

VILLAGE OF DWIGHT, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2017



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

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VILLAGE OF DWIGHT, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dwight, Illinois, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dwight, Illinois, as of March 31, 2017, and the respective changes in modified cash basis financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Dwight, Illinois' basic financial statements. The other information on pages 38-50, including notes to other information on page 51, and the supplementary information on pages 52-69 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Dwight, Illinois, for the year ended March 31, 2016, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated June 27, 2016, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the Village of Dwight, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Dwight, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 26, 2017

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
March 31, 2017

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2017	2016
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 7,312,378	2,145,844	9,458,222	1,627,073
Accounts receivable	-	53,670	53,670	57,044
Land held for sale	48,210	-	48,210	-
Total current assets	<u>7,360,588</u>	<u>2,199,514</u>	<u>9,560,102</u>	<u>1,684,117</u>
Non-current assets:				
Capital Assets				
Land	171,366	45,500	216,866	216,866
Equipment	1,578,393	1,112,017	2,690,410	2,637,760
Buildings and improvements	6,878,364	128,914	7,007,278	3,357,038
Construction in progress	-	108,304	108,304	1,784,826
Infrastructure	2,970,758	17,938,336	20,909,094	20,881,666
Accumulated Depreciation	<u>(4,036,928)</u>	<u>(9,477,195)</u>	<u>(13,514,123)</u>	<u>(12,712,786)</u>
Total non-current assets	<u>7,561,953</u>	<u>9,855,876</u>	<u>17,417,829</u>	<u>16,165,370</u>
Total assets	<u>\$ 14,922,541</u>	<u>12,055,390</u>	<u>26,977,931</u>	<u>17,849,487</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ -	13,412	13,412	2,789
Customer deposits	-	13,110	13,110	13,110
Accrued interest payable	-	22,975	22,975	-
Due within one year:				
Bonds payable	425,000	265,000	690,000	295,000
EPA loan payable	-	381,328	381,328	440,511
Total current liabilities	<u>425,000</u>	<u>695,825</u>	<u>1,120,825</u>	<u>751,410</u>
Long-term Liabilities:				
Due in more than one year:				
Bonds payable	6,410,000	1,760,000	8,170,000	-
EPA loan payable	-	2,716,436	2,716,436	3,097,765
Total long-term liabilities	<u>6,410,000</u>	<u>4,476,436</u>	<u>10,886,436</u>	<u>3,097,765</u>
Total liabilities	<u>6,835,000</u>	<u>5,172,261</u>	<u>12,007,261</u>	<u>3,849,175</u>
<u>Net Position</u>				
Net investment in capital assets	7,561,953	6,758,112	14,320,065	12,332,094
Restricted	471,295	1,472,053	1,943,348	971,250
Unrestricted	<u>54,293</u>	<u>(1,347,036)</u>	<u>(1,292,743)</u>	<u>696,968</u>
Total net position	<u>\$ 8,087,541</u>	<u>6,883,129</u>	<u>14,970,670</u>	<u>14,000,312</u>

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

**Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended March 31, 2017**

Program Activities	Expenditures	Program Revenues			Governmental Activities	Net (Expenditures) Revenue and Changes in Net Position		
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business-Type Activities	Total	
							2017	2016
Governmental activities:								
General government	\$ 2,225,642	147,759	-	-	(2,077,883)	-	(2,077,883)	(1,104,023)
Garbage services	316,294	264,521	-	-	(51,773)	-	(51,773)	2,849
Public safety	1,594,085	240,007	-	-	(1,354,078)	-	(1,354,078)	(1,255,505)
Streets and lighting	389,896	-	2,116,048	-	1,726,152	-	1,726,152	1,197,607
Culture and recreation	169,245	32,764	-	-	(136,481)	-	(136,481)	(178,719)
Unallocated interest - expense	-	-	-	-	-	-	-	(1,853)
Total governmental activities	4,695,162	685,051	2,116,048	-	(1,894,063)	-	(1,894,063)	(1,339,644)
Business-type activities:								
Waterworks	1,378,383	872,376	-	-	-	(506,007)	(506,007)	223,099
Sewer	886,274	1,138,837	-	-	-	252,563	252,563	273,093
Total business-type activities	2,264,657	2,011,213	-	-	-	(253,444)	(253,444)	496,192
Total primary government	\$ 6,959,819	2,696,264	2,116,048	-	(1,894,063)	(253,444)	(2,147,507)	(843,452)
General revenues:								
Taxes:								
Property taxes					\$ 695,347	-	695,347	674,884
Utility tax					311,966	-	311,966	327,855
Sales tax					617,180	-	617,180	604,162
Income tax					670,717	-	670,717	460,630
Replacement tax					43,086	-	43,086	45,876
Local use tax					103,469	-	103,469	94,750
TIF revenue					138,079	-	138,079	119,455
Motor fuel tax					108,583	-	108,583	105,056
Hotel/Motel tax					37,658	-	37,658	33,098
Video gaming tax					91,918	-	91,918	84,599
Interest on investments					20,342	2,737	23,079	6,130
Donations					4,081	-	4,081	9,142
Reimbursements					13,989	-	13,989	12,023
Miscellaneous					14,036	10,216	24,252	146,458
Total general revenues					2,870,451	12,953	2,883,404	2,724,118
Special items:								
Debt issuance premium					319,157	30,424	349,581	-
Debt issuance discount					(89,427)	(25,693)	(115,120)	-
Total special items					229,730	4,731	234,461	-
Change in net position					1,206,118	(235,760)	970,358	1,880,666
Net position, beginning of year					6,881,423	7,118,889	14,000,312	12,119,646
Net position, end of year					\$ 8,087,541	6,883,129	14,970,670	14,000,312

