fund for the purchase of land and capital projects. Transfers were made to capital projects and debt service funds from the Water & Sewer Funds to make payments on the IEPA loans.

Fund	Transfers to Other Funds	Transfers From Other Funds
Governmental Funds:		
Referendum	\$ 487,782	98,541
Reserve for Capital Expenditures	210,653	18,394
TIF	98,541	210,653
Referendum Bond Fund (non-major fund)	-	487,782
Total Governmental Funds	<u>796,976</u>	<u>815,370</u>
Enterprise Funds:		
Sewer	337,399	-
Sewer Replacement Reserve	-	333,799
Water Fund	44,443	-
Water Bond	-	29,649
Water Capital Project	200,000	200,000
Total Enterprise Funds	<u>581,842</u>	<u>563,448</u>
	<u>\$ 1,378,818</u>	<u>1,378,818</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 8: 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 participated in the Illinois Municipal Insurance Cooperative. The Village's deductible under this plan is \$1,000. 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, 2018.

During the year ended March 31, 2018, 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 9: 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.

Grant Revenues

The Village has received funding from state and federal grants which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the Village. In the opinion of the Village, any such disallowed claims will not have a material adverse effect on the overall financial position of the Village.

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

Plan Description – The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

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

Benefits Provided – (continued)

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

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

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

Retirees and Beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	11
Active Plan Members	<u>21</u>
Total	<u><u>57</u></u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

Contributions – As set by statute, the Village’s Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate and actual Village contributions for calendar year 2017 and the fiscal year ended March 31, 2018 are summarized below. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Village required contribution rate for 2017	11.37%
Village required contribution rate for 2018	11.05%
Village actual contributions for 2017	\$ 153,538
Village actual contributions for fiscal year 2018	\$ 152,183

Net Pension Liability – The Village’s net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2017, the Village had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 8,670,586
Plan Fiduciary Net Position	8,600,826
Net Pension Liability	<u>\$ 69,760</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.5%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability – A schedule of changes in the net pension liability and related ratios can be found on Schedule 1 of the Other Information section of this report.

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 9,732,122	8,670,586	7,792,777
Plan Fiduciary Net Position	8,600,826	8,600,826	8,600,826
Net Pension Liability (Asset)	<u>\$ 1,131,296</u>	<u>69,760</u>	<u>(808,049)</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 11: 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, 2018 was \$65,308.

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. One-half of 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 \$287,351.

NOTE 12: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2018:

Assessed valuation - 2017		<u>\$ 61,662,245</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 5,318,369
Debt outstanding at March 31, 2017:		
General obligation bonds payable	\$ 8,170,000	
EPA loans payable	<u>2,716,394</u>	
	10,886,394	
EPA loan and other debt not included for purposes of debt limitation statute	<u>(10,886,394)</u>	<u>-</u>
Legal debt margin		<u>\$ 5,318,369</u>

NOTE 13: 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 \$92,184, the total required contribution for the year ended March 31, 2018.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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.

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:

	Beginning Balance	Levy	Expenditure	Restricted Balance
Audit	\$ 5	4,001	9,100	-
Street Lighting	-	29,377	39,114	-
Parks	-	43,871	184,600	-
Road and Bridge	-	65,522	83,195	-
Liability Insurance *	-	104,994	118,728	-
Total	<u>\$ 5</u>	<u>247,765</u>	<u>434,737</u>	<u>-</u>

* Expenditures included \$89,436 for liability insurance, and \$29,292 for worker's compensation insurance.

NOTE 15: MOTOR FUEL TAX ALLOTMENTS

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. The Motor Fuel Tax Allotments are accounted for in a separate Motor Fuel Tax Fund.

NOTE 16: 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.

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, though it is assumed to be insignificant.

VILLAGE OF DWIGHT, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2018**

NOTE 17: 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 uses incremental tax revenues to pay for redevelopment project costs and obligations incurred during both projects.

The Village made payments totaling \$653,316 from the TIF Fund for construction projects and related engineering and professional fees during the current fiscal year, per an approved agreement.

Refer to Note 6 for debt obligations in the TIF Fund.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 18: 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.

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 – see Note 14 for restricted levies accounted for in the General Fund. Additionally, the Village has the following restricted balances:

1. Social Security - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the FICA & IMRF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$32,696.
2. IMRF - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the FICA & IMRF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$73,989.
3. Motor Fuel Tax - Cash disbursed and the related cash receipts of this restricted income source are accounted for in the Motor Fuel Tax Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$391,995 See Note 15 for additional information.
4. Capital Expenditures – Restricted fund balances in the Reserve for Capital Expenditures fund include the following, resulting from restricted contributions and donations:

Village Parks	\$ 59,384
HSR Depot	<u>22,804</u>
Total	<u>\$ 82,188</u>

5. Sales Tax Referendum – The Village passed a sales tax referendum in the current year by which the Village of Dwight imposed a Non-Home Rule Municipal Retailers’ Occupation Tax and Non-Home Rule Municipal Service Occupation Tax at a rate of 1.0% for expenditure on public infrastructure, and municipal operations. The Village intends to use these funds for mainly for roadway improvements. Cash disbursed and the related cash receipts of this restricted income source are accounted for in the Referendum Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$870,359.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 18: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

B. Restricted Fund Balance – (Continued)

6. TIF – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the TIF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,680,016.

C. Committed Fund Balance

1. 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. Committed fund balances in the Reserve for Capital Expenditures fund include the following:

Pool Renovations	\$ 62,111
Brewster Run	107,416
Ambulance	<u>30,000</u>
Total	<u>\$ 199,527</u>

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. The Village has the following assigned fund balances as of March 31, 2018:

1. Commercial Rent Subsidy – Amounts in this fund are intended to be used for future rent subsidies with the intent to benefit tenants and landlords by better utilization of existing commercial structures in the Village. The Commercial Rent Subsidy Fund has an assigned fund balance of \$8,899 as of March 31, 2018.
2. CDAP Loans - Cash disbursed and the related cash receipts of this income source are accounted for in the CDAP Economic Development Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a fund balance of \$107,083. The State of Illinois has released these funds for the Village to use as needed. As such, the balance is reported as assigned at March 31, 2018. See Note 20 for additional information.

