

CITY OF WILMINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2017

Prepared by:

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

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



CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WILMINGTON, ILLINOIS

Table of Contents

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position – Modified Cash Basis (Statement A).....	3
Statement of Activities – Modified Cash Basis (Statement B).....	4
Fund Financial Statements:	
Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds (Statement C).....	5
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds (Statement D).....	6-7
Statement of Fund Net Position – Proprietary Funds (Statement E).....	8
Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds (Statement F).....	9
Statement of Cash Flows Proprietary Funds (Statement G).....	10
Statement of Fiduciary Net Position (Statement H).....	11
Statement of Changes in Fiduciary Net Position (Statement I).....	12
NOTES TO BASIC FINANCIAL STATEMENTS	13-48

CITY OF WILMINGTON, ILLINOIS

Table of Contents – (Continued)

	PAGE
OTHER INFORMATION	
General Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule A-1)	49
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule A-2).....	50
Major Special Revenue Fund:	
Ridgeport TIF #2 Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule B-1)	51
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule B-2).....	51
Illinois Municipal Retirement Fund:	
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios – Regular Plan (Schedule C-1)	52
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios – Sheriff’s Law Enforcement Plan (Schedule C-2)	53
Schedule of Employer Contributions – Regular Plan (Schedule C-3)	54
Schedule of Employer Contributions – Sheriff’s Law Enforcement Plan (Schedule C-4).....	54
Police Pension Fund:	
Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios – Regular Plan (Schedule C-5)	55
Schedule of Employer Contributions (Schedule C-6)	56
Other Post Employment Benefits – Retiree Health Insurance:	
Schedule of Funding Progress (Schedule C-7)	57
Schedule of Employer Contributions (Schedule C-8)	57

CITY OF WILMINGTON, ILLINOIS

Table of Contents – (Continued)

	PAGE
NOTES TO OTHER INFORMATION	58-59
SUPPLEMENTAL INFORMATION	
Capital Projects Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-1)	60
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-2)	60
Debt Service Fund:	
Bond and Interest Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-3)	61
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-4)	61
Combining Statement of Assets, Liabilities and Fund Balances Arising from Cash Transactions Non-Major Special Revenue Funds (Schedule D-5)	62
Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances Non-Major Special Revenue Funds (Schedule D-6)	63
ESDA Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-7)	64
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-8)	64
Mobile Equipment Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-9)	65
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-10)	65

CITY OF WILMINGTON, ILLINOIS

Table of Contents – (Continued)

	PAGE
SUPPLEMENTAL INFORMATION – (Continued)	
Motor Fuel Tax Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-11)	66
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-12)	66
Drug-Free Communities Grant Fund:	
Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions (Schedule D-13)	67
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual (Schedule D-14)	67
Major Proprietary Funds:	
Water Operations Fund:	
Statement of Fund Net Position (Schedule E-1).....	68
Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual (Schedule E-2)	69-70
Water Capital Projects Fund:	
Statement of Fund Net Position (Schedule E-3).....	71
Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual (Schedule E-4)	71
Sewer Operations Fund:	
Statement of Fund Net Position (Schedule E-5).....	72
Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual (Schedule E-6)	73-74
Sewer Capital Projects Fund:	
Statement of Fund Net Position (Schedule E-7).....	75
Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual (Schedule E-8)	75

CITY OF WILMINGTON, ILLINOIS

Table of Contents – (Continued)

	PAGE
SUPPLEMENTAL INFORMATION – (Continued)	
Agency Funds:	
Combining Statement of Fiduciary Net Position (Schedule F-1)	76
Combining Statement of Changes in Fiduciary Net Position (Schedule F-2)	76
General Fund - Comparison of Expenditures with Appropriations (Schedule 1)	77-81
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections (Schedule 2)	82
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 <i>Government Auditing Standards</i>	83-84

INDEPENDENT AUDITORS' REPORT



CERTIFIED PUBLIC ACCOUNTANTS

116 E. Washington Street
Suite One
Morris, Illinois 60450

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

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of April 30, 2017, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

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

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

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

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Wilmington, Illinois, for the year ended April 30, 2016, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated October 4, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2017, on our consideration of the City of Wilmington, Illinois' internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Wilmington, Illinois' internal control over financial reporting and compliance.


Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 19, 2017

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
April 30, 2017

	Primary Government		Total	
	Governmental Activities	Business-Type Activities	April 30,	
			2017	2016
<u>Assets</u>				
Cash and Cash Equivalents	\$ 3,184,451	1,762,361	4,946,812	2,186,971
Receivables	-	330,371	330,371	320,486
Loan Proceeds Receivable	-	-	-	172,736
Due from (to) Other Funds	(280,000)	280,000	-	-
Capital Assets				
Land	7,417,647	1,512,200	8,929,847	8,410,246
Vehicles	628,329	386,477	1,014,806	1,226,567
Equipment	1,300,594	691,728	1,992,322	2,136,017
Buildings	5,555,864	17,274,738	22,830,602	22,894,664
Improvements	1,044,282	5,499,381	6,543,663	6,483,439
Infrastructure	2,751,653	-	2,751,653	2,751,653
Construction In Progress	34,058	-	34,058	-
Accumulated Depreciation	(3,867,878)	(5,895,979)	(9,763,857)	(9,167,904)
Total Assets	\$ 17,769,000	21,841,277	39,610,277	37,414,875
<u>Liabilities and Net Position</u>				
Current Liabilities:				
Accounts Payable/Reserves	\$ 32,117	-	32,117	189,076
Deposits	-	2,000	2,000	2,000
Total Current Liabilities	32,117	2,000	34,117	191,076
Long-Term Liabilities:				
Due Within One Year	314,081	724,898	1,038,979	1,018,536
Due in More Than One Year	630,469	9,586,135	10,216,604	11,115,582
Total Long-Term Liabilities	944,550	10,311,033	11,255,583	12,134,118
Total Liabilities	976,667	10,313,033	11,289,700	12,325,194
Net Position:				
Net Investment in Capital Assets	13,919,999	9,157,512	23,077,511	22,600,564
Unrestricted Net Position	2,329,292	1,865,120	4,194,412	1,642,630
Restricted Net Position	543,042	505,612	1,048,654	846,487
Total Net Position	\$ 16,792,333	11,528,244	28,320,577	25,089,681

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

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2017

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenue And Changes in Net Position		Totals April 30,	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2017	2016
Governmental Activities:							
General Government	\$ 2,552,095	1,242,318	2,491,930	1,182,153	-	1,182,153	(1,765,959)
Public Safety	2,513,937	-	35,316	(2,478,621)	-	(2,478,621)	(2,336,199)
Streets and Highways	1,696,081	-	-	(1,696,081)	-	(1,696,081)	(1,382,699)
Unallocated Interest	31,453	-	-	(31,453)	-	(31,453)	(56,650)
Total Governmental Activities	6,793,566	1,242,318	2,527,246	(3,024,002)	-	(3,024,002)	(5,541,507)
Business-Type Activities:							
Water	1,338,193	1,281,064	-	-	(57,129)	(57,129)	(179,808)
Sewer	1,633,361	2,068,872	-	-	435,511	435,511	356,285
Garbage	439,795	429,638	-	-	(10,157)	(10,157)	5,963
Total Business-Type Activities	3,411,349	3,779,574	-	-	368,225	368,225	182,440
Total Primary Government	\$10,204,915	5,021,892	2,527,246	(3,024,002)	368,225	(2,655,777)	(5,359,067)
General Revenues:							
Taxes:							
Property Taxes				\$ 1,260,444	-	1,260,444	1,237,880
TIF Revenue				991,017	-	991,017	4,489
State Sales Tax				962,866	-	962,866	892,786
Road and Bridge Tax				5,985	-	5,985	5,698
Utility Tax				528,668	-	528,668	517,037
Personal Property Replacement Tax				65,137	-	65,137	62,009
State Income Tax				544,998	-	544,998	611,198
Local Use Tax				139,852	-	139,852	131,728
Pull Tab Tax				3,704	-	3,704	1,724
Video Gaming Tax				67,228	-	67,228	47,321
Motor Fuel Tax				150,725	-	150,725	151,838
Interest on Investments				14,629	7,273	21,902	2,640
Reimbursements				496,052	-	496,052	448,397
Fines and Forfeitures				132,381	-	132,381	191,793
Miscellaneous				50,011	465,703	515,714	106,069
Total General Revenues				5,413,697	472,976	5,886,673	4,412,607
Special Items:							
Debt Issuance Discount				-	-	-	(6,850)
Sales of Assets				-	-	-	275,415
Total Special Items				-	-	-	268,565
Change in Net Position				2,389,695	841,201	3,230,896	(677,895)
Net Position, Beginning of Year				14,402,638	10,687,043	25,089,681	25,767,576
Net Position, End of Year				\$ 16,792,333	11,528,244	28,320,577	25,089,681

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

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
Governmental Funds
April 30, 2017

	Major Funds					Total Governmental Funds	
	General Fund	Capital Projects Fund	Bond & Interest Fund	Ridgeport TIF #2 Fund	Non-Major Funds	2017	2016
Assets							
Cash and Cash Equivalents	\$ 485,049	2,142,698	164,455	84,331	307,918	3,184,451	881,186
Total Assets	<u>\$ 485,049</u>	<u>2,142,698</u>	<u>164,455</u>	<u>84,331</u>	<u>307,918</u>	<u>3,184,451</u>	<u>881,186</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable/Reserves	\$ -	-	32,117	-	-	32,117	32,032
Due to Water Capital Projects Fund	-	280,000	-	-	-	280,000	-
Total Liabilities	<u>-</u>	<u>280,000</u>	<u>32,117</u>	<u>-</u>	<u>-</u>	<u>312,117</u>	<u>32,032</u>
Fund Balances:							
Unassigned	466,594	-	-	-	-	466,594	237,096
Committed	-	1,862,698	-	-	-	1,862,698	322,271
Restricted	18,455	-	132,338	84,331	307,918	543,042	289,787
Total Fund Balances	<u>485,049</u>	<u>1,862,698</u>	<u>132,338</u>	<u>84,331</u>	<u>307,918</u>	<u>2,872,334</u>	<u>849,154</u>
Total Liabilities and Fund Balances	<u>\$ 485,049</u>	<u>2,142,698</u>	<u>164,455</u>	<u>84,331</u>	<u>307,918</u>	<u>3,184,451</u>	<u>881,186</u>

Reconciliation to Statement of Net Position:

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

Capital assets used in governmental activities of \$18,732,427 (net of accumulated depreciation of \$3,867,878) are not financial resources and, therefore, are not reported in the funds.	\$ 14,864,549	14,672,765
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(944,550)	(1,119,281)
Net Position of Governmental Activities	<u>\$ 16,792,333</u>	<u>14,402,638</u>

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

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
 Modified Cash Basis
 Governmental Funds
 For the Year Ended April 30, 2017

	Major Funds					Total	
	General	Capital	Bond &	Ridgeport	Non-Major	Governmental Funds	
	Fund	Projects	Interest	TIF #2	Funds	April 30,	
		Fund	Fund	Fund		2017	2016
Revenues Received:							
Property Taxes	\$ 1,115,033	-	143,985	-	1,426	1,260,444	1,237,880
TIF Revenue	-	-	-	991,017	-	991,017	4,489
State Sales Tax	962,866	-	-	-	-	962,866	892,786
Road & Bridge Tax	5,985	-	-	-	-	5,985	5,698
Utility Tax	528,668	-	-	-	-	528,668	517,037
Replacement Tax	65,137	-	-	-	-	65,137	62,009
State Income Tax	544,998	-	-	-	-	544,998	611,198
Local Use Tax	139,852	-	-	-	-	139,852	131,728
Pull Tabs Tax	3,704	-	-	-	-	3,704	1,724
Video Gaming Tax	67,228	-	-	-	-	67,228	47,321
Motor Fuel Tax	-	-	-	-	150,725	150,725	151,838
Licenses and Permits	44,610	-	-	-	-	44,610	239,416
Miscellaneous	49,191	-	-	-	820	50,011	49,370
Grants & Contributions	9,056	2,325,259	-	-	157,615	2,491,930	395,920
Reimbursements	348,429	103,145	43,990	-	488	496,052	448,397
Tags and Fines	132,381	-	-	-	-	132,381	191,793
Fees and Services	1,194,235	-	-	-	3,473	1,197,708	233,865
Interest Income	2,645	6,903	741	3,545	795	14,629	1,240
K9 Unit Restricted Contributions	35,316	-	-	-	-	35,316	-
Total Revenues Received	5,249,334	2,435,307	188,716	994,562	315,342	9,183,261	5,223,709
Expenditures Disbursed:							
General Government	1,953,862	-	5,500	33,684	-	1,993,046	1,664,955
Public Safety	2,242,154	-	-	-	171,850	2,414,004	2,284,658
Street and Highway	746,301	788,078	-	-	15,221	1,549,600	1,304,678
Capital Outlay	8,452	106,802	-	854,734	27,259	997,247	737,163
Debt Service	41,904	-	304,280	-	-	346,184	378,099
Total Expenditures	4,992,673	894,880	309,780	888,418	214,330	7,300,081	6,369,553