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

**Statement of Assets, Liabilities and Fund Balances
Modified Cash Basis - Governmental Funds
March 31, 2017**

	Major Funds				Non-major Governmental Funds	Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund		2017	2016
<u>Assets</u>							
Cash	\$ 392,777	90,787	4,300,189	2,020,101	508,524	7,312,378	1,035,257
Total assets	<u>\$ 392,777</u>	<u>90,787</u>	<u>4,300,189</u>	<u>2,020,101</u>	<u>508,524</u>	<u>7,312,378</u>	<u>1,035,257</u>
<u>Liabilities and fund balances</u>							
Liabilities:							
Overdrafts payable	\$ -	-	-	-	-	-	112,876
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,876</u>
Fund balances:							
Unassigned	392,772	(395,584)	-	-	-	(2,812)	(123,606)
Assigned	-	-	-	-	8,895	8,895	8,665
Committed	-	-	-	-	-	-	142,748
Restricted	5	486,371	4,300,189	2,020,101	499,629	7,306,295	894,574
Total fund balances	<u>392,777</u>	<u>90,787</u>	<u>4,300,189</u>	<u>2,020,101</u>	<u>508,524</u>	<u>7,312,378</u>	<u>922,381</u>
Total liabilities and fund balances	<u>\$ 392,777</u>	<u>90,787</u>	<u>4,300,189</u>	<u>2,020,101</u>	<u>508,524</u>		

Reconciliation to Statement of Net Position:

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

Land held for sale	48,210	-
Capital assets used in governmental activities of \$11,598,881 (net of accumulated depreciation of \$4,036,928) are not financial resources and, therefore, are not reported in the funds.	7,561,953	5,959,042
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(6,835,000)	-
Net position of governmental activities	<u>\$ 8,087,541</u>	<u>6,881,423</u>

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2017

	Major Funds				Non-major Governmental Funds	Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund		2017	2016
Revenues received:							
Property taxes	\$ 434,272	-	-	-	261,075	695,347	674,884
Utility tax	311,966	-	-	-	-	311,966	327,855
Sales tax	617,180	-	-	-	-	617,180	604,162
Income tax	451,627	-	219,090	-	-	670,717	460,630
Replacement tax	43,086	-	-	-	-	43,086	45,876
Local use tax	103,469	-	-	-	-	103,469	94,750
Hotel/Motel tax	37,658	-	-	-	-	37,658	33,098
Video gaming tax	91,918	-	-	-	-	91,918	84,599
Interest income	4,395	3,448	6,409	4,501	1,589	20,342	5,787
Motor Fuel Tax	-	-	-	-	108,583	108,583	105,056
TIF Revenue	-	-	-	138,079	-	138,079	119,455
Charges for Services	538,196	-	-	-	-	538,196	719,076
Fines, fees, and forfeitures	116,064	-	-	-	-	116,064	77,857
Grants	-	2,116,048	-	-	-	2,116,048	1,451,917
Licenses and permits	30,791	-	-	-	-	30,791	50,459
Donations	4,081	-	-	-	-	4,081	9,142
Reimbursements	6,989	-	-	-	7,000	13,989	12,023
Miscellaneous	12,640	-	-	-	1,396	14,036	144,932
Total revenues received	2,804,332	2,119,496	225,499	142,580	379,643	5,671,550	5,021,558
Expenditures disbursed:							
Current:							
General government	422,643	111,506	940,472	252,199	258,774	1,985,594	806,898
Garbage services	316,294	-	-	-	-	316,294	303,627
Public safety	1,594,085	-	-	-	-	1,594,085	1,637,156
Streets and lighting	298,640	-	-	-	-	298,640	254,310
Culture and recreation	169,245	-	-	-	-	169,245	209,668
Capital Outlay	-	1,982,425	-	-	-	1,982,425	2,052,266
Debt Service							
Principal	-	-	-	-	-	-	65,000
Interest	-	-	-	-	-	-	1,853
Total expenditures disbursed	2,800,906	2,093,931	940,472	252,199	258,774	6,346,283	5,330,778
Excess (deficiency) of revenues received over (under) expenditures disbursed	3,426	25,565	(714,973)	(109,619)	120,869	(674,733)	(309,220)

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2017**

	Major Funds				Non-major Governmental Funds	Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund		2017	2016
Other financing sources (uses):							
Bond proceeds	\$ -	-	4,865,000	1,970,000	-	6,835,000	-
Bond issuance premium	-	-	238,875	80,282	-	319,157	-
Bond issuance discount	-	-	(63,798)	(25,629)	-	(89,427)	-
Transfers in	17,415	191,644	-	-	-	209,059	154,996
Transfers out	(166,729)	(13,546)	(24,915)	(3,869)	-	(209,059)	(154,996)
Total other financing sources (uses)	(149,314)	178,098	5,015,162	2,020,784	-	7,064,730	-
Net change in fund balance	(145,889)	203,663	4,300,189	1,911,165	120,869	6,389,997	(309,220)
Fund balances - beginning	538,666	(112,876)	-	108,936	387,655	922,381	1,231,601
Fund balances - ending	\$ 392,777	90,787	4,300,189	2,020,101	508,524	7,312,378	922,381

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds \$ 6,389,997 (309,220)