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. Additionally, the deficit of \$275,266 (net of restricted balances) is reported as unassigned in the Reserve for Capital Expenditures fund at March 31, 2018.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 18: FUND BALANCE – GASB 54 PRESENTATION – (Continued)

F. Expenditures of Fund Balance

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

NOTE 19: LEASES

In September of 2014, the Village entered into a lease agreement with McGrath Office Equipment for a copy machine. Payments are made monthly in the amount of \$311, and the lease expires September 10, 2019. Lease expenses under this lease amounted to \$3,732 for the year ended March 31, 2018.

In July of 2014, the Village entered into a lease agreement with Merchants Capital for a 2014 John Deere Tractor. Payments are made monthly in the amount of \$972, and the lease expires June 18, 2019. Lease expenses under this lease amounted to \$11,664 for the year ended March 31, 2018.

The Village also had a lease agreement with NeoPost for a postage machine. Payments were made monthly in the amount of \$26, and lease payments were scheduled to increase at 5% annually. The lease was being carried on a month-to-month agreement through May, 2015. In June of 2016, the Village entered into a new lease agreement with NeoPost for a postage machine. Payments will be made monthly in the amount of \$240, and the lease expires June 4, 2018. Lease expenses under this lease amounted to \$40 for the year ended March 31, 2018.

The following is the schedule of the Village's annual lease obligations:

Year Ending					
March 31,	McGrath	Merchants	NeoPost	Total	
2019	\$ 3,732	11,664	40	15,436	
2020	1,555	2,916	-	4,471	

The Village entered into two lease agreements related to the High Speed Rail Depot.

1. Amtrak - The Village (lessor) entered into a lease agreement with Amtrak (lessee) for the use of the High Speed Rail Depot. Amtrak agreed to pay a fee of \$1 for the initial term of 20 years. Amtrak has the option to extend the term of this lease for four additional five-year terms.
2. Union Pacific – The Village (lessee) entered into a lease agreement with Union Pacific (lessor) for the use of Union Pacific's land on which the High Speed Rail Depot is located. This includes the platform, station, parking, and all areas and physical additions or changes added to the leasehold property located at 401 S. Colombia St. The Village will pay Union Pacific \$15,000 for the use of the property for a period of 20 years.

VILLAGE OF DWIGHT, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2018**

NOTE 20: CDAP LOANS

The Village has a loan agreement with Dwight Restaurant Group, LLC. The Dwight Restaurant Group, LLC, has an outstanding loan balance of \$44,433 as of March 31, 2018.

On March 9, 2018, this loan was refinanced with the borrower. Beginning April 1, 2018, the borrower will pay \$200 monthly through February 1, 2019, at which time the remaining loan balance is due in full. Interest accrues annually at 3%.

NOTE 21: SUBSEQUENT EVENTS

Management evaluated subsequent events through June 25, 2018, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of March 31, 2018.

OTHER INFORMATION

Statement of Fiduciary Net Position
 Agency Funds
 March 31, 2018

		March 31,	
		2018	2017
<u>Assets</u>			
Cash		\$ 4,694	4,887
Total assets		<u>\$ 4,694</u>	<u>4,887</u>
<u>Liabilities</u>			
Payable to others		\$ 4,694	4,887
Total liabilities		<u>\$ 4,694</u>	<u>4,887</u>

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

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2018**

	<u>Assets</u>	
Cash		\$ 271,822
Total assets		<u>\$ 271,822</u>
	 <u>Fund Balance</u>	
Unassigned		<u>\$ 271,822</u>
Total fund balance		<u>\$ 271,822</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, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ 433,216	406,849	434,272
Utility tax	212,000	226,236	204,080
Telecommunications taxes	120,000	103,221	107,886
Hotel/Motel taxes	40,000	39,846	37,658
State sales tax	625,000	640,238	617,180
State income taxes	430,260	415,069	451,627
Local use taxes	107,778	110,191	103,469
Replacement taxes	45,390	40,309	43,086
Gas tax refund	2,000	-	3,698
Garbage/refuse	333,077	306,297	264,521
Ambulance receipts	380,000	155,958	216,193
Community training receipts	2,000	1,044	904
Police compensation	28,000	26,128	23,814
Grants	17,500	20,727	-
Interest income	2,750	3,416	3,952
Video gaming revenue	80,000	93,881	91,918
Miscellaneous	36,000	20,382	8,472
Permits	12,850	15,567	9,621
Licenses	19,600	21,515	21,170
Franchise fees	11,500	12,933	11,578
Keeley trust income	1,500	403	443
County fines	55,000	57,652	76,206
Safe passage	-	-	10,000
Livingston County drug fund	6,000	2,500	10,000
Village fines	1,500	5,170	1,280
Impoundment fees	8,500	10,250	7,000
Donations	3,850	58,552	4,081
Park/Pool charges for service	31,050	27,644	32,764
Tourism revenue	5,000	5,320	4,168
Canine Receipts	500	-	-
Retiree insurance reimbursement	9,737	11,065	3,291
Total revenues received	3,061,558	2,838,363	2,804,332