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

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Modified Cash Basis
Governmental Funds
For the Year Ended April 30, 2017

	Major Funds					Total Governmental Funds	
	General Fund	Capital Projects Fund	Bond & Interest Fund	Ridgeport TIF #2 Fund	Non-Major Funds	April 30,	
						2017	2016
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	256,661	1,540,427	(121,064)	106,144	101,012	1,883,180	(1,145,844)
Other Financing Sources (Uses):							
Operating Transfers In (Out)	(8,708)	-	-	(21,850)	30,558	-	-
Proceeds from Sales of Assets	-	-	-	-	-	-	275,415
Bond Issuance Discount	-	-	-	-	-	-	(6,850)
Bond Refunding	-	-	-	-	-	-	(650,000)
Bond Proceeds	-	-	140,000	-	-	140,000	832,000
Total Other Financing Sources (Uses)	(8,708)	-	140,000	(21,850)	30,558	140,000	450,565
Net Change in Fund Balances	247,953	1,540,427	18,936	84,294	131,570	2,023,180	(695,279)
Fund Balances - Beginning	237,096	322,271	113,402	37	176,348	849,154	1,544,433
Fund Balances - Ending	\$ 485,049	1,862,698	132,338	84,331	307,918	2,872,334	849,154

Reconciliation to the Statement of Activities:

Net change in fund balances - governmental activities		\$ 2,023,180	(695,279)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:			
Debt Principal		314,731	321,449
Bond Refunding		-	650,000
Loan Proceeds		(140,000)	(832,000)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.			
Capital Asset Purchases		615,585	132,523
Capital Asset Disposals, Net		(42,669)	(89,625)
Depreciation		(381,132)	(405,502)
Change in net position of governmental activities (Statement B)		\$ 2,389,695	(918,434)

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

**Statement of Fund Net Position
Proprietary Funds
April 30, 2017**

	Major Funds				Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	April 30, 2017	April 30, 2016
<u>Assets</u>						
Cash and Cash Equivalents	\$ 109,836	429,552	886,339	336,634	1,762,361	1,305,785
Receivables	146,209	14,664	167,086	2,412	330,371	320,486
Due from IEPA	-	-	-	-	-	172,736
Due from Capital Projects Fund	-	280,000	-	-	280,000	-
Capital Assets						
Land	600,500	-	911,700	-	1,512,200	1,512,200
Vehicles	204,882	-	181,595	-	386,477	390,877
Equipment	314,445	-	377,283	-	691,728	672,403
Buildings	3,173,976	-	14,100,762	-	17,274,738	17,274,738
Improvements	3,378,501	-	2,120,880	-	5,499,381	5,459,907
Accumulated Depreciation	(2,112,978)	-	(3,783,001)	-	(5,895,979)	(5,248,208)
Total Assets	\$ 5,815,371	724,216	14,962,644	339,046	21,841,277	21,860,924
<u>Liabilities</u>						
Deposits	\$ 2,000	-	-	-	2,000	2,000
Accounts Payable	-	-	-	-	-	157,044
Long-Term Debt:						
Due Within One Year	51,167	-	673,731	-	724,898	703,805
Due in More than One Year	957,163	-	8,628,972	-	9,586,135	10,311,032
Total Liabilities	1,010,330	-	9,302,703	-	10,313,033	11,173,881
<u>Net Position</u>						
Net Investment in Capital Assets	4,550,996	-	4,606,516	-	9,157,512	9,047,080
Unrestricted	254,045	557,650	1,053,425	-	1,865,120	1,083,263
Restricted	-	166,566	-	339,046	505,612	556,700
Total Net Position	\$ 4,805,041	724,216	5,659,941	339,046	11,528,244	10,687,043

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

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended April 30, 2017

	Major Funds				Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	April 30,	
					2017	2016
Operating Revenues:						
Water and Sewer Charges	\$ 1,170,854	110,210	2,023,886	44,986	3,349,936	3,050,116
Garbage Charges	429,638	-	-	-	429,638	488,974
Miscellaneous	-	380	-	-	380	-
Total Operating Revenues	1,600,492	110,590	2,023,886	44,986	3,779,954	3,539,090
Operating Expenses:						
Personnel Services	468,489	35,112	410,431	-	914,032	949,664
Contractual Services	827,734	84,431	397,240	128,334	1,437,739	1,339,590
Commodities	128,965	6,000	-	-	134,965	133,080
Depreciation	209,681	-	452,440	-	662,121	659,844
Other Expenses	328	-	-	-	328	1,407
Total Operating Expenses	1,635,197	125,543	1,260,111	128,334	3,149,185	3,083,585
Operating Income (Loss)	(34,705)	(14,953)	763,775	(83,348)	630,769	455,505
Non-Operating Revenues / (Expenses):						
Interest Income	259	2,079	-	4,935	7,273	1,400
Other Income	15,891	423,800	19,032	6,600	465,323	56,699
Debt Service	(17,248)	-	(244,916)	-	(262,164)	(273,065)
Total Non-Operating Revenues / (Expenses)	(1,098)	425,879	(225,884)	11,535	210,432	(214,966)
Income (Loss) Before Contributions and Transfers	(35,803)	410,926	537,891	(71,813)	841,201	240,539
Capital Contributions	24,556	(24,556)	29,275	(29,275)	-	-
Operating Transfers In (Out)	(41,434)	41,434	(50,000)	50,000	-	-
Change in Net Position	(52,681)	427,804	517,166	(51,088)	841,201	240,539
Total Net Position - Beginning	4,857,722	296,412	5,142,775	390,134	10,687,043	10,446,504
Total Net Position - Ending	\$ 4,805,041	724,216	5,659,941	339,046	11,528,244	10,687,043

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

**Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2017**

	Major Funds				Total Proprietary Funds April 30,	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	2017	2016
Cash Flows From Operating Activities:						
Receipts from Customers	\$ 1,765,884	109,857	2,020,828	45,856	3,942,425	3,539,846
Payments to Employees	(468,489)	(35,112)	(410,431)	-	(914,032)	(949,664)
Payments to Suppliers	(956,699)	(90,431)	(397,240)	(128,334)	(1,572,704)	(1,472,670)
Other Receipts (Expenses)	(141,481)	144,180	19,032	6,600	28,331	39,600
Net Cash Provided By (Used In) Operating Activities	199,215	128,494	1,232,189	(75,878)	1,484,020	1,157,112
Cash Flows from Non-Capital Financing Activities:						
Transfers (To) From Other Funds	(41,434)	41,434	(50,000)	50,000	-	-
Net Cash Provided By (Used In) Non-Capital Financing Activities	(41,434)	41,434	(50,000)	50,000	-	-
Cash Flows From Capital Financing Activities:						
Acquisition / Construction of Assets	-	(24,556)	(14,918)	(29,275)	(68,749)	(897,816)
Proceeds of Long-Term Debt	-	-	-	-	-	649,534
Payments of Long-Term Debt	(46,606)	-	(657,198)	-	(703,804)	(671,510)
Payments of Interest	(17,248)	-	(244,916)	-	(262,164)	(273,065)
Net Cash Provided By (Used In) Capital Financing Activities	(63,854)	(24,556)	(917,032)	(29,275)	(1,034,717)	(1,192,857)
Cash Flows From Investing Activities:						
Interest Received	259	2,079	-	4,935	7,273	1,400
Net Cash Provided By (Used In) Investing Activities	259	2,079	-	4,935	7,273	1,400
Net Increase in Cash and Cash Equivalents	94,186	147,451	265,157	(50,218)	456,576	(34,345)
Cash Balance - Beginning of Year	15,650	282,101	621,182	386,852	1,305,785	1,340,130
Cash Balance - End of Year	\$ 109,836	429,552	886,339	336,634	1,762,361	1,305,785

**Reconciliation of Operating Income (Loss) to Net Cash Provided By
(Used In) Operating Activities:**

Operating Income (Loss)	\$ 630,769	455,505
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	662,121	659,844
(Increase) Decrease in Accounts Receivable	(9,885)	756
(Increase) Decrease in Due from IEPA	172,736	(172,736)
(Increase) Decrease in Due from Capital Projects Fund	(280,000)	-
Increase (Decrease) in Accounts Payable due to Long-Term Debt	(157,044)	157,044
Non-Operating Income	465,323	56,699
Net Cash Provided By (Used In) Operating Activities	\$ 1,484,020	1,157,112

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

Statement of Fiduciary Net Position
April 30, 2017

	Agency Funds	Police Pension Trust Fund	Total April 30,	
			2017	2016
<u>Assets</u>				
Cash	\$ 75,144	80,931	156,075	208,647
Certificates of Deposit	-	2,387,674	2,387,674	2,498,916
U.S. Government Obligations	-	100,116	100,116	103,710
Mutual Funds	-	2,242,687	2,242,687	1,627,090
Accrued Interest	-	10,468	10,468	12,618
Prepaid Insurance	-	-	-	610
Total Assets	<u>\$ 75,144</u>	<u>4,821,876</u>	<u>4,897,020</u>	<u>4,451,591</u>
<u>Liabilities and Net Position</u>				
Payable to Others	\$ 75,144	2,470	77,614	80,399
Total Liabilities	<u>\$ 75,144</u>	<u>2,470</u>	<u>77,614</u>	<u>80,399</u>
Assets Held in Trust for Pension Benefits		4,819,406	4,819,406	4,371,192
Total Net Position		<u>\$ 4,819,406</u>	<u>4,819,406</u>	<u>4,371,192</u>

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

Statement of Changes in Fiduciary Net Position
Police Pension Trust Fund
For the Year Ended April 30, 2017

	Total April 30,	
	2017	2016
Additions:		
Contributions:		
Employer	\$ 383,175	374,680
Employee	137,315	88,541
Total Contributions	<u>520,490</u>	<u>463,221</u>
Investment Income:		
Interest Received	133,123	163,658
Unrealized Gain (Loss)	114,303	(206,381)
Investment Expense	-	(87)
Net Investment Income	<u>247,426</u>	<u>(42,810)</u>
Total Additions	<u>767,916</u>	<u>420,411</u>
Deductions:		
Administrative:		
Accounting and Bookkeeping	9,005	8,695
Audit Fee	2,800	2,300
Actuarial Fee	3,500	3,400
State Compliance Fee	853	812
Office Expense	186	110
Legal Expense	5,133	7,917
Training	2,110	2,207
Professional Fees	-	410
Travel and Conferences	2,312	3,098
Dues	265	517
Total Administrative	<u>26,164</u>	<u>29,466</u>
Benefits and Refunds:		
Pension and Disability Benefits	286,008	284,366
Refunds of Contributions	7,530	-
Total Benefits and Refunds	<u>293,538</u>	<u>284,366</u>
Total Deductions	<u>319,702</u>	<u>313,832</u>
Change in Net Position	448,214	106,579
Net Position, Beginning of Year	<u>4,371,192</u>	<u>4,264,613</u>
Net Position, End of Year	<u>\$ 4,819,406</u>	<u>4,371,192</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements:

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

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

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

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

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

Fund Financial Statements:

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

Governmental Fund Types – (Continued)

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

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

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

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

Proprietary Fund Types

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

B. Fund Accounting - (Continued)

Major Enterprise Funds are:

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

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

Measurement Focus

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

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

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

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

Basis of Accounting

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

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

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

D. Assets, Liabilities, and Net Position

Cash and Investments

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

As of May 1, 2016, the City prospectively applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures to all fair value measurements.

Capital Assets and Long-Term Liabilities

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

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

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

Net Position

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

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At April 30, 2017, net investment in capital assets consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, at cost	\$ 18,732,427	25,364,524
Less: Accumulated depreciation	(3,867,878)	(5,895,979)
Less: Long-term liabilities	<u>(944,550)</u>	<u>(10,311,033)</u>
Net investment in capital assets	<u>\$ 13,919,999</u>	<u>9,157,512</u>

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

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

Reclassifications

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

E. Property Taxes

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

E. Property Taxes (Continued)

The 2015 property tax levy, in the amount of \$1,226,455, reduced by statutory limitations to \$1,224,613, was approved by the City Council on December 1, 2015 and was received by the City in the current fiscal year. The 2016 property tax levy in the amount of \$1,239,660, increased \$1,240,220 was approved by the City Council on December 6, 2016. The 2016 property tax levy will be received in the subsequent fiscal year.

F. Compensated Absences

Accumulated unpaid vacations and other employee benefit amounts are not accrued in governmental funds. Permanent full-time employees are eligible for vacation after one year of service. Permanent full-time employees are granted 12 sick days and 3 personal days each year. Upon termination, any earned but unused vacation shall be liquidated in a cash payment to the terminating employee. Employees shall be compensated in cash for any accumulated unused sick leave up to 120 days when they are permanently separated from employment.