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

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

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.
Bonds Payable - 65,000

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

Purchase of land held for sale	48,210	-
Purchase of capital assets	3,714,259	1,872,212
Disposal of assets, net of depreciation	(1,784,826)	-
Depreciation	(326,522)	(245,387)
Change in net position of governmental activities (Statement B)	\$ 1,206,118	1,382,605

**Statement of Net Position
Proprietary Funds
March 31, 2017**

	Major Funds					March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Sewer Replacement Reserve Fund	Water Bond Fund	2017	2016
<u>Assets</u>							
Current assets:							
Cash	\$ 324,140	1,472,053	243,690	105,961	-	2,145,844	704,692
Accounts receivable	17,789	-	28,895	6,986	-	53,670	57,044
Total current assets	341,929	1,472,053	272,585	112,947	-	2,199,514	761,736
Non-current assets:							
Land	10,500	-	35,000	-	-	45,500	45,500
Buildings & improvements	128,914	-	-	-	-	128,914	128,914
Equipment	654,066	-	457,951	-	-	1,112,017	1,102,017
Construction in progress	54,152	-	54,152	-	-	108,304	-
Infrastructure	6,875,128	-	11,063,208	-	-	17,938,336	17,932,277
Accumulated depreciation	(3,948,499)	-	(5,528,696)	-	-	(9,477,195)	(9,002,380)
Total non-current assets	3,774,261	-	6,081,615	-	-	9,855,876	10,206,328
Total assets	\$ 4,116,190	1,472,053	6,354,200	112,947	-	12,055,390	10,968,064
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	\$ 6,717	-	6,695	-	-	13,412	2,789
Customer deposits	13,110	-	-	-	-	13,110	13,110
Accrued interest payable	18,301	-	-	4,674	-	22,975	-
Bonds payable - current portion	265,000	-	-	-	-	265,000	295,000
EPA loan payable - current portion	-	-	162,674	218,654	-	381,328	440,511
Total current liabilities	303,128	-	169,369	223,328	-	695,825	751,410
Long-term liabilities:							
Bonds payable - long term portion	1,760,000	-	-	-	-	1,760,000	-
EPA Loan Payable - long term portion	-	-	344,379	2,372,057	-	2,716,436	3,097,765
Total long-term liabilities	1,760,000	-	344,379	2,372,057	-	4,476,436	3,097,765
Total liabilities	2,063,128	-	513,748	2,595,385	-	5,172,261	3,849,175
<u>Net Position</u>							
Invested in capital assets, net of related debt	3,774,261	-	5,574,562	(2,590,711)	-	6,758,112	6,373,052
Restricted	-	1,472,053	-	-	-	1,472,053	76,676
Unrestricted	(1,721,199)	-	265,890	108,273	-	(1,347,036)	669,161
Total net position (deficit)	\$ 2,053,062	1,472,053	5,840,452	(2,482,438)	-	6,883,129	7,118,889

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

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended March 31, 2017

	Major Funds					Year Ended March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Replacement Reserve Fund	Water Bond Fund	2017	2016
Operating revenues:							
Sewer charges	\$ -	-	908,960	229,877	-	1,138,837	1,064,201
Water charges	869,813	2,563	-	-	-	872,376	812,778
Other	1,669	-	8,547	-	-	10,216	1,526
Total operating revenues	871,482	2,563	917,507	229,877	-	2,021,429	1,878,505
Operating expenses:							
Water and sewer operations	509,054	638,898	470,865	51,274	-	1,670,091	780,802
Depreciation	201,925	-	272,890	-	-	474,815	482,901
Total operating expenses	710,979	638,898	743,755	51,274	-	2,144,906	1,263,703
Operating income (loss)	160,503	(636,335)	173,752	178,603	-	(123,477)	614,802
Non-operating revenues (expenses):							
Agent fees	-	-	-	-	(238)	(238)	(475)
Interest income	364	1,981	289	103	-	2,737	343
Interest expense	(19,418)	-	-	(91,245)	(8,850)	(119,513)	(116,609)
Bond issuance premium	-	30,424	-	-	-	30,424	-
Bond issuance discount	-	(25,693)	-	-	-	(25,693)	-
Total non-operating revenues (expenses)	(19,054)	6,712	289	(91,142)	(9,088)	(112,283)	(116,741)
Income (loss) before contributions and transfers	141,449	(629,623)	174,041	87,461	(9,088)	(235,760)	498,061
Transfers in	-	2,025,000	-	168,274	9,088	2,202,362	85,249
Transfers out	(2,034,088)	-	(168,274)	-	-	(2,202,362)	(85,249)
Total	(2,034,088)	2,025,000	(168,274)	168,274	9,088	-	-
Change in net position	(1,892,639)	1,395,377	5,767	255,735	-	(235,760)	498,061
Total net position (deficit) - beginning	3,945,701	76,676	5,834,685	(2,738,173)	-	7,118,889	6,620,828
Total net position (deficit) - ending	\$ 2,053,062	1,472,053	5,840,452	(2,482,438)	-	6,883,129	7,118,889