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, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures disbursed:			
General Government:			
Current:			
Salaries - Employees	\$ 93,025	93,886	87,773
Salaries - Elected	25,000	23,925	14,793
Employee benefits	30,433	30,153	17,686
Unemployment insurance	450	195	259
Worker's compensation	2,050	2,023	2,007
Transportation services	4,800	4,800	4,800
Building maintenance	17,500	19,044	18,271
Equipment maintenance	3,500	11,669	7,991
Engineering services	10,000	6,715	248
Legal & professional services	47,300	42,347	45,442
Dues and fees	2,000	1,691	1,583
Printing and publications	3,750	2,082	2,761
Postage	4,000	3,637	3,411
Telephone	5,000	5,054	3,416
Travel	1,000	1,479	480
Training	1,000	511	934
Economic development	60,000	54,682	44,019
Hotel/Motel expenditures	50,000	28,764	39,627
Utilities	6,000	5,068	7,673
Insurance	84,000	89,436	86,718
Equipment rental	5,500	5,089	5,235
Other contractual services	1,500	1,260	600
Maintenance supply - building	1,500	-	174
Maintenance supply - equipment	1,500	180	-
Office supplies	8,000	4,923	7,952
Sales tax paid	296	353	259
Miscellaneous expense	10,000	15,683	6,070
Total General Government	479,104	454,649	410,182
Garbage Disposal:			
Current:			
Disposal services	331,077	309,627	315,259
Postage	850	828	834
Supplies	200	-	201
Miscellaneous expense	150	700	-
Total Garbage Disposal	332,277	311,155	316,294

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, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures disbursed (Continued):			
Public Safety:			
Current:			
Salaries - Employees	\$ 730,457	713,162	695,447
Employee benefits	81,643	75,148	79,910
Unemployment insurance	850	726	786
Worker's compensation	12,000	12,139	11,306
Uniform allowance	7,000	4,855	4,261
Contractual services	39,950	35,834	32,773
Maintenance - equipment	3,000	2,555	1,485
Maintenance - vehicles	20,000	10,805	28,104
Telephone	8,000	9,602	6,982
Printing & advertising	2,500	246	1,658
Dues and fees	5,500	354	5,521
Travel expense	6,000	4,641	3,138
Training expense	10,000	6,324	7,395
Supplies	4,000	2,326	3,877
Fuel/oil	24,000	20,018	17,869
DUI expense	8,500	-	-
Community relations expense	-	-	75
Drug enforcement expense	7,500	7,074	12,323
Canine unit	1,500	12,468	96
Safe passage expenditure	2,500	5,156	2,344
Officer friendly expenditures	9,000	10,586	8,323
Range expense	7,500	400	-
Humane officer & animal control	150	75	45
Miscellaneous	5,000	7,116	3,365
Total Public Safety	996,550	941,610	927,083
ESDA:			
Current:			
Salaries	1,200	736	500
Unemployment insurance	10	4	5
Worker's compensation	300	276	350
Contractual services	7,200	6,745	6,606
Repair & maintenance	4,000	-	3,800
Telephone	1,000	1,191	758
Training	200	-	240
Other	200	-	202
Total ESDA	14,110	8,952	12,461

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, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Expenditures disbursed (Continued):			
Ambulance Services:			
Current:			
Salaries	\$ 80,623	80,623	78,657
Employee benefits	7,441	7,481	7,924
Unemployment insurance	75	68	71
Worker's compensation	4,750	4,732	4,506
Uniform allowance	8,000	3,385	4,999
Contractual services	550,000	488,494	489,116
Ambulance - OT	12,000	11,002	8,241
Ambulance - other	28,000	24,527	24,065
Maintenance - equipment	6,000	4,048	6,167
Maintenance - vehicles	13,500	9,452	10,687
Telephone	5,000	5,526	3,736
Dues and fees	500	40	500
Travel expense	1,000	973	442
Training expense	3,500	3,438	2,778
Office supplies	2,000	1,979	1,393
Other supplies	1,200	1,195	1,327
Medical supplies	12,000	10,914	10,271
Fuel/oil	12,000	10,507	10,294
Donations	1,000	2,243	958
Community training	500	-	-
Miscellaneous expense	1,500	1,114	870
Total Ambulance Services	750,589	671,741	667,002
Street Lighting:			
Current:			
Maintenance - lighting	3,500	5,977	1,751
Utilities	32,500	33,137	34,632
Total Street Lighting	36,000	39,114	36,383
Street & Alley			
Current:			
Salaries	84,500	80,159	61,293
Salaries - OT	7,500	9,414	6,933
Employee Benefits	17,260	17,500	13,788
Unemployment insurance	150	140	246
Worker's compensation	6,600	7,527	6,559
Uniform allowance	1,116	1,862	1,475
Maintenance - equipment	32,000	1,692	26,262
Maintenance - vehicle	6,500	12,823	4,172
Maintenance - streets & alleys	50,000	19,935	21,229
Maintenance - sidewalks	7,500	3,431	-
Maintenance - trees	45,000	44,615	55,883