G. Comparative Data

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

NOTE 2: CASH AND INVESTMENTS

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 2: CASH AND INVESTMENTS – (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the City's deposits at each financial institution. As of April 30, 2017, the carrying amount of the City's deposits was \$135,237 (including \$800 petty cash and excluding \$4,811,575 investments) and the bank balance was \$1,096,799.

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

Investments

As of April 30, 2017, the City held investments in The Illinois Funds and Illinois Institutional Investors Trust. The Illinois Funds are duly chartered and administered by the State Treasurer's Office and the portfolio normally consist of U.S. Treasury Bills, Treasury Notes, collateralized certificates of deposit, and repurchase agreements and is not subject to being categorized. The IIIT Funds portfolio of securities, which include mutual funds, are managed discretely by PFM Assets Management LLC. The City records all interest revenue earned from investment activities in the respective funds.

The City's investments at April 30, 2017 are presented below. These funds are reported as cash on the financial statements since they are demand deposits.

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturity < 1 Year</u>	<u>Percent of Portfolio</u>
Illinois Funds	AAAm	\$ 4,559,813	4,559,813	95%
IIIT Funds	AAAm	251,762	251,762	5%
Total		<u>\$ 4,811,575</u>	<u>4,811,575</u>	<u>100%</u>

Interest Rate Risk

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 3: DEPOSITS AND INVESTMENTS – (Continued)

Investments – (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above are the actual ratings as of April 30, 2017 for Illinois Funds and Illinois Trust Funds.

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in excess of federally insured amounts to be collateralized to the extent of 110% and evidenced by a written agreement. The City's investments at April 30, 2017 were with Illinois Trust and therefore, are not categorized with respect to custodial credit risk.

Foreign Currency Credit Risk

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

Police Pension Fund:

Overview

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

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 3: DEPOSITS AND INVESTMENTS – (Continued)

Investments – (Continued)

Police Pension Fund: (Continued)

Overview – (Continued)

As of April 30, 2017, the Pension Fund had the following investments valued at fair value:

	<u>Fair Value</u>
Certificates of Deposit	\$ 2,387,674
Mutual Funds	2,242,687
Federal National Mortgage Association Notes	<u>100,116</u>
Total Fixed Income Investments	<u>\$ 4,730,477</u>

Custodial Credit Risk – Police Pension Fund

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund does not have a formal written policy with regards to custodial credit risk for investments. At April 30, 2017, the Fund had no custodial credit risk in that all of its investments were held through a SIPC member brokerage firm.

Interest Rate Risk – Police Pension Fund

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

At April 30, 2017, the fund held the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
Certificates of Deposit	\$ 2,387,674	1.72
Federal National Mortgage Association Notes	<u>100,116</u>	10.03
Total Fixed Income Investments	<u>\$ 2,487,790</u>	

The table above assumes callable securities will not be called early. At April 30, 2017, none of the certificates of deposit and FNMA notes are subject to call options. All investments are within the Fund's investment policy.

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 3: DEPOSITS AND INVESTMENTS – (Continued)

Investments – (Continued)

Police Pension Fund: (Continued)

Credit Risk – Police Pension Fund

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

At April 30, 2017, the fund held the following investment subject to credit risk:

	Fair Value	<u>Credit Rating</u>
Federal National Mortgage Association Notes	\$ 100,116	AAA

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The City receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services. The City received Personal Property Replacement Tax totaling \$65,137 for the year ended April 30, 2017.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2017**

NOTE 4: RISK MANAGEMENT

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

The City is exposed to various risks related to torts; theft of, damage to and destruction of assets, errors and omissions and natural disasters. The City is a member of the Illinois Public Risk Fund (IPRF) to provide workers' compensation coverage. The IPRF was created to establish an intergovernmental joint insurance pool providing for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation Act and the Illinois Workers' Occupational Diseases Act, on behalf of public agency members, and other units of local government and public entities within the State of Illinois which may become eligible for membership from time to time according to the bylaws. During the year ended April 30, 2017, the City contributed \$257,799 to the fund for this insurance coverage. The City participates in a municipal insurance cooperative called Illinois Municipal Insurance Co-Op (IMIC) with 13 municipal members. IMIC covers all of the City's property and liability insurance. Arthur J. Gallagher (RMS Inc.) provides insurance brokerage services to the City. During the year ended April 30, 2017, the City paid \$242,480 for property and equipment insurance, and \$200,991 for general liability insurance. There have been no significant reductions in coverage from the prior year. Since there have been no settlements, they have not exceeded coverage in the past three years.

NOTE 5: CAPITAL ASSETS

Depreciation expense is allocated as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 100,842	Water	\$ 209,681
Public Safety	113,773	Sewer	452,440
Streets & Highway	166,517		
Total Governmental	<u>\$ 381,132</u>	Total Business-Type	<u>\$ 662,121</u>

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

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Openland	\$ 519,601	Volvo Loader	\$ 23,000
City Hall Window Project	34,058	Heating System	14,918
		Camera Project	12,131

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 5: CAPITAL ASSETS – (Continued)

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,898,046	519,601	-	7,417,647
Construction in progress	-	34,058	-	34,058
Total assets not being depreciated	<u>6,898,046</u>	<u>553,659</u>	<u>-</u>	<u>7,451,705</u>
Other capital assets:				
Vehicles	835,690	13,840	(221,201)	628,329
Equipment	1,463,614	20,886	(183,906)	1,300,594
Improvements	1,023,532	27,200	(6,450)	1,044,282
Infrastructure	2,751,653	-	-	2,751,653
Buildings	5,619,926	-	(64,062)	5,555,864
Total other capital assets	<u>11,694,415</u>	<u>61,926</u>	<u>(475,619)</u>	<u>11,280,722</u>
Less accumulated depreciation:				
Vehicles	696,230	60,576	(221,201)	535,605
Equipment	1,269,428	59,326	(183,906)	1,144,848
Improvements	195,120	48,119	(967)	242,272
Infrastructure	296,946	68,791	-	365,737
Buildings	1,461,971	144,320	(26,875)	1,579,416
Total accumulated depreciation	<u>3,919,695</u>	<u>381,132</u>	<u>(432,949)</u>	<u>3,867,878</u>
Other capital assets, net	<u>7,774,720</u>	<u>(319,206)</u>	<u>(42,670)</u>	<u>7,412,844</u>
Total governmental activities, net	<u>\$ 14,672,766</u>	<u>234,453</u>	<u>(42,670)</u>	<u>14,864,549</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,512,200	-	-	1,512,200
Other capital assets:				
Vehicles	390,877	-	(4,400)	386,477
Equipment	672,402	29,275	(9,950)	691,727
Buildings	17,274,738	-	-	17,274,738
Improvements	5,459,907	39,474	-	5,499,381
Total other capital assets	<u>23,797,924</u>	<u>68,749</u>	<u>(14,350)</u>	<u>23,852,323</u>
Less accumulated depreciation:				
Vehicles	289,006	17,719	(4,400)	302,325
Equipment	444,167	68,146	(9,950)	502,363
Buildings	3,570,504	431,867	-	4,002,371
Improvements	944,531	144,389	-	1,088,920
Total accumulated depreciation	<u>5,248,208</u>	<u>662,121</u>	<u>(14,350)</u>	<u>5,895,979</u>
Total business-type activities, net	<u>\$ 20,061,916</u>	<u>(593,372)</u>	<u>-</u>	<u>19,468,544</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 6: CHANGE IN LONG-TERM DEBT OBLIGATIONS

The following is a summary of general long-term debt transactions of the City for the year ended April 30, 2017:

	Payable at May 1, 2016	Bonds Issued	Bonds Retired / Refunded	Payable at April 30, 2017	Due in One Year
Governmental Funds:					
General Obligation Bonds - SSA Deer Ridge Park Special Tax Bonds: Dated May 6, 2008 Payable 1/15 at 6.5%	\$ 185,000	-	20,000	165,000	25,000
Equipment Loan - First Midwest Bank: Dated July 31, 2013 Payable 6/1 at 3.5%	117,281	-	37,731	79,550	39,081
General Obligation Limited Rollover Bond, Series 2015: Dated December 4, 2015 Payable 11/15 at 1.9%	147,000	-	147,000	-	-
General Obligation Refunding Bonds, Series 2015 Dated November 5, 2015 Payable 12/1 at .5%	670,000	-	110,000	560,000	110,000
General Obligation Limited Rollover Bond, Series 2016: Dated November 16, 2016 Payable 11/15 at 1.9%	-	140,000	-	140,000	140,000
Total Governmental Funds	1,119,281	140,000	314,731	944,550	314,081
Business-Type Funds:					
IEPA Loan Refunding Water Treatment: Dated May 24, 2007 Payable 7/1 & 1/1 at 2.5%	9,959,901	-	657,198	9,302,703	673,731
Dated February 2, 2016 Payable 4/17 & 10/17 at 2.21%	642,257	-	23,153	619,104	27,421
Dated February 2, 2012 Payable 2/6 & 8/6 at 1.25%	412,679	-	23,453	389,226	23,746
Total Business-Type Funds	11,014,837	-	703,804	10,311,033	724,898
Total Long-term Obligations	\$ 12,134,118	140,000	1,018,535	11,255,583	1,038,979

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

Paying agent	First DuPage Bank, Westmont, Illinois
Interest rate	6.5 %
Interest payable	January 15
Bond maturity	January 15

Bonds outstanding:	
Original issue	\$ 315,000
Bonds retired to April 30, 2017	<u>150,000</u>
Bonds outstanding April 30, 2017	<u>\$ 165,000</u>

The annual requirements to amortize bonded debt as of April 30, 2017 are as follows:

Bond Debt Service, Series 2008 SSA Pay Options Schedule of Maturities		
<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 25,000	10,725
2019	25,000	9,100
2020	25,000	7,475
2021	30,000	5,850
2022	30,000	3,900
2023	30,000	1,950
Total	<u>\$ 165,000</u>	<u>39,000</u>

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

Paying agent	Amalgamated Bank of Chicago, Illinois
Interest rate	0.5% to 2.5%
Interest payable	December 1
Bond maturity dates	December 1

Bonds outstanding:	
Original issue	\$ 685,000
Bonds retired to April 30, 2017	<u>125,000</u>
Bonds outstanding April 30, 2017	<u>\$ 560,000</u>

The Series 2015 Alternative Revenue Sources Bonds were issued to refund the previously issued Series 2006 Alternative Revenue Sources Bonds. The annual requirements to amortize bonded debt as of April 30, 2017 are as follows:

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

Bond Debt Service, Refunding Bonds Series 2015
Schedule of Maturities

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 110,000	11,463
2019	115,000	9,813
2020	115,000	7,800
2021	120,000	5,500
2022	100,000	2,500
Total	<u>\$ 560,000</u>	<u>37,076</u>

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

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

Schedule of Maturities

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 39,081	2,823
2019	40,469	1,436
Total	<u>\$ 79,550</u>	<u>4,259</u>

**General Obligation Limited Bonds
Series 2015, dated December 4, 2015**

On December 4, 2015, the City of Wilmington issued \$147,000 of General Obligation Limited Bonds, Series 2015 at an interest rate of 1.9%. The entire balance, including interest of \$2,692, was paid in the current fiscal year.

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

On November 16, 2016, the City of Wilmington issued \$140,000 of General Obligation Limited Bonds, Series 2016 at an interest rate of 1.9%. The entire balance, including interest, is due November 15, 2017.

All principal and interest payments made from the governmental funds were made from the Debt Service Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

On May 24, 2007, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$13,597,663, payable over twenty (20) years at a 2.5% simple annual interest rate, with semi-annual repayments with the first repayment due July 1, 2009 and the final repayment due January 1, 2029, is to be used for construction of a waste water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2017, the loan had an outstanding balance of \$9,302,703. Semi-annual payments of \$451,057 are due June 1st and December 1st of each year as follows:

Schedule of Maturities		
<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2018	\$ 673,731	228,383
2019	690,680	211,434
2020	708,054	194,060
2021	725,866	176,248
2022	744,126	157,988
2023-2027	4,011,020	499,550
2028-2029	1,749,226	55,002
Total	<u>\$ 9,302,703</u>	<u>1,522,665</u>

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

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

On February 2, 2012, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$650,000 (with 25% forgiveness, for a net payback of \$487,500), payable over twenty (20) years at a 1.25% simple annual interest rate, with semi-annual repayments with the first repayment due August 6, 2012 and the final repayment due August 6, 2032, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2017, the loan had an outstanding balance of \$389,226. Semi-annual payments of \$14,269 are due August 6th and February 6th of each year as follows:

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

Schedule of Maturities		
<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2018	\$ 23,746	4,792
2019	24,044	4,494
2020	24,346	4,192
2021	24,651	3,887
2022	24,960	3,578
2023-2027	129,575	13,115
2028-2032	137,904	4,784
Total	<u>\$ 389,226</u>	<u>38,842</u>

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

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

On February 2, 2016, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$649,534, payable over twenty (20) years at a 2.21% simple annual interest rate, with semi-annual repayments with the first repayment due April 17, 2016 and the final repayment due October 17, 2035, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2017, the loan had an outstanding balance of \$619,104. The first payment on the loan of \$13,925 was paid on March 21, 2016. The next payment of \$14,840 was paid on October 17, 2016. Subsequent to the first two payments, semi-annual payments of \$20,477 are due October 17th and April 17th of each year as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2018	\$ 27,421	13,533
2019	28,031	12,923
2020	28,654	12,300
2021	29,291	11,663
2022	29,941	11,012
2023-2027	159,988	44,777
2028-2032	178,571	26,194
2033-2036	137,206	6,131
Total	<u>\$ 619,103</u>	<u>138,533</u>

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 7: INDIVIDUAL FUND DISCLOSURES

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

At April 30, 2017, there was an interfund receivable and payable in the amount of \$280,000 between the Water Capital Projects Fund and the Capital Projects Fund, respectively. The interfund activity is related to capital expenditures related to the water system infrastructure.