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2017

	Year Ended March 31,	
	2017	2016
Cash flows from operating activities:		
Receipts from customers	\$ 2,024,803	1,876,455
Payments for goods and services	(1,266,264)	(421,651)
Payments to employees	(393,204)	(363,924)
Net cash provided by operating activities	365,335	1,090,880
Cash flows from noncapital financing activities:		
Increase/(decrease) in accrued interest payable	22,975	-
Net cash provided by (used in) noncapital financing activities	22,975	-
Cash flows from capital financing activities:		
Capital purchases	(124,363)	(216,446)
Proceeds of capital debt	2,025,000	-
Premium on issuance of capital debt	30,424	-
Discount on issuance of capital debt	(25,693)	-
Principal paid on capital debt	(735,512)	(759,160)
Interest paid on loan payable	(119,751)	(117,084)
Net cash provided by (used in) capital financing activities	1,050,105	(1,092,690)
Cash flows from investing activities:		
Interest received	2,737	343
Net cash provided by investing activities	2,737	343
Net increase (decrease) in cash and cash equivalents	1,441,152	(1,467)
Cash balance - beginning of the year	704,692	706,159
Cash Balance - end of the year	\$ 2,145,844	704,692
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (123,477)	614,802
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	474,815	482,901
(Increase) decrease in accounts receivable	3,374	(1,850)
Increase (decrease) in accounts payable	10,623	(4,773)
Increase (decrease) in customer deposits	-	(200)
Net cash provided by operating activities	\$ 365,335	1,090,880

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

Statement of Fiduciary Net Position
 Agency Funds
 March 31, 2017

		March 31,	
		2017	2016
<u>Assets</u>			
Cash		\$ 4,887	4,883
Total assets		<u>\$ 4,887</u>	<u>4,883</u>
<u>Liabilities</u>			
Payable to others		\$ 4,887	4,883
Total liabilities		<u>\$ 4,887</u>	<u>4,883</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 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 Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of the inter-fund activity has been removed from these statements.

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

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

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

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

Fund Financial Statements:

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

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

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

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

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

Referendum Fund – accounts for funds restricted for capital projects to be financed by revenues received from the non-home rule sales tax. This fund was added in 2017 after the sales tax referendum was passed during the March 15, 2016 general election. The Village imposed a Non-Home Rule Municipal Retailers' Occupation Tax and Non-Home Rule Municipal Service Occupation Tax at a rate of 1.0% for expenditures on public infrastructure and municipal operations. To incentivize the passing of the referendum, the Village offered citizens a one-time rebate on their garbage disposal fees. These rebates amounted to \$46,588 for the year ended March 31, 2017, and was reported net of garbage/refuse revenues in the General Fund.

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

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

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

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

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

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

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

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village did not report any non-major Capital Project Funds for the year ended March 31, 2017.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

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

B. *Fund Accounting – (Continued)*

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges. The Waterworks Fund, Water Capital Fund, Sewer Fund, Sewer Replacement Fund, and Water Bond Fund are the major enterprise funds of the Village. Operating revenues include user charges and reimbursements, and operating expenses include the costs associated with providing goods and services to the public. Non-operating revenues and expenses include interest and fiscal agent fees.

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

Measurement Focus

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

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

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

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

Basis of Accounting

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

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

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

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

Basis of Accounting – (Continued)

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

D. Assets, Liabilities, and Net Position

Cash and Investments

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

As of April 1, 2016, the Village 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. See Note 4 for additional information regarding the application of this standard for the year ended March 31, 2017.

Capital Assets and Long-term Liabilities

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

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

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. The service lives by type of asset are as follows:

Buildings & Infrastructure	40 years
Improvements	10 years
Equipment	7 years

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

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

Capital Assets and Long-term Liabilities – (Continued)

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

Net Position

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

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2017, net investment in capital assets consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, at cost	\$ 11,598,881	19,333,071
Less: Accumulated depreciation	(4,036,928)	(9,477,195)
Less: EPA loan payable	-	(3,097,764)
Net investment in capital assets	<u>\$ 7,561,953</u>	<u>6,758,112</u>

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

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

Reclassifications

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

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

E. Property Taxes

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

The 2015 property tax levy, in the amount of \$635,575, reduced by statutory limitations to \$630,179, was received by the Village in the current fiscal year. The 2016 tax levy in the amount of \$635,575, reduced by statutory limitations to \$597,358, was adopted on December 12, 2016 and will be received by the Village in the subsequent fiscal year.

NOTE 2: CASH AND CASH EQUIVALENTS

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

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

Separate bank accounts are not maintained for all Village funds. Certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board. Such overdrafts constitute inter-fund loans.

The Village's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Village's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At March 31, 2017, the bank balance of the Village's deposits was \$9,771,030 and the carrying amount was \$9,458,022 (excluding petty cash of \$200). All of the Village's uninsured deposits (\$8,395,115) were collateralized with securities held by the pledging financial institution.

Custodial Credit Risk:

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Village receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services. The Village received Personal Property Replacement Tax totaling \$43,086 for the year ended March 31, 2017.