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, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Expenditures disbursed (Continued):			
Street & Alley (Continued):			
Current (Continued):			
Utilities	\$ 1,000	-	-
Snow removal	25,000	15,214	9,447
Construction projects	-	-	513
Creek maintenance	40,000	53,778	4,240
Engineering services	15,000	-	11,236
Telephone	2,000	2,115	1,510
Training expense	500	60	6
Operating supplies	8,500	1,594	5,777
Small tools	600	144	219
Fuel/oil	18,000	17,521	14,280
Miscellaneous expense	2,500	250	17,189
Total Street & Alley	371,226	289,774	262,257
Parks and Recreation:			
Current:			
Salaries	102,000	98,665	71,974
Salaries - OT	600	2,391	697
Employee benefits	14,811	14,246	12,873
Unemployment insurance	500	338	478
Worker's compensation	2,200	1,788	2,064
Uniform allowance	750	-	-
Repair & maintenance	6,500	8,864	4,615
Repair & maintenance - parks	35,000	56,788	8,297
Utilities	2,750	347	2,679
Operating supplies	2,000	484	1,981
Fuel/oil	2,000	689	1,138
Miscellaneous	250	-	-
Total Parks and Recreation	169,361	184,600	106,796
Pool:			
Current:			
Salaries	40,000	37,748	39,601
Unemployment insurance	300	208	254
Worker's compensation	1,400	807	1,264
Maintenance - pool	12,000	6,561	8,236
Telephone	1,000	1,204	700
Printing	500	360	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, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31, 2018	2017
Expenditures disbursed (Continued):			
Pool (Continued):			
Current (Continued):			
Utilities	\$ 8,000	6,146	5,036
Supplies	2,000	1,078	2,928
Concession stand supplies	2,500	2,198	2,821
Sales tax paid	550	383	502
Swim team expense	500	234	262
Miscellaneous expense	1,000	796	545
Total Pool	<u>69,750</u>	<u>57,723</u>	<u>62,449</u>
Total expenditures disbursed	<u>3,218,967</u>	<u>2,959,318</u>	<u>2,800,907</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(157,409)</u>	<u>(120,955)</u>	<u>3,425</u>
Other financing sources (uses):			
Transfers in	-	-	17,415
Transfers out	<u>(135,000)</u>	<u>-</u>	<u>(166,729)</u>
Total other financing sources (uses)	<u>(135,000)</u>	<u>-</u>	<u>(149,314)</u>
Net change in fund balance	<u>\$ (292,409)</u>	<u>(120,955)</u>	<u>(145,889)</u>
Fund balance, beginning of year		<u>392,777</u>	<u>538,666</u>
Fund balance, end of year		<u>271,822</u>	<u>392,777</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, 2018

	<u>Assets</u>	
Cash		\$ 6,449
Total assets		<u>\$ 6,449</u>
	<u>Fund Balance</u>	
Fund balance:		
Restricted fund balance		\$ 82,188
Committed fund balance		199,527
Unassigned fund balance (deficit)		<u>(275,266)</u>
Total fund balance		<u>\$ 6,449</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, 2018
(With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Interest income	\$ 2,000	2,195	3,448
Grant income	250,000	230,605	2,116,048
Total revenues received	252,000	232,800	2,119,496
Expenditures disbursed:			
Current:			
Engineering service	30,000	11,334	110,556
Capital outlay:			
Construction projects	-	-	950
Equipment purchases	42,000	10,876	20,465
Vehicles	76,000	52,521	32,650
Depot - ITEP	30,000	12,754	69,955
HSR Depot construction	-	-	1,766,872
Trees	4,000	-	-
Improvements	15,000	37,394	1,879
Land purchase	10,000	-	47,654
Miscellaneous	-	-	42,950
Total expenditures disbursed	207,000	124,879	2,093,931
Excess (deficiency) of revenues received over (under) expenditures disbursed	45,000	107,921	25,565
Other financing sources (uses):			
Transfers in	135,000	18,394	191,644
Transfers out	(9,894)	(210,653)	(13,546)
Total other financing sources (uses)	125,106	(192,259)	178,098
Net change in fund balance	\$ 170,106	(84,338)	203,663
Fund balance (deficit), beginning of year		90,787	(112,876)
Fund balance (deficit), end of year		6,449	90,787

**VILLAGE OF DWIGHT, ILLINOIS
REFERENDUM FUND**

SCHEDULE B-3

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2018**

<u>Assets</u>		
Cash		\$ 870,359
Total assets		<u>\$ 870,359</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 870,359
Total fund balance		<u>\$ 870,359</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE B-4

	<u>Original and Final Budget</u>	<u>Year Ended March 31,</u>	
		2018	2017
Revenues received:			
Non-home rule sales tax	\$ 400,000	428,968	219,090
Grants	-	24,119	-
Interest	3,000	10,779	6,409
Total revenues received	<u>403,000</u>	<u>463,866</u>	<u>225,499</u>
Expenditures disbursed:			
Current:			
Construction projects	3,700,000	3,100,808	841,164
Engineering service	300,000	403,647	60,468
Bond issuance costs	-	-	38,840
Total expenditures disbursed	<u>4,000,000</u>	<u>3,504,455</u>	<u>940,472</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(3,597,000)</u>	<u>(3,040,589)</u>	<u>(714,973)</u>
Other financing sources (uses):			
Bond proceeds	-	-	4,865,000
Bond issuance premium	-	-	238,875
Bond issuance discount	-	-	(63,798)
Transfer in	-	98,541	-
Transfer out	(487,782)	(487,782)	(24,915)
Net change in fund balance	<u>\$ (4,084,782)</u>	<u>(3,429,830)</u>	<u>4,300,189</u>
Fund balance, beginning of year		<u>4,300,189</u>	-
Fund balance, end of year		<u>870,359</u>	<u>4,300,189</u>

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2018**

<u>Assets</u>	
Cash	\$ 1,680,016
Total assets	<u>\$ 1,680,016</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 1,680,016
Total fund balance	<u>\$ 1,680,016</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE B-6

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
TIF revenue	\$ 150,000	166,690	138,079
Grants	176,000	176,000	-
Other income	-	2,679	-
Interest income	6,000	6,669	4,501
Total revenues received	<u>332,000</u>	<u>352,038</u>	<u>142,580</u>
Expenditures disbursed:			
Construction projects	1,750,000	549,098	147,240
Engineering service	120,000	104,218	51,917
Other professional services	4,000	-	25,650
Dues	610	550	550
Debt service:			
Principal	85,000	85,000	-
Interest	64,894	64,894	-
Fees	475	475	-
Bond issuance costs	-	-	26,842
Total expenditures disbursed	<u>2,024,979</u>	<u>804,235</u>	<u>252,199</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(1,692,979)</u>	<u>(452,197)</u>	<u>(109,619)</u>
Other financing sources (uses):			
Bond proceeds	-	-	1,970,000
Bond issuance premium	-	-	80,282
Bond issuance discount	-	-	(25,629)
Transfers in	-	210,653	-
Transfers out	-	(98,541)	(3,869)
Total other financing sources (uses)	<u>-</u>	<u>112,112</u>	<u>2,020,784</u>
Net change in fund balance	<u>\$ (1,692,979)</u>	<u>(340,085)</u>	<u>1,911,165</u>
Fund balance (deficit), beginning of year		<u>2,020,101</u>	<u>108,936</u>
Fund balance (deficit), end of year		<u>1,680,016</u>	<u>2,020,101</u>

**Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios**

Calendar Year Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	\$ 152,617	153,504	143,229	-	-	-	-	-	-	-
Interest on the Total Pension Liability	627,518	595,440	547,518	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	35,912	(23,828)	212,150	-	-	-	-	-	-	-
Assumption Changes	(279,361)	(20,273)	19,740	-	-	-	-	-	-	-
Benefit Payments and Refunds	(313,396)	(282,449)	(252,713)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	223,290	422,394	669,924	-	-	-	-	-	-	-
Total Pension Liability - Beginning	8,447,296	8,024,902	7,354,978	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 8,670,586</u>	<u>8,447,296</u>	<u>8,024,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 153,538	146,019	133,480	-	-	-	-	-	-	-
Employee Contributions	60,768	60,173	57,151	-	-	-	-	-	-	-
Net Investment Income	1,282,210	486,961	35,673	-	-	-	-	-	-	-
Benefit Payments and Refunds	(313,396)	(282,449)	(252,713)	-	-	-	-	-	-	-
Other (Net Transfer)	(100,828)	71,396	(102,705)	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	928,754	336,081	(262,594)	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	7,239,035	6,902,954	7,165,548	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 8,167,789</u>	<u>7,239,035</u>	<u>6,902,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 502,797</u>	<u>1,208,261</u>	<u>1,121,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.20%	85.70%	86.02%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 1,350,387	1,337,176	1,270,033	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	37.23%	90.36%	88.34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Illinois Municipal Retirement Fund
Schedule of Contributions**

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2017	\$ 153,539	153,538	1	1,350,387	11.37%
12/31/2016	146,020	146,019	1	1,337,176	10.92%
12/31/2015	133,734	133,480	254	1,270,033	10.51%

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 Contribution Rate:

Actuarial Cost Method Aggregate Entry Age Normal
Amortization Method Level Percentage of Payroll, Closed
Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP, and ECO Groups): 26-year closed period.
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method 5-year smoothed market; 20% corridor
Wage Growth 3.50%
Price Inflation 2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases 3.75% to 14.50% including inflation
Investment Rate of Return 7.50%
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

NOTES TO OTHER INFORMATION

VILLAGE OF DWIGHT, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2018

NOTE 1: BUDGETARY PROCEDURES

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 27, 2017, the Village approved Ordinance No. 1392 adopting the annual budget for the fiscal year ending March 31, 2018.

NOTE 2: BUDGETARY COMPARISONS – MAJOR FUNDS

The following is an analysis of budget versus actual amounts for the Village's major funds for the year ended March 31, 2018:

Description	Budget	Actual	Variance	Percent Variance
General Fund Expenditures Disbursed	\$ 3,218,967	2,959,318	259,649	8.77%
Reserve for Capital Expenditures Fund Expenditures Disbursed	207,000	124,879	82,121	65.76%
Referendum Fund Expenditures Disbursed	4,000,000	3,504,455	495,545	14.14%
TIF Fund Expenditures Disbursed	2,024,979	804,235	1,220,744	151.79%

SUPPLEMENTARY INFORMATION

VILLAGE OF DWIGHT, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Statement of Assets, Liabilities and
Fund Balances Arising from Cash Transactions
March 31, 2018

	Special Revenue Funds				Debt Service Fund	Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	CDAP Economic Development Fund	Referendum Bond Fund	March 31, 2018	March 31, 2017
<u>Assets</u>							
Cash in bank	\$ 391,995	106,685	8,899	107,083	-	614,662	508,524
Total assets	<u>\$ 391,995</u>	<u>106,685</u>	<u>8,899</u>	<u>107,083</u>	<u>-</u>	<u>614,662</u>	<u>508,524</u>
<u>Fund Balance</u>							
Fund balance:							
Restricted	\$ 391,995	106,685	-	-	-	498,680	499,629
Assigned	-	-	8,899	107,083	-	115,982	8,895
Total fund balance	<u>\$ 391,995</u>	<u>106,685</u>	<u>8,899</u>	<u>107,083</u>	<u>-</u>	<u>614,662</u>	<u>508,524</u>

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, 2018

	Special Revenue Funds				Debt Service Fund	Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	CDAP Economic Development Fund	Referendum Bond Fund	March 31,	
						2018	2017
Revenues received:							
Property taxes	\$ -	255,987	-	-	-	255,987	261,075
Interest income	2,447	56	4	51	-	2,558	1,589
Motor fuel tax	107,878	-	-	-	-	107,878	108,583
Revolving loan	-	-	-	5,641	-	5,641	7,000
Miscellaneous	-	-	-	-	-	-	1,396
Total revenues received	110,325	256,043	4	5,692	-	372,064	379,643
Expenditures disbursed:							
General Government	-	265,926	-	-	475	266,401	258,774
Debt Service:							
Principal	-	-	-	-	340,000	340,000	-
Interest	-	-	-	-	147,307	147,307	-
Total expenditures disbursed	-	265,926	-	-	487,782	753,708	258,774
Excess (deficiency) of revenues received over (under) expenditures disbursed	110,325	(9,883)	4	5,692	(487,782)	(381,644)	120,869
Other financing sources (uses):							
Transfers In	-	-	-	-	487,782	487,782	-
Total other financing sources (uses)	-	-	-	-	487,782	487,782	-
Net change in fund balance	110,325	(9,883)	4	5,692	-	106,138	120,869
Fund balance beginning of year	281,670	116,568	8,895	101,391	-	508,524	387,655
Fund balance end of year	\$ 391,995	106,685	8,899	107,083	-	614,662	508,524