The transfers represent both routine and non-routine items. A transfer of \$558 was made from the General Fund to the Mobile Equipment Fund for the purchase of a new vehicle. A transfer of \$30,000 was made from the General Fund to the ESDA Fund for capital purchases. A transfer of \$50,000 was made from the Sewer Fund to the Sewer Capital Projects Fund for improvements to the sewer plant. A transfer of \$41,434 was made from the Water Fund to the Water Capital Projects Fund for capital expenditures and a transfer of \$21,850 was made from the Ridgeport TIF #2 Fund to the General Fund for operating expenditures.

Fund	Transfers to Other Funds	Transfers From Other Funds
Governmental Funds:		
General	\$ 30,558	21,850
Ridgeport TIF #2	21,850	-
ESDA	-	30,000
Mobile Equipment	-	558
Enterprise Funds:		
Water Operations	41,434	-
Sewer Operations	50,000	-
Sewer Capital Projects	-	50,000
Water Capital Projects	-	41,434
Total	\$ 143,842	143,842

NOTE 8: CONTINGENCIES - LITIGATION

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

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

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

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

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

Employees Covered by Benefit Terms – As of December 31, 2016, the following City employees were covered by the benefit terms:

	RP	SLEP
Retirees and Beneficiaries currently receiving benefits	35	-
Inactive Plan Members entitled to but not yet receiving benefits	18	-
Active Plan Members	20	1
Total	<u>73</u>	<u>1</u>

Contributions – As set by statute, the City's Regular and SLEP members are required to contribute a percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rates and actual City contributions for calendar year 2016 and the fiscal year ended April 30, 2017 are summarized below. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

	RP	SLEP	Total
Plan member required contribution rate	4.50%	7.50%	N/A
City required contribution rate for 2016	9.94%	15.62%	N/A
City required contribution rate for 2017	9.97%	10.55%	N/A
City actual contributions for 2016	\$ 140,045	14,386	154,431
City actual contributions for fiscal year 2017	\$ 143,755	12,890	156,645

Net Pension Liability – The City's net pension liabilities were measured as of December 31, 2016. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date.

At December 31, 2016, the City had net pension liability for each plan, determined as follows:

	RP	SLEP	Total
Total Pension Liability	\$ 8,620,141	53,631	8,673,772
Plan Fiduciary Net Position	8,043,289	45,913	8,089,202
Net Pension Liability	<u>\$ 576,852</u>	<u>7,718</u>	<u>584,570</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- 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 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, 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 2014 valuation according to an experience study from years 2011 to 2013.
- 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 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 adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.77%
International Equity	17%	3.54%
Fixed Income	27%	4.85%
Real Estate	8%	8.97%
Alternative Investments	9%	N/A
Cash Equivalents	<u>1%</u>	N/A
Total	100%	

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

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

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

For the purpose of the most recent valuations, the expected rates of return on plan investments are 7.50%, the municipal bond rates are 3.78%, and the resulting single discount rates are 7.50%.

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

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
	Regular Plan		
Total Pension Liability	\$ 9,733,901	8,620,141	7,703,022
Plan Fiduciary Net Position	8,043,289	8,043,289	8,043,289
Net Pension Liability (Asset)	<u>\$ 1,690,612</u>	<u>576,852</u>	<u>(340,267)</u>
	SLEP Plan		
Total Pension Liability	\$ 62,465	53,631	46,330
Plan Fiduciary Net Position	45,913	45,913	45,913
Net Pension Liability (Asset)	<u>\$ 16,552</u>	<u>7,718</u>	<u>417</u>
Total Net Pension Liability (Asset)	<u>\$ 1,707,164</u>	<u>584,570</u>	<u>(339,850)</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 10: POLICE PENSION

Plan Description

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

Plan Membership

At April 30, 2017, the measurement date, membership in this plan consisted of the following:

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

Benefits Provided

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 10: POLICE PENSION – (Continued)

Benefits Provided – (Continued)

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

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

Contributions

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

Net Pension Liability

The components of the net pension liability of the City as of April 30, 2017 were as follows:

Total pension liability	\$ 8,700,839
Plan fiduciary net position	<u>4,819,406</u>
Net pension liability (asset)	<u>\$ 3,881,433</u>
Plan fiduciary net position as a percentage of the total pension liability	55%
Covered payroll	\$ 851,118
Net pension liability as a percentage of covered valuation payroll	456%

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 10: POLICE PENSION – (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed for the year ended April 30, 2017 using the following actuarial methods and assumptions:

Actuarial Assumptions (Economic)	
Actuarial Valuation Date	May 1, 2017
Actuarial Assumptions:	
Discount Rate used for the Total Pension Liability	6.25%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High-Quality 20-Year Tax-Exempt G.O. Bond Rate	3.82%
Projected Individual Salary Increases	4.00% - 7.00%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	L&A 2016 Illinois Police Mortality Rates
Disability Rates	L&A 2016 Illinois Police Disability Rates
Retirement Rates	L&A 2016 Illinois Police Retirement Rates 110% (Capped at age 65)
Termination Rates	L&A 2016 Illinois Police Termination Rates
Percent Married	80.00%

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

Expected Return on Pension Plan Investments

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 10: POLICE PENSION – (Continued)

Expected Return on Pension Plan Investments – (Continued)

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

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

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

Discount Rate

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 10: POLICE PENSION – (Continued)

Discount Rate – (Continued)

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate used in the valuation is the April 27, 2017 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

For the purposes of this valuation the expected rate of return on pension plan investments is 6.25%; the municipal bond rate is 3.82% (based upon the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve 04-27-2017); and the resulting single discount rate is 6.25%.

Changes in the Net Pension Liability

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

Discount Rate Sensitivity

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

	1% Decrease 5.25%	Current Single Discount Rate Assumption 6.25%	1% Increase 7.25%
Total pension liability	\$ 10,273,885	8,700,839	7,461,326
Plan fiduciary net position	4,819,406	4,819,406	4,819,406
Net pension liability (asset)	\$ 5,454,479	3,881,433	2,641,920

NOTE 11: MOTOR FUEL TAX ALLOTMENTS

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

NOTE 12: DEFERRED COMPENSATION PLAN

The City offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). The plan, available to all employees, permits them to defer a portion of their salary until future years. Contributions to the deferred compensation plan were \$22,824 for the year ended April 30, 2017.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 13: TOWER AND LAND LEASE REVENUE

The City entered into an agreement with T-Mobile Central LLC for the use of the City's cellular tower. T-Mobile leases a portion of the tower from the City for \$1,100 per month. The City received \$13,200 from T-Mobile under the lease agreement for the year ended April 30, 2017.

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

NOTE 14: LEASE OBLIGATIONS

Company	Type	Term	Start Date	Amount
Neopost	Postage machine	63 months	5/18/2015	\$ 246 per month
Konica Minolta	3 Copiers	60 months	3/19/2013	528 per month
Dimension Funding, LLC	Fingerprint Machine	36 months	5/16/2014	1,020 per month
Commercial Electronic	3 Radios	60 months	10/27/2015	366 per month
Ford Motor Credit	3 2016 Interceptors	36 months	10/30/2015	38,172 per year
Ford Motor Credit	1 2017 Interceptor	36 months	4/7/2017	13,840 per year

Future minimum lease obligations are shown below:

Year	Payment
2018	\$ 66,071
2019	26,879
2020	13,039
2021	8,633
2022	5,225

NOTE 15: RESTRICTED TAX LEVIES AND CONTRIBUTIONS

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

	Beginning Restriction	Restricted Receipts	Expenditures	Restricted Balance
Tax Levies:				
IMRF	\$ -	38,310	38,310	-
Social Security	-	95,678	95,678	-
Audit	-	26,707	25,185	1,522
Police Pension	-	383,176	383,176	-
Road & Bridge	-	84,938	84,938	-
Workers' Comp.	-	76,815	76,815	-
Police Protection	-	191,550	191,550	-
Tort	-	47,969	47,969	-
Contributions:				
K9 Unit	-	35,316	18,383	16,933
Totals	\$ -	980,459	962,004	18,455

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 16: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Plan Description - In additions to the benefits described in Notes 9 and 10, the City provides postemployment healthcare benefits (OPEB) for retired employees through a single employer defined benefit plan. The City adopted a plan in which the City allows retired employees to participate in the City's health insurance plan. The plan does not issue a separate report.

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

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

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

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

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

Annual required contribution	\$ 35,733
Interest on net OPEB obligation	(2,822)
Adjustment to annual required contribution	<u>2,352</u>
Annual OPEB cost	35,263
Estimated employer contributions	<u>(116,066)</u>
Increase in net OPEB obligation (asset)	(80,803)
Net OPEB obligation (asset) - beginning of year	<u>(70,549)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (151,352)</u></u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 16: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS – (Continued)

Annual OPEB and Net Obligation – (Continued)

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

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 16: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS – (Continued)

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

Methods and Assumptions

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

Assumed Health Care Trend Rates

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

Additional Information

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 17: TAX ABATEMENTS

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

For the fiscal year ended April 30, 2017, the City abated property taxes totaling \$34,268 under state statute, including the following agreement that exceeded 10 percent of the total amount abated:

- A 40 percent property tax abatement to Illinois Transport for maintaining its location at 20012 W Arsenal Rd, Wilmington, IL 60481. The abatement amounted to \$31,403, or 92 percent of the total taxes abated by the City.

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. Below are definitions of the differences of how these balances are reported.

A. Non-spendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Ridgeport TIF #2 Fund is a major special revenue fund restricted for repairs and maintenance of roads within the City. The non-major special revenue funds are also restricted for a specified purpose. See Note 15 for restrictions within the General Fund.

C. Committed Fund Balance

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

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

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the City Council itself or (b) the finance committee or by the Treasurer/Administrator when the City Council has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

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

F. Expenditures of Fund Balance

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

NOTE 19: OPENLANDS LEASE/PURCHASE AGREEMENT

The City has entered into a lease/purchase agreement with Openlands for the purchase of land on Bridge Street. The lease was effective from June 14, 2012 through June 14, 2015. Under the lease, interest accrued on the purchase price of \$471,000 at an interest rate of 5%, plus costs for a total of \$631,506. Beginning December of 2014, the City was required to make six monthly payments of \$105,251 to Openlands.

In 2016, the lease agreement was amended. The City did not make the required payments due, in part, to suspension of grant funds from the State of Illinois. Therefore, the City paid a \$5,000 extension fee to extend the term of the lease one year to June 14, 2016.

In fiscal year 2017, the City made a payment of \$225,427 to Openlands under the lease/purchase agreement. Subsequent to this payment, the City closed the purchase of the Openlands property on February 22, 2017 with a \$282,118 payment to Openlands. The total amount capitalized related to the acquisition was \$519,601.

NOTE 20: PROLOGIS PAYMENT IN LIEU

The City had previously entered into an agreement with ProLogis by which ProLogis agreed to construct a water tower on the property that it owned within City limits. ProLogis has since sold the property. To terminate the agreement, ProLogis paid the City \$400,000 in lieu of constructing the Water Tower. The receipt of the payment was recognized as other income in the Water Capital Projects Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2017

NOTE 21: RIDGEPORT TIF #2 DISTRICT

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

The City used incremental tax revenues of \$991,017 to pay for development project costs and obligations incurred during the RidgePort Logistics Center construction in 2017.

The City made payments totaling \$888,418 from the TIF Fund for construction projects and related engineering and professional fees during the current fiscal year, per an approved agreement.

NOTE 22: LEGAL DEBT MARGIN

Legal debt margin is the percent of the City's assessed valuation which is subject to debt limitation. The statutory debt limitation for the City is 8.625%. The City's legal debt margin limitation is as follows for the year ended April 30, 2017:

Assessed valuation (2016)	\$ 127,437,230
Statutory debt limitation (8.625%)	\$ 10,991,461
Applicable Debt:	
GO Bonds - SSA Deer Ridge Park STB	165,000
GO Bonds - Refunding Bonds Series 2015	560,000
GO Bonds - Limited Series 2016	140,000
Equipment Loan	79,550
Amount of debt applicable to debt limitation	944,550
Legal Debt Margin	\$ 10,046,911

NOTE 23: SUBSEQUENT EVENTS

Management evaluated subsequent events through September 19, 2017, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2017.