NOTE 4: LAND HELD FOR SALE

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

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

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

As the Village intends to sell the properties in the future rather than developing the properties for Village purposes, the properties are classified as investments on the Statement of Net Position and are reported at fair value, which approximates cost. The fair value of the land held for sale is \$48,210 at March 31, 2017. The fair value was evaluated by using Level 2 inputs; quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 171,366	-	-	171,366
Construction in progress	1,784,826	-	(1,784,826)	-
Total capital assets not being depreciated:	1,956,192	-	(1,784,826)	171,366
Capital assets being depreciated				
Machinery & equipment	1,535,743	42,650	-	1,578,393
Infrastructure	2,949,389	21,369	-	2,970,758
Buildings	3,228,124	3,650,240	-	6,878,364
Total capital assets being depreciated	7,713,256	3,714,259	-	11,427,515
Less accumulated depreciation for:				
Machinery & equipment	(1,204,980)	(102,241)	-	(1,307,221)
Infrastructure	(605,540)	(74,269)	-	(679,809)
Buildings	(1,899,886)	(150,012)	-	(2,049,898)
Total accumulated depreciation	(3,710,406)	(326,522)	-	(4,036,928)
Total capital assets being depreciated, net	4,002,850	3,387,737	-	7,390,587
Governmental activities capital assets, net	<u>\$ 5,959,042</u>	<u>3,387,737</u>	<u>(1,784,826)</u>	<u>7,561,953</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land - Water Fund	\$ 10,500	-	-	10,500
Land - Sewer Fund	35,000	-	-	35,000
Construction in Progress - Water Fund	-	54,152	-	54,152
Construction in Progress - Sewer Fund	-	54,152	-	54,152
Total capital assets not being depreciated	45,500	108,304	-	153,804
Capital assets being depreciated:				
Buildings/infrastructure - Water Fund	128,914	-	-	128,914
Utility Systems - Water Fund	6,875,125	-	-	6,875,125
Equipment - Water Fund	644,067	10,000	-	654,067
Utility Systems - Sewer Fund	11,057,148	6,059	-	11,063,207
Equipment - Sewer Fund	457,954	-	-	457,954
Total capital assets being depreciated	19,163,208	16,059	-	19,179,267
Less accumulated depreciation for:				
Buildings/infrastructure - Water Fund	(128,913)	-	-	(128,913)
Utility Systems - Water Fund	(3,221,612)	(166,766)	-	(3,388,378)
Equipment - Water Fund	(396,048)	(35,158)	-	(431,206)
Utility Systems - Sewer Fund	(4,842,718)	(260,130)	-	(5,102,848)
Equipment - Sewer Fund	(413,089)	(12,761)	-	(425,850)
Total accumulated depreciation	(9,002,380)	(474,815)	-	(9,477,195)
Total capital assets being depreciated, net	10,160,828	(458,756)	-	9,702,072
Business-type activities capital assets, net	<u>\$ 10,206,328</u>	<u>(350,452)</u>	<u>-</u>	<u>9,855,876</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

NOTE 5: CAPITAL ASSETS – (Continued)

Significant additions for the year ended March 31, 2017 included the following:

Governmental Activities:

High Speed Rail Depot	\$ 3,650,240
2017 Ford Explorer Police Car	32,650
Electricity at Renfrew Park	21,369

Business-Type Activities:

Morton Building (Construction in Progress)	\$ 108,304
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Governmental activities depreciation of \$235,266 was charged to general government and \$91,256 was allocated to streets and lighting. Business-type activities depreciation of \$474,815 was allocated to Waterworks (\$201,924) and Sewer (\$272,891).

NOTE 6: CHANGE IN LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt transactions of the Village for the year ended March 31, 2017:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Governmental Activities:					
Bonds Payable - Series 2016B	\$ -	1,970,000	-	1,970,000	85,000
Bonds Payable - Series 2016C	-	4,865,000	-	4,865,000	340,000
Total Governmental Activities	\$ -	6,835,000	-	6,835,000	425,000
Business-type Activities:					
Bonds Payable - Series 2010	\$ 295,000	-	295,000	-	-
Bonds Payable - Series 2016A	-	2,025,000	-	2,025,000	265,000
Total Bonds Payable	295,000	2,025,000	295,000	2,025,000	265,000
IEPA Loan Payable	2,803,999	-	213,288	2,590,711	218,654
IEPA Loan Payable	206,391	-	136,604	69,787	69,787
IEPA Loan Payable	527,885	-	90,619	437,266	92,887
Total IEPA Loans Payable	3,538,275	-	440,511	3,097,764	381,328
Total Business-type Activities	\$ 3,833,275	2,025,000	735,511	5,122,764	646,328

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

At March 31, 2017, bonds and notes payable consisted of the following:

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

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2018	\$ 85,000	37,214	27,680	149,894
2019	100,000	26,830	26,830	153,660
2020	100,000	25,830	25,830	151,660
2021	100,000	25,030	25,030	150,060
2022	105,000	24,230	24,230	153,460
2023-2027	545,000	105,768	105,768	756,536
2028-2032	650,000	57,875	57,875	765,750
2033-2034	285,000	6,450	6,450	297,900
	<u>\$ 1,970,000</u>	<u>309,227</u>	<u>299,693</u>	<u>2,578,920</u>

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

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2018	\$ 340,000	84,475	62,833	487,308
2019	370,000	59,433	59,433	488,866
2020	375,000	55,733	55,733	486,466
2021	385,000	51,983	51,983	488,966
2022	390,000	48,133	48,133	486,266
2023-2027	2,085,000	179,474	179,474	2,443,948
2028-2029	920,000	27,800	27,800	975,600
	<u>\$ 4,865,000</u>	<u>507,031</u>	<u>485,389</u>	<u>5,857,420</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

\$1,840,000 – 1994 General Obligation Refunding Waterworks Bonds, Series 2010, payable beginning December 1, 2011 through December 1, 2016, interest ranges from 2.30% to 3.00% and are not subject to redemption prior to maturity. The bond was paid in full during the year ended March 31, 2017 from the Waterworks Fund and the Water Bond Fund.