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2018**

<u>Assets</u>		
Cash		\$ 391,995
Total assets		<u>\$ 391,995</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 391,995
Total fund balance		<u>\$ 391,995</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-4

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Motor fuel tax allotments	\$ 109,695	107,878	108,583
Interest income	1,500	2,447	1,477
Supplemental allotments	-	-	-
Total revenues received	<u>111,195</u>	<u>110,325</u>	<u>110,060</u>
Expenditures disbursed:			
Construction projects	300,000	-	-
Engineering service	45,000	-	-
Total expenditures disbursed	<u>345,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (233,805)</u>	110,325	110,060
Fund balance, beginning of year		<u>281,670</u>	<u>171,610</u>
Fund balance, end of year		<u>391,995</u>	<u>281,670</u>

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 106,685
Total assets			<u>\$ 106,685</u>
		<u>Fund Balance</u>	
Fund balance			
Restricted - IMRF			\$ 73,989
Restricted - FICA			<u>32,696</u>
Total fund balance			<u>\$ 106,685</u>

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes - IMRF	\$ 155,000	149,994	150,044
Property taxes - FICA	112,000	105,993	111,031
Interest income	50	56	60
Total revenues received	<u>267,050</u>	<u>256,043</u>	<u>261,135</u>
Expenditures disbursed:			
FICA contribution	112,000	113,743	110,511
IMRF contribution	155,000	152,183	147,094
Total expenditures disbursed	<u>267,000</u>	<u>265,926</u>	<u>257,605</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 50</u>	(9,883)	3,530
Fund balance, beginning of year		<u>116,568</u>	<u>113,038</u>
Fund balance, end of year		<u>106,685</u>	<u>116,568</u>

**Statement of Assets, Liabilities and
 Fund Balance Arising from Cash Transactions
 March 31, 2018**

		<u>Assets</u>	
Cash			\$ 8,899
Total assets			<u>\$ 8,899</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ 8,899
Total fund balance			<u>\$ 8,899</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2018
 (With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Gross receipts repayment	\$ -	-	1,396
Interest	5	4	3
Total revenues received	<u>5</u>	<u>4</u>	<u>1,399</u>
Expenditures disbursed:			
Rent subsidy	-	-	1,169
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>1,169</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 5</u>	4	230
Fund balance, beginning of year		<u>8,895</u>	<u>8,665</u>
Fund balance, end of year		<u>8,899</u>	<u>8,895</u>

**Statement of Assets, Liabilities and
 Fund Balance Arising from Cash Transactions
 March 31, 2018**

		<u>Assets</u>	
Cash			\$ 107,083
Total assets			<u>\$ 107,083</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ 107,083
Total fund balance			<u>\$ 107,083</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2018
 (With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Principal	\$ 10,815	3,534	6,099
Interest	1,185	2,107	901
Interest Income	40	51	49
Total revenues received	<u>12,040</u>	<u>5,692</u>	<u>7,049</u>
Expenditures disbursed:			
Development	<u>113,431</u>	-	-
Total expenditures disbursed	<u>113,431</u>	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (101,391)</u>	5,692	7,049
Fund balance, beginning of year		<u>101,391</u>	<u>94,342</u>
Fund balance, end of year		<u>107,083</u>	<u>101,391</u>

**Statement of Assets, Liabilities and
 Fund Balance Arising from Cash Transactions
 March 31, 2018**

<u>Assets</u>	
Cash	\$ -
Total assets	<u>\$ -</u>
 <u>Fund Balance</u>	
Restricted 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, 2018
 (With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Other income	\$ -	-	-
Total revenues received	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures disbursed:			
Debt service:			
Principal	340,000	340,000	-
Interest	147,307	147,307	-
Fees	475	475	-
Total expenditures disbursed	<u>487,782</u>	<u>487,782</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(487,782)</u>	<u>(487,782)</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	487,782	487,782	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>487,782</u>	<u>487,782</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), beginning of year		<u>-</u>	<u>-</u>
Fund balance (deficit), end of year		<u>-</u>	<u>-</u>

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE D-1

Proprietary Fund
Statement of Net Position
March 31, 2018

Assets

Current assets:	
Cash	\$ 143,714
Accounts receivable	43,631
Total current assets	<u>187,345</u>
Non-current assets:	
Capital assets	7,787,288
Accumulated depreciation	<u>(4,147,561)</u>
Total non-current assets	<u>3,639,727</u>
Total assets	<u>\$ 3,827,072</u>

Liabilities and Net Position

Current liabilities:	
Accounts payable	\$ 8,871
Water deposits	13,230
Current portion of long-term debt:	
Bonds payable	<u>280,000</u>
Total current liabilities	<u>302,101</u>
Long-term liabilities:	
Bonds payable, net of current portion	<u>1,480,000</u>
Total long-term liabilities	<u>1,480,000</u>
Total liabilities	<u>1,782,101</u>
Net position	<u>2,044,971</u>
Total liabilities and net position	<u>\$ 3,827,072</u>