OTHER INFORMATION

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
April 30, 2017

<u>Assets</u>	
Cash in Bank	\$ 485,049
Total Assets	<u>\$ 485,049</u>

<u>Fund Balance</u>	
Fund Balance:	
Restricted - K9 Unit	\$ 16,933
Restricted - Audit	1,522
Unassigned	<u>466,594</u>
Total Fund Balance	<u>\$ 485,049</u>

CITY OF WILMINGTON, ILLINOIS
GENERAL FUND

Schedule A-2

Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Property Taxes	\$ 1,140,154	1,140,154	1,115,033	1,090,828
State Sales Tax	1,028,000	1,028,000	962,866	892,786
Township Road & Bridge Taxes	6,000	6,000	5,985	5,698
Utility Tax	674,000	674,000	528,668	517,037
Personal Property Replacement Tax	56,500	56,500	65,137	62,009
State Income Tax	585,000	585,000	544,998	611,198
Local Use Tax	134,514	134,514	139,852	131,728
Pull Tab/Games Tax	2,500	2,500	3,704	1,724
Video Gaming Tax	70,000	70,000	67,228	47,321
Grant Income	9,000	9,000	9,056	5,177
Miscellaneous	25,000	25,000	28,741	33,238
Insurance Claims	30,000	30,000	20,200	-
Rental of Property	1,000	1,000	250	12,942
Interest Income	600	600	2,645	535
Vehicle Tags	-	-	716	62,091
Fines	131,000	131,000	131,665	129,702
Reimbursements	502,500	502,500	348,429	414,309
Licenses & Permits	52,800	52,800	44,610	58,948
Fees & Services	870,220	870,220	1,194,235	409,665
K9 Unit Restricted Contributions	-	-	35,316	-
Total Revenues Received	5,318,788	5,318,788	5,249,334	4,486,936
Expenditures Disbursed: (Schedule 1)				
Finance and Administrative Department	842,200	875,700	630,152	620,316
Public Grounds and Buildings	183,200	183,200	153,988	126,828
Building Department	457,800	478,000	461,157	158,626
Planning and Zoning Department	185,750	167,050	134,028	83,366
Police Department	1,917,600	1,918,100	1,858,978	1,748,039
Streets & Alleys Department	811,300	811,300	746,301	648,360
FICA & IMRF	262,000	262,000	241,381	228,276
Audit	32,000	32,000	25,185	35,136
Police Pension	400,000	400,000	383,176	374,680
Insurance	328,000	328,000	307,971	390,673
Debt Service	42,100	42,100	41,904	41,905
Capital Outlay	15,000	11,000	8,452	61,493
Total Expenditures Disbursed	5,476,950	5,508,450	4,992,673	4,517,698
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(158,162)	(189,662)	256,661	(30,762)
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	-	-	-	25,000
Operating Transfers In	75,000	75,000	21,850	-
Operating Transfers Out	(105,000)	(73,500)	(30,558)	(42,703)
Total Other Financing Sources (Uses)	(30,000)	1,500	(8,708)	(17,703)
Net Change in Fund Balance	\$ (188,162)	(188,162)	247,953	(48,465)
Fund Balance, Beginning of Year			237,096	285,561
Fund Balance, End of Year			\$ 485,049	237,096

CITY OF WILMINGTON, ILLINOIS
RIDGEPORT TIF #2 FUND

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2017

<u>Assets</u>		
Cash in Bank		\$ 84,331
Total Assets		<u>\$ 84,331</u>
<u>Fund Balance</u>		
Restricted Fund Balance		\$ 84,331
Total Fund Balance		<u>\$ 84,331</u>

Schedule B-2

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Ridgeport TIF Revenue	\$ 1,021,900	1,021,900	991,017	4,489
Interest Income	100	100	3,545	1
Total Revenues Received	<u>1,022,000</u>	<u>1,022,000</u>	<u>994,562</u>	<u>4,490</u>
Expenditures Disbursed:				
TIF# 2 Distributions	922,000	922,000	854,734	11,663
TIF Professional Fees/Admin	25,000	50,000	33,684	-
Total Expenditures Disbursed	<u>947,000</u>	<u>972,000</u>	<u>888,418</u>	<u>11,663</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	75,000	50,000	106,144	(7,173)
Other Financing Sources (Uses):				
Operating Transfers Out	(75,000)	(50,000)	(21,850)	-
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(50,000)</u>	<u>(21,850)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	84,294	(7,173)
Fund Balance, Beginning of Year			37	7,210
Fund Balance, End of Year			<u>\$ 84,331</u>	<u>37</u>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
TOTAL PENSION LIABILITY										
Service Cost	\$ 161,036	155,644	-	-	-	-	-	-	-	-
Interest	544,174	527,128	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	930,091	(69,862)	-	-	-	-	-	-	-	-
Changes of Assumptions	(10,309)	9,133	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(379,344)	(396,215)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	1,245,648	225,828	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	7,374,493	7,148,665	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 8,620,141</u>	<u>7,374,493</u>	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 140,045	137,062	-	-	-	-	-	-	-	-
Contributions - Member	63,401	61,740	-	-	-	-	-	-	-	-
Net Investment Income	465,177	34,854	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(379,344)	(396,215)	-	-	-	-	-	-	-	-
Other	998,683	(151,533)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,287,962	(314,092)	-	-	-	-	-	-	-	-
Plan Net Position - Beginning	6,755,327	7,069,419	-	-	-	-	-	-	-	-
Plan Net Position - Ending	<u>\$ 8,043,289</u>	<u>\$ 6,755,327</u>	-	-	-	-	-	-	-	-
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 576,852</u>	<u>619,166</u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.31%	91.60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	\$ 1,408,915	1,372,005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll	40.94%	45.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
TOTAL PENSION LIABILITY										
Service Cost	\$ 16,126	14,341	-	-	-	-	-	-	-	-
Interest	38,220	42,791	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(502,848)	(119,467)	-	-	-	-	-	-	-	-
Changes of Assumptions	(82)	(1,111)	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	(448,584)	(63,446)	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	502,215	565,661	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 53,631</u>	<u>\$ 502,215</u>	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 14,386	12,531	-	-	-	-	-	-	-	-
Contributions - Member	6,908	6,473	-	-	-	-	-	-	-	-
Net Investment Income	36,908	2,758	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Other	(505,775)	(70,327)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(447,573)	(48,565)	-	-	-	-	-	-	-	-
Plan Net Position - Beginning	493,486	542,051	-	-	-	-	-	-	-	-
Plan Net Position - Ending	<u>\$ 45,913</u>	<u>\$ 493,486</u>	-	-	-	-	-	-	-	-
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 7,718</u>	<u>8,729</u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.61%	98.26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	\$ 92,104	86,304	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll	8.38%	10.11%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Illinois Municipal Retirement Fund
Schedules of Employer Contributions**

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

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

Note to Schedules

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 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.

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

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

Notes to Schedule:

There were no benefit changes in the fiscal years shown.

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

**Police Pension Fund
Schedule of Employer Contributions**

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

Note to Schedule

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

Methods and assumptions used to determine contribution rates:

Economic Assumptions:

Discount Rate used for the Total Pension Liability	6.25%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.82%
Projected Individual Salary Increases	4.00% - 7.00%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Demographic Assumptions:

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

Other Information

There were no benefit changes during the year.

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

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

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

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

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

Schedule C-8

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
2017	\$ 35,263	329%
2016	34,359	305%

Notes to Other Information
For the Year Ended April 30, 2017

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

The 2017 appropriation ordinance was adopted on June 21, 2016. Transfers between line items of the appropriation must be approved by the City officials. A supplemental budget and line item transfers were adopted on April 18, 2017. All annual appropriations lapse at fiscal year-end.

NOTE 2: MAJOR FUND BUDGETARY COMPARISON INFORMATION

The following is an analysis of budget versus actual amounts for the City's major funds for the year ended April 30, 2017.

Fund	Original Appropriations	Final Appropriations	Actual Expenditures	Excess (Deficiency)
General Fund	\$ 5,476,950	5,508,450	4,992,673	515,777
Ridgeport TIF #2 Fund	947,000	972,000	888,418	83,582
Capital Projects Fund	6,931,655	6,931,655	894,880	6,036,775
Bond and Interest Fund	315,725	315,725	309,780	5,945

NOTE 3: ASSUMPTION CHANGES – POLICE PENSION

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

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and 68.

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

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

CITY OF WILMINGTON, ILLINOIS

**Notes to Other Information
For the Year Ended April 30, 2017**

NOTE 3: ASSUMPTION CHANGES – POLICE PENSION – (Continued)

In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund.

SUPPLEMENTAL INFORMATION

CITY OF WILMINGTON, ILLINOIS
CAPITAL PROJECTS FUND

Schedule D-1

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2017

<u>Assets</u>		
Cash in Bank		\$ 2,142,698
Total Assets		<u>\$ 2,142,698</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Due to Water Capital Projects Fund		\$ 280,000
Fund Balance:		
Committed Fund Balance		1,862,698
Total Liabilities and Fund Balance		<u>\$ 2,142,698</u>

Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

Schedule D-2

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Grants - IDOT KKK St/Fkd Crk B	\$ 70,000	70,000	7,322	177
Grants - State	251,000	251,000	-	-
Interest Income	500	500	6,903	307
Developers Fees	-	-	-	201,876
EDP:				
53/N River Road	475,155	475,155	16,225	-
Traffic Signal 53/Arsenal	10,000	10,000	-	-
South Arsenal/53	3,316,500	3,316,500	2,291,712	15,404
Rt 53/Peotone	1,812,000	1,812,000	-	45,136
Miscellaneous Credit Funding	50,000	50,000	-	-
Will County - Route 53/Peotone	78,000	78,000	-	-
Other Income	301,000	301,000	10,000	-
Other Reimbursements	325,000	325,000	103,145	-
Total Revenues Received	<u>6,689,155</u>	<u>6,689,155</u>	<u>2,435,307</u>	<u>262,900</u>
Expenditures Disbursed:				
Economic Development - Openlands	515,000	520,000	519,601	7,950
Developer Project Buck	325,000	298,000	106,802	-
WPD Facility - Ridge Building Project	-	-	-	620,757
KKK St / Forked Creek Bridge Project	80,000	80,000	3,067	9,542
IDOT Rt 53/N River Rd Project	475,155	475,155	-	-
USCS/IDOT Rte 53 & Peotone Rd	2,185,000	2,185,000	35,440	35,853
South Arsenal Road Project	3,316,500	3,316,500	184,027	220,219
Miscellaneous Projects & Equipment	25,000	47,000	45,943	41,916
Contingency	10,000	10,000	-	-
Total Expenditures Disbursed	<u>6,931,655</u>	<u>6,931,655</u>	<u>894,880</u>	<u>936,237</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(242,500)	(242,500)	1,540,427	(673,337)
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	-	-	-	250,415
Total Other Financing Sources (Uses)	-	-	-	250,415
Net Change in Fund Balance	<u>\$ (242,500)</u>	<u>(242,500)</u>	1,540,427	(422,922)
Fund Balance, Beginning of Year			322,271	745,193
Fund Balance, End of Year			<u>\$ 1,862,698</u>	<u>322,271</u>

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2017

<u>Assets</u>	
Cash in Bank	\$ 164,455
Total Assets	<u>\$ 164,455</u>
<u>Liabilities & Fund Balance</u>	
Liabilities:	
SSA Debt Service Reserve Fund	<u>\$ 32,117</u>
Fund Balance:	
Restricted Fund Balance	<u>132,338</u>
Total Liabilities & Fund Balance	<u>\$ 164,455</u>

Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Property Taxes	\$ 145,700	145,700	143,985	145,677
SSA Repayments	32,000	32,000	43,990	33,519
Interest Income	100	100	741	152
Total Revenues Received	<u>177,800</u>	<u>177,800</u>	<u>188,716</u>	<u>179,348</u>
Expenditures Disbursed:				
Principal	277,000	277,000	277,000	285,000
Interest	28,225	28,225	27,280	51,194
Service fees	7,500	7,500	5,500	5,000
Bond Issuance Cost	-	-	-	5,071
Miscellaneous and Contingency	3,000	3,000	-	-
Total Expenditures Disbursed	<u>315,725</u>	<u>315,725</u>	<u>309,780</u>	<u>346,265</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>(137,925)</u>	<u>(137,925)</u>	<u>(121,064)</u>	<u>(166,917)</u>
Other Financing Sources (Uses):				
Operating Transfers In	5,000	5,000	-	-
Bond Proceeds	140,000	140,000	140,000	832,000
Bond Refunding	-	-	-	(650,000)
Bond Issuance Discount	-	-	-	(6,850)
Total Other Financing Sources (Uses)	<u>145,000</u>	<u>145,000</u>	<u>140,000</u>	<u>175,150</u>
Net Change in Fund Balance	<u>\$ 7,075</u>	<u>7,075</u>	18,936	8,233
Fund Balance, Beginning of Year			<u>113,402</u>	<u>105,169</u>
Fund Balance, End of Year			<u>\$ 132,338</u>	<u>113,402</u>