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

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2018	\$ 265,000	27,225	20,250	312,475
2019	280,000	17,600	17,600	315,200
2020	285,000	14,800	14,800	314,600
2021	290,000	11,950	11,950	313,900
2022	295,000	9,050	9,050	313,100
2023	300,000	6,100	6,100	312,200
2024	310,000	3,100	3,100	316,200
	<u>\$ 2,025,000</u>	<u>89,825</u>	<u>82,850</u>	<u>2,197,675</u>

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

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2018	\$ 69,787	1,012	-	70,799
	<u>\$ 69,787</u>	<u>1,012</u>	<u>-</u>	<u>70,799</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

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

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2018	\$ 92,887	5,576	4,967	103,430
2019	95,302	4,364	3,764	103,430
2020	97,733	3,156	2,541	103,430
2021	100,226	1,918	1,286	103,430
2022	51,118	649	-	51,767
	<u>\$ 437,266</u>	<u>15,663</u>	<u>12,558</u>	<u>465,487</u>

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

Due During Year Ended March 31,	Principal	Interest		Total
		September 27	March 27	
2018	\$ 218,654	32,384	31,026	282,064
2019	224,155	29,651	28,258	282,064
2020	229,794	26,849	25,421	282,064
2021	235,575	23,976	22,513	282,064
2022	241,500	21,032	19,532	282,064
2023-2027	1,301,746	58,329	46,784	1,406,859
2028	139,287	1,745	3,461	144,493
	<u>\$ 2,590,711</u>	<u>193,966</u>	<u>176,995</u>	<u>2,961,672</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

NOTE 7: INDIVIDUAL FUND DISCLOSURES

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

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

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

Fund	Transfers to Other Funds	Transfers From Other Funds
Governmental Funds:		
General	\$ 166,729	17,415
Referendum	24,915	-
Reserve for Capital Expenditures	13,546	191,644
TIF	3,869	-
Total Governmental Funds	209,059	209,059
Enterprise Funds:		
Sewer	168,274	-
Sewer Replacement Reserve	-	168,274
Water Fund	2,034,088	-
Water Bond	-	9,088
Water Capital Project	-	2,025,000
Total Enterprise Funds	2,202,362	2,202,362
	\$ 2,620,480	2,620,480

NOTE 8: PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village participated in the Illinois Municipal Insurance Cooperative. The Village's deductible under this plan is \$1,000. The Village's policy is to record any related expenditures in the year in which the Village is notified and pays the assessment. The Village is not aware of any additional assessments owed as of March 31, 2017.

During the year ended March 31, 2017, there were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

NOTE 9: CONTINGENCIES

Litigation

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

Grant Revenues

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

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

Benefits Provided – (continued)

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

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

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

Retirees and Beneficiaries currently receiving benefits	24
Inactive Plan Members entitled to but not yet receiving benefits	10
Active Plan Members	<u>23</u>
Total	<u><u>57</u></u>

Contributions – As set by statute, the Village's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate and actual Village contributions for calendar year 2016 and the fiscal year ended March 31, 2017 are summarized below. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Village required contribution rate for 2016	10.92%
Village required contribution rate for 2017	11.37%
Village actual contributions for 2016	\$ 146,019
Village actual contributions for fiscal year 2017	\$ 147,094

Net Pension Liability – The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

Net Pension Liability – (continued)

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

Total Pension Liability	\$ 8,447,296
Plan Fiduciary Net Position	7,518,534
Net Pension Liability	<u>\$ 928,762</u>

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 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 2012). 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:

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

Actuarial Assumptions (continued)

<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	1%	N/A
Total	100%	

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - (continued)

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 9,541,190	8,447,296	7,545,946
Plan Fiduciary Net Position	7,518,534	7,518,534	7,518,534
Net Pension Liability	<u>\$ 2,022,656</u>	<u>928,762</u>	<u>27,412</u>

NOTE 11: COMPENSATED ABSENCES

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

Vacation pay is awarded, based on years of service, annually at the beginning of each employee's employment anniversary date. Vacation must be taken during the year and may only be carried over if approved by the employee's immediate supervisor. Unused vacation days are paid to all employees upon separation of service. The Village's obligation for unused vacation at March 31, 2017 was \$86,559.

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

Following the end of the calendar year, employees with excess accumulated sick leave hours are paid one hour of pay for every two hour in excess of the 700 maximum accumulation. One-half of accumulated sick hours are paid to employees when they separate from service due to retirement or a reduction in work force. The total accumulated sick leave obligation at year end was \$272,394.

VILLAGE OF DWIGHT, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2017**

NOTE 12: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2017:

Assessed valuation - 2016		<u>\$ 58,758,609</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 5,067,930
Debt outstanding at March 31, 2017:		
General obligation bonds payable	\$ 8,860,000	
EPA loans payable	<u>3,097,765</u>	
	11,957,765	
EPA loan and other debt not included for purposes of debt limitation statute	<u>(11,957,765)</u>	<u>-</u>
Legal debt margin		<u>\$ 5,067,930</u>

NOTE 13: SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Retirement Fund are considered as “non-participating employees.” These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Village paid \$89,564, the total required contribution for the year ended March 31, 2017.

NOTE 14: RESTRICTED FUND BALANCE

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

Restricted tax levies:

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

	<u>Levy</u>	<u>Expenditure</u>	<u>Restricted Balance</u>
Audit	\$ 8,930	8,925	5
Street Lighting	29,373	36,383	-
Parks	44,060	114,095	-
Road & Bridge	64,998	88,861	-
Liability Insurance	<u>116,036</u>	<u>116,651</u>	<u>-</u>
Total	<u>\$ 263,397</u>	<u>364,915</u>	<u>5</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

NOTE 15: MOTOR FUEL TAX ALLOTMENTS

Allotments to the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois. The Motor Fuel Tax Allotments are accounted for in a separate Motor Fuel Tax Fund.