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE D-2

Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Water	\$ 864,000	823,757	859,533
Water meters	500	900	2,795
Water penalties	7,000	7,102	7,485
Interest	150	844	364
Miscellaneous	1,000	10,140	1,669
Total revenues	872,650	842,743	871,846
Expenses:			
Current:			
Salaries	185,033	139,342	194,440
Salaries - OT	20,000	19,839	16,887
Employee benefits	24,781	20,141	25,415
Unemployment insurance	350	152	247
Worker's compensation	4,000	3,054	3,354
Uniform allowance	1,167	495	603
Contractual services	6,500	7,085	4,784
Maintenance - equipment	87,500	52,970	64,293
Maintenance - vehicle	2,750	593	2,279
Maintenance - system	40,000	130,005	63,035
Engineering service	18,000	-	19,645
Postage	1,900	1,656	1,749
Telephone	2,000	1,842	1,341
Printing and publishing	1,500	651	2,189
Dues	750	390	526
Travel	300	30	-
Training	1,000	7,122	290
Utilities	50,000	42,093	48,850
Lease/rentals	3,200	3,031	4,462
Operating supplies	3,000	9,229	3,473
Small tools	500	1,038	393
Fuel/oil	5,500	4,260	1,632
Chemicals	6,000	8,493	6,857
Principal	5,833	4,860	4,716
Interest	1,117	1,375	19,418
Miscellaneous expense	1,500	1,304	1,432
Capital outlay			
Equipment	57,000	140	5,297
Improvements	30,000	765	30,865
Construction projects	-	138,875	-
Depreciation	198,672	205,561	201,925
Total expenses	759,853	806,391	730,397
Excess of revenues over (under) expenses	112,797	36,352	141,449
Other financing sources (uses):			
Transfers out	(312,975)	(44,443)	(2,034,088)
Change in net position	\$ (200,178)	(8,091)	(1,892,639)
Net position, beginning of year		2,053,062	3,945,701
Net position, end of year		2,044,971	2,053,062

VILLAGE OF DWIGHT, ILLINOIS
WATER CAPITAL PROJECT FUND

SCHEDULE D-3

Proprietary Fund
Statement of Net Position
March 31, 2018

		<u>Assets</u>	
Cash			\$ 146,220
Total assets			<u>\$ 146,220</u>
		<u>Net Position</u>	
Net position			\$ 146,220
Total net position			<u>\$ 146,220</u>

Statement of Revenues, Expenses, & Changes in Fund Net Position -
Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

SCHEDULE D-4

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Tap-on fees	\$ -	1,500	2,563
Interest Income	1,500	1,954	1,981
Total revenues	<u>1,500</u>	<u>3,454</u>	<u>4,544</u>
Expenses:			
Current:			
Construction projects	1,350,000	1,291,202	578,269
Engineering service	50,000	38,085	31,180
Bond issuance cost	-	-	26,949
Miscellaneous	-	-	2,500
Total expenses	<u>1,400,000</u>	<u>1,329,287</u>	<u>638,898</u>
Excess of revenues over (under) expenses	(1,398,500)	(1,325,833)	(634,354)
Other financing sources (uses):			
Bond issuance premium	-	-	30,424
Bond issuance discount	-	-	(25,693)
Transfer in - bond proceeds	-	-	2,025,000
Operating transfer in	-	200,000	-
Operating transfer out	-	(200,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,029,731</u>
Net change in net position	<u>\$ (1,398,500)</u>	(1,325,833)	1,395,377
Net position, beginning of year		<u>1,472,053</u>	<u>76,676</u>
Net position, end of year		<u>146,220</u>	<u>1,472,053</u>

Proprietary Fund
Statement of Net Position
March 31, 2018

<u>Assets</u>	
Current assets:	
Cash	\$ 141,165
Accounts receivable	49,722
Total current assets	<u>190,887</u>
Non-current assets:	
Capital assets	11,626,071
Accumulated depreciation	<u>(5,799,063)</u>
Total non-current assets	<u>5,827,008</u>
Total assets	<u><u>\$ 6,017,895</u></u>
 <u>Liabilities and Net Position</u> 	
Current Liabilities:	
Accounts payable	\$ 1,937
Current portion of long-term debt:	
EPA loan payable	<u>95,301</u>
Total current liabilities	<u>97,238</u>
Long-term liabilities:	
EPA loan payable, net of current portion	<u>249,036</u>
Total long-term liabilities	<u>249,036</u>
Total liabilities	<u>346,274</u>
Net position	<u>5,671,621</u>
Total liabilities and net position	<u><u>\$ 6,017,895</u></u>

VILLAGE OF DWIGHT, ILLINOIS
SEWER FUND

SCHEDULE D-6

Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Sewer	\$ 899,000	854,373	899,821
Sewer penalties	8,500	7,872	8,115
Surcharge	50	30	42
Industrial cost recovery	1,000	985	982
Interest	150	684	289
Miscellaneous	1,500	155	8,547
Total revenues	910,200	864,099	917,796
Expenses:			
Current:			
Salaries	182,225	184,830	176,447
Salaries - OT	5,000	7,723	5,430
Employee benefits	24,781	23,202	26,578
Unemployment insurance	370	240	261
Worker's compensation	3,000	2,439	2,214
Uniform allowance	1,167	1,006	911
Contractual services	20,000	16,058	17,651
Maintenance - equipment	40,000	41,730	14,102
Maintenance - vehicle	30,000	449	540
Maintenance - system	35,000	11,602	51,026
Engineering service	2,500	-	5,098
Postage	2,100	1,727	1,670
Telephone	6,000	6,283	4,640
Printing & publishing	700	195	287
Dues	10,000	10,000	10,000
Travel	250	-	-
Training	500	188	209
Utilities	117,500	84,752	112,209
Insurance	4,000	4,263	3,567
Lease / rentals	500	-	-
Operating supplies	7,000	6,468	5,086
Small tools	1,200	690	757
Fuel/oil	5,000	2,839	2,097
Chemicals	7,500	10,493	959
Principal	5,833	4,458	4,716
Interest	1,117	973	1,117
Miscellaneous expense	1,500	1,130	8,947
Capital outlay:			
Equipment	44,000	1,426	12,420
Improvements	1,750	-	1,926
Depreciation	271,500	270,367	272,890
Total expenses	831,993	695,531	743,755
Excess of revenues over (under) expenses	78,207	168,568	174,041
Other financing sources (uses):			
Transfers out	(256,288)	(337,399)	(168,274)
Change in net position	\$ (178,081)	(168,831)	5,767
Net position, beginning of year		5,840,452	5,834,685
Net position, end of year		5,671,621	5,840,452