**Combining Statement of Assets, Liabilities, and Fund Balances Arising
from Cash Transactions - Non-Major Special Revenue Funds
April 30, 2017**

	Special Revenue Funds				Total April 30, 2017
	ESDA Fund	Mobile Equipment Fund	Motor Fuel Tax Fund	Drug-Free Community Grant Fund	
<u>Assets</u>					
Cash in Bank	\$ 28,935	67,553	211,430	-	307,918
Total Assets	<u>\$ 28,935</u>	<u>67,553</u>	<u>211,430</u>	<u>-</u>	<u>307,918</u>
<u>Fund Balance</u>					
Restricted Fund Balance	\$ 28,935	67,553	211,430	-	307,918
Total Fund Balance	<u>\$ 28,935</u>	<u>67,553</u>	<u>211,430</u>	<u>-</u>	<u>307,918</u>

**Combining Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Non-Major Special Revenue Funds
For the Year Ended April 30, 2017**

	Special Revenue Funds				Total April 30, 2017
	ESDA Fund	Mobile Equipment Fund	Motor Fuel Tax Fund	Drug-Free Community Grant Fund	
Revenues Received:					
Property Tax	\$ 1,426	-	-	-	1,426
Miscellaneous	820	-	-	-	820
Grants	16,335	-	-	141,280	157,615
MFT Allotments	-	-	150,725	-	150,725
Interest Income	-	-	795	-	795
Fines	-	3,473	-	-	3,473
Reimbursements	488	-	-	-	488
Total Revenues Received	19,069	3,473	151,520	141,280	315,342
Expenditures Disbursed:					
General Government	-	-	-	-	-
Public Safety	30,570	-	-	141,280	171,850
Street and Highway	-	-	15,221	-	15,221
Capital Outlay	13,419	13,840	-	-	27,259
Total Expenditures Disbursed	43,989	13,840	15,221	141,280	214,330
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(24,920)	(10,367)	136,299	-	101,012
Other Financing Sources (Uses):					
Operating Transfers In	30,000	558	-	-	30,558
Total Other Financing Sources (Uses)	30,000	558	-	-	30,558
Net Change in Fund Balance	5,080	(9,809)	136,299	-	131,570
Fund Balance, Beginning of Year	23,855	77,362	75,131	-	176,348
Fund Balance, End of Year	\$ 28,935	67,553	211,430	-	307,918

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2017

<u>Assets</u>		
Cash in Bank		\$ 28,935
Total Assets		<u>\$ 28,935</u>
<u>Fund Balance</u>		
Restricted Fund Balance		\$ 28,935
Total Fund Balance		<u>\$ 28,935</u>

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

Schedule D-8

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Property Taxes	\$ 1,414	1,414	1,426	1,375
Grants - State	16,600	16,600	16,335	-
ESDA Labor Special Use	-	-	820	-
Interest Income	30	30	-	-
Other Income	500	500	-	3,190
Other Reimbursements	1,000	1,000	488	569
Total Revenues Received	<u>19,544</u>	<u>19,544</u>	<u>19,069</u>	<u>5,134</u>
Expenditures Disbursed:				
Wages	9,000	9,000	8,275	6,100
Dues and Subscriptions	1,000	1,000	555	953
Maintenance - Equipment	4,000	7,500	6,340	2,573
Maintenance - Radios & Pagers	1,500	1,500	420	1,387
Maintenance - Vehicles	5,000	3,000	1,584	1,653
Notices and Legal Publications	200	200	-	-
Other Professional Services	6,000	2,500	1,988	6,978
Telephone Service	4,500	5,000	4,762	3,669
Training, Meetings, and Travel Expense	5,500	4,000	870	965
Subscription Weather Service	100	100	84	84
Gasoline and Oil	4,000	4,000	2,302	2,075
Office Supplies	1,200	1,200	686	832
Postage	100	100	22	23
Operating Supplies and Tools	10,200	7,200	2,682	6,196
Miscellaneous and Contingency	3,500	3,500	-	301
Capital Outlay - Equipment Purchases	7,500	13,500	13,046	6,935
Expensed Equipment	1,500	1,500	-	-
Capital Outlay - Office Furniture and Equipment	-	-	373	275
Total Expenditures Disbursed	<u>64,800</u>	<u>64,800</u>	<u>43,989</u>	<u>40,999</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(45,256)	(45,256)	(24,920)	(35,865)
Other Financing Sources (Uses):				
Operating Transfers in	30,000	30,000	30,000	20,000
Net Change in Fund Balance	<u>\$ (15,256)</u>	<u>(15,256)</u>	5,080	(15,865)
Fund Balance, Beginning of Year			23,855	39,720
Fund Balance, End of Year			<u>\$ 28,935</u>	<u>23,855</u>

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2017**

<u>Assets</u>	
Cash in Bank	\$ 67,553
Total Assets	<u>\$ 67,553</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 67,553
Total Fund Balance	<u>\$ 67,553</u>

**Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)**

Schedule D-10

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Police Vehicle Fines and Transfers	\$ 5,000	5,000	3,473	4,668
Total Revenues Received	<u>5,000</u>	<u>5,000</u>	<u>3,473</u>	<u>4,668</u>
Expenditures Disbursed:				
Police Vehicle Purchases	-	15,000	13,840	-
Public Works Vehicle Purchases	-	-	-	47,703
ESDA Vehicle Purchases	40,000	25,000	-	-
Total Expenditures Disbursed	<u>40,000</u>	<u>40,000</u>	<u>13,840</u>	<u>47,703</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(35,000)	(35,000)	(10,367)	(43,035)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	558	22,703
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>558</u>	<u>22,703</u>
Net Change in Fund Balance	<u>\$ (35,000)</u>	<u>(35,000)</u>	(9,809)	(20,332)
Fund Balance, Beginning of Year			<u>77,362</u>	<u>97,694</u>
Fund Balance, End of Year			<u>\$ 67,553</u>	<u>77,362</u>

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2017

<u>Assets</u>	
Cash in Bank	\$ 211,430
Total Assets	<u>\$ 211,430</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 211,430
Total Fund Balance	<u>\$ 211,430</u>

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

Schedule D-12

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	Year Ended	
			<u>April 30, 2017</u>	<u>April 30, 2016</u>
Revenues Received:				
MFT State Allotments	\$ 148,250	148,250	145,578	146,700
Interest Income	200	200	795	245
Capital Bill Program Allotment	5,000	5,000	5,147	5,138
Total Revenues Received	<u>153,450</u>	<u>153,450</u>	<u>151,520</u>	<u>152,083</u>
Expenditures Disbursed:				
MFT Street Projects	5,000	5,000	1,900	321,784
Salt and Cinders	16,000	16,000	13,321	19,054
Contingency	1,000	1,000	-	-
Total Expenditures Disbursed	<u>22,000</u>	<u>22,000</u>	<u>15,221</u>	<u>340,838</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>\$ 131,450</u>	<u>131,450</u>	136,299	(188,755)
Fund Balance, Beginning of Year			<u>75,131</u>	<u>263,886</u>
Fund Balance, End of Year			<u>\$ 211,430</u>	<u>75,131</u>

**Statement of Assets, Liabilities and Fund Balance Arising
 from Cash Transactions
 April 30, 2017**

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

**Statement of Revenues Received, Expenditures Disbursed and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2017
 (With Comparative Figures for 2016)**

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues Received:				
Grant Income	\$ 185,000	185,000	141,280	128,150
Total Revenues Received	<u>185,000</u>	<u>185,000</u>	<u>141,280</u>	<u>128,150</u>
Expenditures Disbursed:				
DFC Grant Expenditures	185,000	185,000	141,280	128,150
Total Expenditures Disbursed	<u>185,000</u>	<u>185,000</u>	<u>141,280</u>	<u>128,150</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>\$ -</u>	<u>-</u>	-	-
Fund Balance, Beginning of Year			-	-
Fund Balance, End of Year			<u>\$ -</u>	<u>-</u>

Statement of Fund Net Position
 April 30, 2017

Assets

Cash in Bank	\$ 109,836
Accounts Receivable	146,209
Capital Assets:	
Land	600,500
Vehicles	204,882
Equipment	314,445
Buildings	3,173,976
Improvements	3,378,501
Accumulated Depreciation	<u>(2,112,978)</u>
Total Assets	<u>\$ 5,815,371</u>

Liabilities and Net Position

Liabilities:	
Deposit - Hydrant Meters	\$ 2,000
Long-Term Debt:	
Due Within One Year	51,167
Due Beyond One Year	<u>957,163</u>
Total Liabilities	<u>1,010,330</u>
Net position:	
Net Investment in Capital Assets	4,550,996
Unrestricted Net Position	<u>254,045</u>
Total Net Position	<u>4,805,041</u>
Total Liabilities and Net Position	<u>\$ 5,815,371</u>

CITY OF WILMINGTON, ILLINOIS
WATER OPERATIONS FUND

Schedule E-2

Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues:				
Water:				
Water Service Fees	\$ 905,000	905,000	928,583	806,437
Water Base Fees	168,000	168,000	165,903	166,745
Water Capacity User Fees	38,700	38,700	62,625	-
Water Meter Fees	30,000	30,000	13,743	18,780
Interest Income	50	50	259	24
Other Income	8,000	8,000	5,283	7,162
Other Reimbursements	10,700	10,700	10,608	5,633
Total Water Revenues	1,160,450	1,160,450	1,187,004	1,004,781
Garbage:				
Garbage Collection Fees	478,000	478,000	429,638	488,974
Total Revenues	1,638,450	1,638,450	1,616,642	1,493,755
Expenses:				
Water:				
Wages	367,000	367,000	357,818	367,301
FICA Taxes	33,000	35,000	31,839	32,834
SUTA Taxes	3,200	3,200	1,257	1,466
IMRF	46,000	46,000	42,581	45,195
Overtime Wages	30,000	40,000	34,994	39,815
Computer Repairs and Maintenance	13,000	16,000	12,605	12,988
Dues and Subscriptions	1,300	1,300	707	459
Employee Health and Life Insurance	91,000	86,000	84,003	74,045
Legal Services	2,000	2,000	-	74
Prop, Equip, & Liab Insurance	73,000	73,000	72,188	60,000
Workers' Comp. Insurance	40,000	35,000	32,700	-
Maintenance:				
Equipment	25,000	25,000	11,484	23,095
Fire Hydrants	750	750	-	470
Grounds and Building	14,000	14,000	9,858	10,018
Pumping System	25,000	25,000	4,588	4,829
Water Mains	25,000	55,000	50,420	17,929
Water Meters	5,000	5,000	414	5,265
Water Service Lines	-	-	-	4,702
Water Towers	11,000	21,000	18,364	-
Vehicles	1,000	1,000	322	2,953
Notices and Legal Publications	700	900	541	-
Other Professional Services	18,500	18,500	13,126	13,468
Rental of Equipment	9,000	4,000	-	-
Sludge Disposal	50,000	2,800	-	9,171
Telephone Service	6,500	6,500	6,274	3,839
Training, Meetings, and Travel Expense	5,200	5,200	3,292	927
Utilities	65,000	65,000	67,053	59,036
Gasoline and Oil	20,000	15,000	5,641	4,985

WATER OPERATIONS FUND

(continued)

Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Expenses: (continued)				
Water: (continued)				
Office Supplies	\$ 5,000	5,000	3,122	3,805
Postage	8,000	8,000	7,166	7,861
Operating Supplies and Tools	13,000	13,000	6,100	12,096
Backflow Preventers	4,000	4,000	-	3,901
Uniforms	2,500	2,500	1,546	914
Water Treatment Chemicals	75,000	90,000	91,046	67,514
Miscellaneous and Contingency	2,000	2,000	-	1,407
Leased Equipment Expense	3,000	3,000	2,339	2,230
Equipment Purchases	10,000	10,000	-	-
New Meters	26,000	21,000	5,482	21,743
Expense Equipment	500	500	-	1,572
IEPA Loan Principal	50,500	50,500	-	-
IEPA Loan Interest	20,200	20,200	17,248	12,023
Service Fees	6,000	8,000	6,523	6,459
Contingency	20,000	20,000	-	-
Refunds	500	500	328	-
Total Water Expenses	<u>1,227,350</u>	<u>1,227,350</u>	<u>1,002,969</u>	<u>936,389</u>
Garbage:				
Garbage Collection and Disposal	<u>478,000</u>	<u>478,000</u>	<u>439,795</u>	<u>483,011</u>
Depreciation Expense	<u>-</u>	<u>-</u>	<u>209,681</u>	<u>207,847</u>
Total Expenses	<u>1,705,350</u>	<u>1,705,350</u>	<u>1,652,445</u>	<u>1,627,247</u>
Excess (Deficiency) of Revenues over (under) Expenses	(66,900)	(66,900)	(35,803)	(133,492)
Other Financing Sources (Uses):				
Contributed Capital	-	-	24,556	141,087
Operating Transfers In	85,000	85,000	-	-
Operating Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(41,434)</u>	<u>(45,335)</u>
Total Other Financing Sources (Uses)	<u>35,000</u>	<u>35,000</u>	<u>(16,878)</u>	<u>95,752</u>
Net Income (Loss)	<u>\$ 3,100</u>	<u>3,100</u>	(52,681)	(37,740)
Net Position, Beginning of Year			<u>4,857,722</u>	<u>4,895,462</u>
Net Position, End of Year			<u>\$ 4,805,041</u>	<u>4,857,722</u>