NOTE 16: POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions. Projections of benefits for financial reporting purposes are based on a given plan and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

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

NOTE 17: TIF DISTRICT

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

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

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

The Village made payments totaling \$224,807 from the TIF Fund for construction projects and related engineering and professional fees during the current fiscal year, per an approved agreement.

Refer to Note 6 for debt proceeds and expenses in the TIF Fund. The proceeds of the debt will be used to finance redevelopment projects.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2017

NOTE 18: FUND BALANCE – GASB 54 PRESENTATION

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

A. *Non-spendable Fund Balance*

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

B. *Restricted Fund Balance*

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Village has several different funds that also fall into these categories – see Note 14 for restricted levies accounted for in the General Fund. Additionally, the Village has the following restricted balances:

1. Social Security - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the FICA & IMRF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$40,427.
2. IMRF - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the FICA & IMRF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$76,141.
3. Motor Fuel Tax - Cash disbursed and the related cash receipts of this restricted income source are accounted for in the Motor Fuel Tax Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$281,670. See Note 15 for additional information.
4. CDAP Loans - Cash disbursed and the related cash receipts of this restricted income source are accounted for in the CDAP Economic Development Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$101,391. See Note 20 for additional information.
5. Capital Expenditures – Restricted fund balances in the Reserve for Capital Expenditures fund include the following, resulting from restricted contributions and donations:

Village Parks	\$	59,129
Pool Renovations		80,112
Brewster Run		106,573
Downtown Street Project		210,557
Ambulance		30,000
		<hr/>
Total	\$	<u>486,371</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

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

B. Restricted Fund Balance – (Continued)

6. Sales Tax Referendum – The Village passed a sales tax referendum in the current year by which the Village of Dwight imposed a Non-Home Rule Municipal Retailers' Occupation Tax and Non-Home Rule Municipal Service Occupation Tax at a rate of 1.0% for expenditure on public infrastructure, and municipal operations. The Village intends to use these funds for mainly for roadway improvements. Cash disbursed and the related cash receipts of this restricted income source are accounted for in the Referendum Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$4,300,189.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The Village did not have committed funds for the year ended March 31, 2017.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village Board has delegated the authority to assign amounts to be used for specific purposes. The Village has the following assigned fund balances as of March 31, 2017:

1. Commercial Rent Subsidy – Amounts in this fund are intended to be used for future rent subsidies with the intent to benefit tenants and landlords by better utilization of existing commercial structures in the Village. The Commercial Rent Subsidy Fund has an assigned fund balance of \$8,895 as of March 31, 2017.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Additionally, the deficit of \$395,584 (net of restricted balances) is reported as unassigned in the Reserve for Capital Expenditures fund at March 31, 2017.

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.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2017

NOTE 19: LEASES

In September of 2014, the Village entered into a lease agreement with McGrath Office Equipment for a copy machine. Payments are made monthly in the amount of \$311, and the lease expires September 10, 2019. Lease expenses under this lease amounted to \$3,732 for the year ended March 31, 2017.

In July of 2014, the Village entered into a lease agreement with Merchants Capital for a 2014 John Deere Tractor. Payments are made monthly in the amount of \$972, and the lease expires June 18, 2019. Lease expenses under this lease amounted to \$11,664 for the year ended March 31, 2017.

The Village also had a lease agreement with NeoPost for a postage machine. Payments were made monthly in the amount of \$26, and lease payments were scheduled to increase at 5% annually. The lease was being carried on a month-to-month agreement through May, 2015. In June of 2016, the Village entered into a new lease agreement with NeoPost for a postage machine. Payments will be made monthly in the amount of \$20, and the lease expires June 4, 2018. Lease expenses under this lease amounted to \$240 for the year ended March 31, 2017.

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

Year Ending					
March 31,	McGrath	Merchants	NeoPost	Total	
2018	\$ 3,732	11,666	240	15,638	
2019	3,732	11,666	40	15,438	
2020	1,555	2,917	-	4,472	

During the year ended March 31, 2017, the Village entered into two lease agreements related to the completion of the High Speed Rail Depot.

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

NOTE 20: CDAP LOANS

The Village has a loan agreement with Dwight Restaurant Group, LLC. The Dwight Restaurant Group, LLC. has an outstanding loan balance of \$47,967 as of March 31, 2017.

VILLAGE OF DWIGHT, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended March 31, 2017**

NOTE 21: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

The TIF Fund and Water Capital Project Fund had expenditures in excess of appropriations of \$15,949 and \$21,398, respectively for the year ended March 31, 2017.

NOTE 22: SUBSEQUENT EVENTS

Management evaluated subsequent events through June 26, 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 March 31, 2017.