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

SCHEDULE D-7

Proprietary Fund
Statement of Net Position
March 31, 2018

Assets

Cash	\$	167,521
Accounts receivable		<u>11,159</u>
Total assets	\$	<u>178,680</u>

Liabilities & Net Position

Current Liabilities		
Interest payable	\$	3,474
Current portion of EPA loan payable		<u>224,154</u>
Total current liabilities		<u>227,628</u>
Non-current Liabilities:		
EPA loan payable, net of current portion		<u>2,147,903</u>
Total non-current liabilities		<u>2,147,903</u>
Total liabilities		<u>2,375,531</u>
Net position (deficit)		<u>(2,196,851)</u>
Total liabilities & net position	\$	<u>178,680</u>

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

SCHEDULE D-8

Proprietary Fund
Statement of Revenues, Expenses & Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31.	
		2018	2017
Revenues:			
Tap-on fees	\$ -	3,300	-
Debt service revenue	211,500	206,215	229,877
Interest Income	150	647	103
Total revenues	<u>211,650</u>	<u>210,162</u>	<u>229,980</u>
Expenses:			
Current:			
Construction project	-	182,304	51,274
Engineering service	-	2,353	-
Debt service:			
Principal	381,371	-	-
Interest	74,917	73,717	91,245
Total expenses	<u>456,288</u>	<u>258,374</u>	<u>142,519</u>
Excess of revenues over (under) expenses	(244,638)	(48,212)	87,461
Other financing sources (uses):			
Transfer in	256,288	333,799	168,274
Total other financing sources (uses)	<u>256,288</u>	<u>333,799</u>	<u>168,274</u>
Net change in net position	<u>\$ 11,650</u>	285,587	255,735
Net position (deficit), beginning of year		<u>(2,482,438)</u>	<u>(2,738,173)</u>
Net position (deficit), end of year		<u><u>(2,196,851)</u></u>	<u><u>(2,482,438)</u></u>

VILLAGE OF DWIGHT, ILLINOIS
WATER BOND FUND

SCHEDULE D-9

Proprietary Fund
Statement of Net Position
March 31, 2018

<u>Assets</u>	
Cash	\$ -
Total assets	<u>\$ -</u>
<u>Liabilities and Net Position</u>	
Liabilities	
Accrued interest payable	\$ 11,831
Total liabilities	<u>11,831</u>
Net position	<u>(11,831)</u>
Total net position	<u>(11,831)</u>
Total liabilities & net position	<u>\$ -</u>

Statement of Revenues, Expenses & Changes in Fund Net Position -
Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

SCHEDULE D-10

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Interest Income	\$ -	-	-
Expenses:			
Debt Service:			
Fees	500	475	238
Principal	265,000	-	-
Interest	47,475	41,005	8,850
Total expenses	<u>312,975</u>	<u>41,480</u>	<u>9,088</u>
Excess of revenues over (under) expenses	(312,975)	(41,480)	(9,088)
Other financing sources (uses):			
Transfer in (out)	312,975	29,649	9,088
Total other financing sources (uses)	<u>312,975</u>	<u>29,649</u>	<u>9,088</u>
Net change in net position	<u>\$ -</u>	(11,831)	-
Net position, beginning of year		-	-
Net position, end of year		<u>(11,831)</u>	<u>-</u>

**Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended March 31, 2018
 (With Comparative Figures for 2017)**

	Police Donations Fund	Disaster Relief Fund	Totals Year Ended March 31,	
			2018	2017
Additions:				
Revenues	\$ -	2	2	4
Deductions:				
Expenditures	-	195	195	-
Net increase (decrease)	-	(193)	(193)	4
Cash balance, beginning of year	350	4,537	4,887	4,883
Cash balance, end of year	\$ 350	4,344	4,694	4,887

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

		2013	2014	2015	2016	2017
Assessed valuations	Maximum Rate	\$ 65,247,172	62,894,275	58,730,529	58,758,609	61,662,245
Tax Rates:						
General	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
Audit	N/A	0.0023	0.0065	0.0152	0.0068	0.0148
IMRF	N/A	0.2452	0.2429	0.2554	0.2553	0.2595
Social Security	N/A	0.1533	0.1716	0.1890	0.1804	0.1828
Liability Insurance	N/A	0.1456	0.1700	0.1975	0.1787	0.2433
Garbage	N/A	-	-	-	-	0.0487
Street Lighting	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Parks	0.0750	0.0750	0.0750	0.0750	0.0750	0.0730
Recreation	0.0900	0.0146	0.0194	0.0409	0.0204	0.0900
Totals		0.9360	0.9854	1.0730	1.0166	1.2119
Tax extensions:						
General		\$ 163,118	157,220	146,826	146,897	154,156
Audit		1,501	4,075	8,927	4,001	9,101
IMRF		160,006	152,747	150,004	150,005	160,001
Social Security		100,004	107,942	111,001	106,001	112,694
Liability Insurance		95,000	106,923	116,005	105,002	150,006
Garbage		-	-	-	-	30,005
Street Lighting		32,624	31,444	29,365	29,379	30,831
Parks		48,935	47,166	44,048	44,069	45,001
Recreation		9,500	12,220	24,003	12,004	55,496
Totals		\$ 610,688	619,737	630,179	597,358	747,291
Road & Bridge (from townships)		\$ 65,349	66,427	64,998	65,295	-
Tax collections		\$ 677,344	674,884	695,347	662,836	-

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

	2013	2014	2015	2016	2017
Assessed valuations	\$ 4,215,565	3,944,807	3,743,021	3,759,130	4,056,906
Tax Rates: General	0.0000	0.0000	0.0000	0.0000	0.0000
Tax extensions: General	\$ 122,332	119,571	138,285	166,667	189,852
Tax collections	\$ 122,675	119,455	138,079	166,690	-



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

To the Honorable Mayor and
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, 2018, 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 June 25, 2018.

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*.

Purpose of this Report

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 25, 2018