Statement of Fund Net Position
April 30, 2017

<u>Assets</u>		
Cash in Bank		\$ 429,552
Accounts Receivable		14,664
Due From Capital Projects Fund		280,000
Total Assets		<u>\$ 724,216</u>
<u>Net Position</u>		
Unrestricted Net Position		\$ 557,650
Restricted Net Position		166,566
Total Net Position		<u>\$ 724,216</u>

Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

Schedule E-4

	<u>Original</u>	<u>Final</u>	<u>Year Ended</u>	
	<u>Appropriations</u>	<u>Appropriations</u>	<u>April 30,</u>	<u>April 30,</u>
			<u>2017</u>	<u>2016</u>
Revenues:				
City Engineer Services	\$ 1,000	1,000	380	-
Meter Replacement Program Fees	74,500	74,500	74,851	73,893
Water Capacity User Fee	-	-	-	35,247
Penalty Fee	32,000	32,000	33,359	32,143
Water District System Maintenance Fee	2,000	2,000	2,000	5,000
Interest Income	300	300	2,079	369
Other Income - Prologis Buyout	400,000	400,000	400,000	-
Other Reimbursements	-	-	17,200	-
Rental of Property	6,600	6,600	6,600	6,600
Total Revenues	<u>516,400</u>	<u>516,400</u>	<u>536,469</u>	<u>153,252</u>
Expenses:				
City Engineer Services	36,200	36,200	35,112	33,746
Engineering Fees	100,000	85,000	-	21,330
Legal Services	10,000	5,000	-	-
Maintenance - Equipment	23,100	23,100	17,092	-
Maintenance - Distribution	24,000	24,000	17,325	-
Maintenance - Water Meters	35,000	55,000	45,007	33,792
Maintenance - Water Lines	-	-	-	12,000
Other Professional Fees	6,000	6,000	5,007	-
Capital Equipment Purchases	-	-	-	79,717
Equipment Purchases	40,000	40,000	3,864	-
Water Capital Projects	30,000	30,000	2,136	117,754
Contingency	5,000	5,000	-	-
IEPA Loan Principal	160,000	160,000	-	-
Total Expenses	<u>469,300</u>	<u>469,300</u>	<u>125,543</u>	<u>298,339</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	47,100	47,100	410,926	(145,087)
Other Financing Sources (Uses):				
Capital Contributions	-	-	(24,556)	(16,564)
Loan Proceeds	160,000	160,000	-	-
Operating Transfers In	50,000	50,000	41,434	90,335
Operating Transfers Out	(15,000)	(15,000)	-	-
Total Other Financing Sources (Uses)	<u>195,000</u>	<u>195,000</u>	<u>16,878</u>	<u>73,771</u>
Net Income (Loss)	<u>\$ 242,100</u>	<u>242,100</u>	427,804	(71,316)
Net Position, Beginning of Year			296,412	367,728
Net Position, End of Year			<u>\$ 724,216</u>	<u>296,412</u>

Statement of Fund Net Position
April 30, 2017

<u>Assets</u>	
Cash in Bank	\$ 886,339
Accounts Receivable	167,086
Capital Assets:	
Land	911,700
Vehicles	181,595
Equipment	377,283
Buildings	14,100,762
Improvements	2,120,880
Accumulated Depreciation	(3,783,001)
Total Assets	<u>\$ 14,962,644</u>
 <u>Liabilities & Net Position</u>	
Liabilities:	
Long-Term Liabilities:	
Due Within One Year	\$ 673,731
Due Beyond One Year	8,628,972
Total Liabilities	<u>9,302,703</u>
Net Position:	
Net Investment in Capital Assets	4,606,516
Unrestricted Net Position	1,053,425
Total Net Position	<u>5,659,941</u>
Total Liabilities and Net Position	<u>\$ 14,962,644</u>

CITY OF WILMINGTON, ILLINOIS
SEWER OPERATIONS FUND

Schedule E-6

Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues:				
Debt Service Revenue	\$ 960,000	960,000	940,071	945,470
Sewer Service Fees	820,000	820,000	819,245	784,645
Sewer Capacity User Fee	160,000	160,000	264,570	131,734
Interest Income	50	50	-	24
Miscellaneous	2,000	2,000	2,670	1,827
Other Reimbursements	10,000	10,000	16,362	28,877
Total Revenues	1,952,050	1,952,050	2,042,918	1,892,577
Expenses:				
Wages	290,000	290,000	279,529	285,692
FICA Taxes	25,000	25,000	22,476	22,588
SUTA Taxes	3,000	3,000	1,340	1,299
IMRF	34,000	34,000	30,210	31,911
Overtime	20,000	15,500	12,569	13,154
Computer Repairs and Maintenance	17,000	17,000	10,179	9,697
Dues & Subscription & Memberships	1,100	1,100	631	482
Employee Health and Life Insurance	82,000	82,000	64,307	74,663
Engineering Professional Fees	5,000	5,000	-	27,800
Legal Services	2,000	2,000	-	898
Prop. Equip. & Liability Insurance	63,000	63,500	63,312	-
Workers' Comp. Insurance	25,000	24,000	22,620	51,500
Maintenance:				
Equipment	26,000	31,000	6,686	5,675
Grounds and Building	20,000	25,000	11,659	10,702
Sewers	32,000	32,000	27,456	34,142
Sewers - Process	62,000	57,000	44,802	17,294
Vehicles	2,500	2,500	587	3,801
Notices and Legal Publications	1,000	1,000	441	-
Other Professional Services	20,000	20,000	24,091	22,409
Rental of Equipment	3,000	-	-	7,750
Sewer Sludge Disposal	25,500	32,500	26,563	21,604
Telephone Service	7,000	7,000	5,204	4,188
Training, Meetings, and Travel Expense	7,500	7,500	3,577	1,273
Utilities - Electric and Gas	105,000	105,000	89,975	101,066
Gasoline and Oil	8,000	8,000	2,344	5,028
Office Supplies	6,500	6,500	3,786	5,296
Postage	8,000	8,000	7,076	7,828
Operating Supplies and Tools	15,000	15,000	11,792	17,166
Sewer Chemicals	45,000	40,000	30,031	34,558
Uniforms	3,000	3,000	1,347	850
Miscellaneous	2,000	2,000	65	264

CITY OF WILMINGTON, ILLINOIS
SEWER OPERATIONS FUND

Schedule E-6
(continued)

Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Expenses: (continued)				
Equipment Purchase	5,000	5,000	369	7,426
Leased Equipment Expense	4,000	4,000	2,339	2,230
Expensed Equipment	500	500	-	1,585
IEPA Loan Principal	\$ 673,800	657,300	-	-
IEPA Loan Interest	228,500	245,000	244,916	261,042
Service Fees	7,000	8,000	-	-
Refunds	500	500	308	-
Contingency	10,000	10,000	-	-
Depreciation Expense	-	-	452,440	451,997
Total Expenses	<u>1,895,400</u>	<u>1,895,400</u>	<u>1,505,027</u>	<u>1,544,858</u>
Excess (Deficiency) of Revenues over (under) Expenses	56,650	56,650	537,891	347,719
Other Financing Sources (Uses):				
Contributed Capital	-	-	29,275	22,127
Operating Transfers Out	(50,000)	(50,000)	(50,000)	(55,000)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(20,725)</u>	<u>(32,873)</u>
Net Income (Loss)	<u>\$ 6,650</u>	<u>6,650</u>	517,166	314,846
Net Position, Beginning of Year			<u>5,142,775</u>	<u>4,827,929</u>
Net Position, End of Year			<u>\$ 5,659,941</u>	<u>5,142,775</u>

Statement of Fund Net Position
April 30, 2017

<u>Assets</u>	
Cash in Bank	\$ 336,634
Accounts Receivable	2,412
Total Assets	<u>\$ 339,046</u>
<u>Net Position</u>	
Restricted Net Position	<u>\$ 339,046</u>
Total Net Position	<u>\$ 339,046</u>

Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

Schedule E-8

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Revenues:				
City Engineer Services	\$ 1,000	1,000	190	-
Sewer Collection System Fee	6,000	6,000	6,000	6,150
Penalty Fee	38,000	38,000	38,796	43,872
Interest Income	500	500	4,935	983
Property Rental	6,600	6,600	6,600	6,600
Total Revenues	<u>52,100</u>	<u>52,100</u>	<u>56,521</u>	<u>57,605</u>
Expenses:				
City Engineer Services	12,500	12,500	11,704	11,249
Professional Fees - Engineering	175,000	175,000	116,630	-
Miscellaneous and Contingency	20,000	20,000	-	-
Equipment Purchases	30,500	30,500	-	21,606
Sewer Line / Lift Station	15,000	15,000	-	-
Total Expenses	<u>253,000</u>	<u>253,000</u>	<u>128,334</u>	<u>32,855</u>
Excess (Deficiency) of Revenues over (under) Expenses	(200,900)	(200,900)	(71,813)	24,750
Other Financing Sources (Uses):				
Capital contributions	-	-	(29,275)	-
Operating Transfers Out	-	-	-	(45,000)
Operating Transfers In	50,000	50,000	50,000	55,000
Net Income (Loss)	<u>\$ (150,900)</u>	<u>(150,900)</u>	<u>(51,088)</u>	<u>34,750</u>
Net Position, Beginning of Year			<u>390,134</u>	<u>355,384</u>
Net Position, End of Year			<u>\$ 339,046</u>	<u>390,134</u>

Combining Statement of Fiduciary Net Position
 April 30, 2017
 (With Comparative Figures for 2016)

	Agency Funds						Totals		
	Police DUI Account	Canine School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	Police Explorer Program Account	Year Ended April 30, 2017	Year Ended April 30, 2016
<u>Assets</u>									
Cash in bank	\$ 2,184	4,088	7,846	11,375	4,477	43,674	1,500	75,144	79,347
<u>Liabilities</u>									
Payable to others	\$ 2,184	4,088	7,846	11,375	4,477	43,674	1,500	75,144	79,347

Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended April 30, 2017
 (With Comparative Figures for 2016)

	Agency Funds						Totals		
	Police DUI Account	Canine School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	Police Explorer Program Account	Year Ended April 30, 2017	Year Ended April 30, 2016
Additions	\$ -	-	-	421	1,061	-	400	1,882	5,363
Deductions	-	-	1,826	1,899	1,160	-	1,200	6,085	2,570
Change in Net Position	-	-	(1,826)	(1,478)	(99)	-	(800)	(4,203)	2,793
Cash Balance, Beginning of Year	2,184	4,088	9,672	12,853	4,576	43,674	2,300	79,347	76,554
Cash Balance, End of Year	\$ 2,184	4,088	7,846	11,375	4,477	43,674	1,500	75,144	79,347

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended April 30, 2017	April 30, 2016
<u>Finance and Administration:</u>				
Wages - Finance and Administration	\$ 242,000	224,000	214,440	229,732
City Engineer Services	12,500	12,500	11,704	11,249
Elected / Appointed Officials Wages	42,000	42,000	34,665	38,030
Computer Repairs and Maintenance	26,000	33,000	28,749	23,496
Dues and Subscriptions	10,000	10,000	8,528	8,097
Employee Health and Life Insurance	71,000	60,000	58,699	65,779
Retired Employees Health Insurance	125,000	125,000	115,305	120,132
Legal Services	40,000	65,000	58,488	45,085
Maintenance - Equipment	4,000	2,000	3,657	3,436
Maintenance - Vehicles	5,000	5,000	687	7,144
Notices and Legal Publications	1,500	1,500	738	577
Other Professional Services	15,000	65,000	50,643	12,063
PACE Bus Service	-	-	-	5,112
Telephone Service	8,000	10,000	8,688	7,054
Training, Meetings, and Travel Expenses	6,000	6,000	2,690	3,324
Gasoline and Oil	7,000	4,500	3,926	4,934
Office Supplies	6,000	6,000	3,830	4,302
Postage	2,000	2,000	1,561	2,006
Operating Supplies and Tools	500	1,500	854	277
Administrative Expense	2,000	1,000	455	725
WCHC - Community Matching	12,500	10,500	8,245	7,868
Economic Development Commission	3,500	3,500	2,500	2,500
Mayor's Expense	2,000	2,000	1,774	1,804
Community Festivals	10,000	-	-	540
Utility Tax Credit/Job Inctv	75,000	75,000	-	-
Sales Tax Credit	68,000	68,000	-	-
Miscellaneous	12,000	9,000	1,535	6,275
Police Commission Expenses	17,500	15,500	3,932	4,849
Leased Equipment	5,000	5,000	3,304	3,531
Contingency	10,000	10,000	-	-
Service Fees	700	700	389	395
Refunds	500	500	166	-
Total Finance and Administration	842,200	875,700	630,152	620,316
<u>Public Grounds and Buildings:</u>				
Maintenance - Equipment	4,000	4,500	3,394	12,768
Maintenance - Grounds and Buildings	88,000	88,000	73,468	67,966
Janitorial Service	30,000	31,000	29,921	25,986
Other Professional Services	43,000	43,000	37,550	11,776
Rental of Building/Storage Space	1,400	1,400	1,380	1,380
Telephone Service	800	1,300	1,018	603
Utilities	10,000	8,000	4,076	3,448
Operating Supplies and Tools	4,000	4,000	2,922	2,901
Miscellaneous and Contingency	2,000	2,000	259	-
Total Public Grounds and Buildings	183,200	183,200	153,988	126,828

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
Police Department:				
Salaries and Wages:				
Police	\$ 1,101,500	1,111,500	1,095,794	998,070
Overtime	105,000	75,000	68,862	95,181
Part-Time Officer	75,000	75,000	72,845	66,716
Crossing Guard	6,200	6,200	5,130	5,280
Vacation Buy-Out	15,000	15,000	14,851	12,667
Animal Control	2,000	4,500	3,690	1,800
Community Service & Affairs	2,000	2,000	-	2,000
Computer Repairs and Maintenance	20,000	26,000	22,401	20,157
Dispatching Services	176,500	176,500	176,438	161,995
Dues and Subscriptions	2,000	3,000	2,000	1,845
Employee Health and Life Insurance	170,000	166,800	164,839	168,857
Legal Services	20,000	20,000	17,637	17,042
Maintenance:				
Equipment	8,500	8,500	7,715	6,081
Radios and Pagers	1,300	1,300	104	1,061
Vehicles	20,000	20,000	17,858	19,677
Notices Legal Publications	500	1,200	826	198
Other Professional Services	13,000	15,000	11,955	10,834
K9 Unit Program Expense	-	20,000	18,383	-
Telephone Service	14,000	14,000	12,679	12,903
Training, Meetings, and Travel Expense	15,000	15,000	14,291	11,429
Gasoline and Oil	40,000	29,000	27,541	30,473
Office Supplies	5,600	5,600	2,987	4,782
Postage	2,000	2,000	931	1,414
Operating Supplies and Tools	15,000	15,000	12,397	13,045
Uniforms	23,000	25,000	23,656	21,925
Miscellaneous and Contingency	1,500	1,500	1,165	1,085
Leased Equipment Expense	58,000	58,000	56,891	54,805
Expensed Equipment	5,000	5,500	5,112	6,717
Total Police Department	1,917,600	1,918,100	1,858,978	1,748,039

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
<u>Streets & Alleys</u>				
Salaries and Wages:				
Public Works	\$ 352,000	352,000	341,978	252,578
City Engineer Services	36,500	36,500	35,112	33,746
Overtime	22,000	22,000	16,979	15,958
Part-Time	22,000	22,000	21,524	21,230
Computer Repairs and Maintenance	1,000	1,000	552	245
Dues and Subscriptions	300	300	-	363
Employee Health and Life Insurance	93,000	90,000	87,086	82,920
Engineering Fees	1,000	-	-	-
JULIE Fees	2,000	2,200	2,153	1,646
Legal Services	1,000	-	-	-
Maintenance:				
Bridges	4,000	3,000	-	2,252
Curbs & Gutters	2,000	2,000	-	504
Equipment	22,000	22,000	19,080	21,794
Parking Lots	6,000	-	-	-
Sidewalks	4,000	3,000	2,128	505
Storm Sewers	8,000	32,000	28,530	5,301
Streets	28,000	32,000	30,910	28,128
Vehicles	22,000	18,000	12,876	22,148
Notices and Legal Publications	1,500	1,500	102	870
Equipment Rentals	9,000	5,000	2,209	6,300
Street Light Electricity	95,000	92,800	89,042	88,084
Telephone Service	3,000	3,000	2,802	2,231
Training, Meetings, and Travel Expense	2,000	2,000	615	727
Tree and Weed Removal	5,000	9,000	8,203	3,990
Gasoline and Oil	32,000	28,000	20,099	23,518
Office Supplies	2,000	2,000	1,725	1,267
Postage	500	500	-	318
Operating Supplies and Tools	15,000	15,000	11,917	14,497
Sign Replacement	12,000	5,000	3,002	10,492
Uniforms	6,000	8,000	7,332	6,574
Miscellaneous and Contingency	500	500	206	137
Expensed Equipment	1,000	1,000	139	37
Total Streets & Alleys	811,300	811,300	746,301	648,360

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
<u>Social Security and IMRF:</u>				
Social Security Taxes	\$ 162,000	152,000	149,216	137,298
SUTA Taxes	16,000	9,000	8,737	11,638
IMRF Expense	84,000	101,000	83,428	79,340
Total Social Security and IMRF	262,000	262,000	241,381	228,276
<u>Auditing and Accounting:</u>				
Audit Fee	18,000	18,000	17,525	17,190
Payroll Processing Service	14,000	14,000	7,660	17,946
Total Auditing and Accounting	32,000	32,000	25,185	35,136
<u>Building Department:</u>				
Wages	20,000	20,000	14,995	9,500
City Engineer Services	12,500	12,500	11,704	11,249
Computer Repairs and Maintenance	2,000	2,000	648	1,185
Consulting Fee	400,000	425,000	420,701	125,620
Dues and Subscriptions	100	100	25	-
Employee Health and Life Insurance	3,000	3,000	2,573	2,528
Legal Services	2,000	1,000	-	-
Maintenance - Vehicles	1,500	3,000	2,857	4,200
City Engineer Vehicle Allowance	4,200	4,400	4,400	-
Telephone Services	2,000	2,000	1,352	1,269
Training, Meetings, and Travel Expense	2,000	1,000	377	674
Gasoline and Oil	3,000	1,000	253	358
Office Supplies	1,500	1,500	720	652
Postage	500	500	56	140
Operating Supplies and Tools	2,000	500	21	670
Miscellaneous and Contingency	1,500	500	475	581
Total Building Department	457,800	478,000	461,157	158,626
<u>Planning and Zoning:</u>				
Wages	3,500	3,500	2,250	2,025
City Engineering Services	12,500	12,500	11,704	11,249
Consulting Fees	25,000	45,000	37,549	16,768
Consulting Fees - Developers	40,000	60,000	54,591	3,910
Employee Health and Life Insurance	3,000	3,000	2,573	2,408
Engineering Fees	15,000	5,000	85	2,890
Engineering Fees - Developers	45,000	25,000	21,874	15,096
Legal Services	25,000	6,300	1,210	20,708
Legal Services - Developers	15,000	5,000	1,929	7,510
Notices and Legal Publications	500	500	184	454
Office Supplies	500	500	79	169
Postage	250	250	-	92
Miscellaneous and Contingency	500	500	-	87
Total Planning and Zoning	185,750	167,050	134,028	83,366

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2017
(With Comparative Figures for 2016)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2017	April 30, 2016
<u>Police Pension:</u>				
Police Pension Fund Contribution	\$ 400,000	400,000	383,176	374,680
<u>Building, Liability, and Workers' Comp. Insurance</u>				
Property and Equipment Insurance	120,000	120,000	106,980	132,874
General Liability Insurance	208,000	208,000	200,991	257,799
Total Building, Liability, and Workers' Comp. Insurance	328,000	328,000	307,971	390,673
<u>Debt Service</u>				
Public Works - Principal	37,800	37,800	37,732	36,321
Public Works - Interest	4,300	4,300	4,172	5,584
Total Debt Service	42,100	42,100	41,904	41,905
<u>Capital Outlay</u>				
Finance and Administration	5,000	3,000	1,430	3,921
Public Grounds and Buildings	2,000	2,000	1,510	375
Police Department	6,000	5,500	5,461	55,834
Building Department	2,000	500	51	1,363
Total Capital Outlay	15,000	11,000	8,452	61,493
Total General Fund Expenditures	\$ 5,476,950	5,508,450	4,992,673	4,517,698
<u>Other Financing Uses</u>				
Operating Transfers Out				
Finance and Administration	\$ 105,000	73,500	30,558	20,000
Police Department	-	-	-	-
Public Works	-	-	-	22,703
Total Operating Transfers Out	105,000	73,500	30,558	42,703
Total General Fund Other Financing Uses	\$ 105,000	73,500	30,558	42,703

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

	Tax Year				
	2012	2013	2014	2015	2016
Assessed Valuations	\$128,940,126	129,676,852	121,093,144	121,573,744	127,437,230
Tax Rates:					
Corporate	0.1186	0.1333	0.1449	0.1453	0.1413
Bond and Interest	0.1175	0.1180	0.1263	0.1233	0.1120
Police Pension	0.2172	0.2790	0.3248	0.3284	0.3320
Municipal Retirement	0.0549	0.0499	0.0325	0.0329	0.0314
Social Security	0.0935	0.0982	0.0812	0.0821	0.0785
ESDA/Civil Defense	0.0386	0.0384	0.0012	0.0012	0.0016
Police Protection	0.1153	0.1150	0.1624	0.1642	0.1570
Workers' Compensation Insurance	0.0768	0.0284	0.0610	0.0658	0.0628
Liability Insurance	-	0.0292	0.0325	0.0411	0.0393
Municipal Audit	0.0248	0.0257	0.0268	0.0230	0.0173
Totals	0.8572	0.9151	0.9936	1.0073	0.9732
Tax Extensions:					
Corporate	\$ 152,923	172,859	175,464	176,647	180,069
Bond and Interest	151,505	153,019	152,941	149,900	142,730
Police Pension	280,058	361,798	393,311	399,248	423,092
Municipal Retirement	70,788	64,709	39,355	39,998	40,015
Social Security	120,559	127,343	98,328	99,812	100,038
ESDA/Civil Defense	49,771	49,796	1,453	1,459	2,039
Police Protection	148,668	149,128	196,655	199,624	200,076
Workers' Compensation Insurance	99,026	36,828	73,867	79,996	80,031
Liability Insurance	-	37,866	39,355	49,967	50,083
Municipal Audit	31,977	33,327	32,453	27,962	22,047
Totals	1,105,274	1,186,672	1,203,181	1,224,613	1,240,220
Township Road and Bridge	78,536	84,121	84,240	84,930	
Totals	\$ 1,183,810	1,270,793	1,287,421	1,309,543	
Tax Collections	\$ 1,161,008	1,183,789	1,237,880	1,260,444	



116 E. Washington Street
Suite One
Morris, Illinois 60450

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Wilmington, Illinois' basic financial statements, and have issued our report thereon dated September 19, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Wilmington, Illinois, in a separate letter dated September 19, 2017.

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.
Certified Public Accountants

Morris, Illinois
September 19, 2017



CERTIFIED PUBLIC ACCOUNTANTS

116 E. Washington Street
Suite One
Morris, Illinois 60450

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

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

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

In planning and performing our audit of the financial statements of the City of Wilmington, for the year ended April 30, 2017, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 19, 2017 on the financial statements of the City of Wilmington.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Very truly yours,

A handwritten signature in black ink that reads "Mack & Associates, P.C." in a cursive style.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 19, 2017

2017-01: Financial Statement Preparation

Description:

The City's personnel do not prepare the City's financial statements and related disclosures. The City engages the external auditors to assist in preparing these reports using the financial reports provided by the City. While the City's financial reports are complete and accurate, the City does not prepare the required related disclosures.

The City Council has the ultimate responsibility for the City's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the City's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare the financial statements for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Because the auditors, not management, have prepared the financial statements and related disclosures, material misstatements to the financial statements may not be prevented or detected by the City's system of internal controls.

Recommendation:

The City could implement internal control procedures related to preparation and/or review of financial statements. However, the City may determine that the cost of implementing internal controls related to financial statement preparation in accordance with GASB standards outweighs the benefits to be gained, and may continue to engage the external auditors to draft the financial statements.

2017-2: Motor Fuel Tax (Recurring)

Description:

The State has not reconciled the Motor Fuel tax account for multiple years. As a result, the City has expended funds that were not shown as authorized by the State. The bank balance of the cash account is \$211,430, but the State shows an unobligated balance of \$405,029.

Recommendation:

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