OTHER INFORMATION

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017

	<u>Assets</u>	
Cash		\$ 392,777
Total assets		<u>\$ 392,777</u>
	 <u>Fund Balance</u>	
Fund balance:		
Unassigned		\$ 392,772
Restricted for audit		5
Total fund balance		<u>\$ 392,777</u>

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-2

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Property taxes	\$ 468,500	442,500	434,272	418,941
Utility tax	225,000	210,000	204,080	210,518
Telecommunications taxes	120,000	115,000	107,886	117,337
Hotel/Motel taxes	30,000	36,000	37,658	33,098
State sales tax	625,000	615,000	617,180	604,162
State income taxes	447,300	447,300	451,627	460,630
Local use taxes	94,575	94,575	103,469	94,750
Replacement taxes	54,890	54,890	43,086	45,876
Gas tax refund	2,000	1,750	3,698	-
Garbage/refuse	321,410	274,572	264,521	306,476
Ambulance receipts	285,000	230,000	216,193	310,394
Community training receipts	2,000	750	904	2,769
Police compensation	28,000	22,000	23,814	68,488
Grants	16,500	-	-	1,842
Interest income	2,000	2,750	3,952	2,123
Video gaming revenue	70,000	85,000	91,918	84,599
Miscellaneous	30,000	7,500	8,472	85,260
Permits	14,100	10,600	9,621	19,181
Licenses	18,900	18,900	21,170	19,702
Franchise fees	8,000	11,500	11,578	11,576
Keeley trust income	-	-	443	-
County fines	54,500	59,500	76,206	64,734
Safe passage	-	10,000	10,000	-
Livingston County drug fund	-	10,000	10,000	10,500
Village fines	1,760	1,500	1,280	2,623
Impoundment fees	10,000	7,000	7,000	-
Donations	3,000	3,000	4,081	9,142
Park/Pool charges for service	30,600	30,808	32,764	30,949
Tourism revenue	3,000	4,000	4,168	2,769
Canine Receipts	500	500	-	-
Retiree insurance reimbursement	3,300	3,290	3,291	1,023
Total revenues received	\$ 2,969,835	2,810,185	2,804,332	3,019,462

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31.	
			2017	2016
Expenditures disbursed:				
General Government:				
Current:				
Salaries - Employees	\$ 83,600	88,000	87,773	89,450
Salaries - Elected	20,000	16,000	14,793	15,870
Employee benefits	9,411	18,811	17,686	12,423
Unemployment insurance	450	450	259	471
Worker's compensation	2,000	2,000	2,007	1,237
Transportation services	4,800	4,800	4,800	4,800
Building maintenance	17,500	19,000	18,271	19,891
Equipment maintenance	10,000	10,000	7,991	7,431
Engineering services	17,500	1,000	248	8,171
Legal & professional services	39,600	46,100	45,442	24,652
Dues and fees	2,000	2,000	1,583	1,239
Printing and publications	4,250	4,000	2,761	4,600
Postage	4,000	4,000	3,411	3,429
Telephone	6,000	3,500	3,416	5,776
Travel	1,500	1,000	480	1,094
Training	1,000	1,000	934	630
Economic development	80,000	50,000	44,019	56,282
Hotel/Motel expenditures	30,000	40,000	39,627	28,736
Utilities	4,000	7,750	7,673	3,022
Insurance	90,000	88,000	86,718	86,115
Equipment rental	5,500	5,500	5,235	5,531
Other contractual services	1,500	1,500	600	-
Maintenance supply - building	1,500	1,500	174	3,035
Maintenance supply - equipment	1,500	1,000	-	1,224
Office supplies	5,000	8,500	7,952	6,017
Sales tax paid	175	275	259	149
Property tax abatement	-	-	-	4,502
Miscellaneous expense	7,500	7,500	6,070	11,965
Total General Government	450,286	433,186	410,182	407,742
Garbage Disposal:				
Current:				
Disposal services	317,410	317,410	315,259	302,736
Postage	750	850	834	719
Supplies	200	200	201	172
Miscellaneous expense	150	150	-	-
Total Garbage Disposal	318,510	318,610	316,294	303,627

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31.	
			2017	2016
Expenditures disbursed (Continued):				
Public Safety:				
Current:				
Salaries - Employees	\$ 735,108	705,250	695,447	713,658
Employee benefits	71,660	81,657	79,910	101,196
Unemployment insurance	1,300	1,300	786	2,635
Worker's compensation	10,850	11,500	11,306	6,723
Uniform allowance	6,000	6,000	4,261	5,050
Contractual services	35,850	35,850	32,773	28,462
Maintenance - equipment	3,500	3,500	1,485	2,645
Maintenance - vehicles	15,000	28,000	28,104	17,940
Telephone	10,000	8,500	6,982	11,083
Printing & advertising	1,000	1,750	1,658	-
Dues and fees	1,250	5,500	5,521	1,263
Travel expense	4,000	4,000	3,138	2,641
Training expense	5,000	7,500	7,395	6,414
Supplies	4,000	4,000	3,877	4,170
Fuel/oil	25,000	20,000	17,869	21,640
DUI expense	2,100	2,000	-	-
Community relations expense	-	100	75	-
Drug enforcement expense	-	12,500	12,323	950
Canine unit	2,500	1,500	96	4,615
Safe passage expenditure	-	3,000	2,344	-
Officer friendly expenditures	9,000	9,000	8,323	6,726
Range expense	1,000	1,000	-	-
Humane officer & animal control	250	250	45	99
Miscellaneous	4,000	4,000	3,365	24,481
Capital outlay - equipment	-	-	-	4,736
Total Public Safety	948,368	957,657	927,083	967,127
ESDA:				
Current:				
Salaries	1,400	1,200	500	1,026
Unemployment insurance	10	10	5	10
Worker's compensation	340	350	350	192
Contractual services	6,000	6,750	6,606	6,688
Repair & maintenance	500	4,000	3,800	-
Telephone	1,300	1,000	758	1,681
Training	200	250	240	-
Supplies	150	150	-	-
Other	100	100	202	85
Total ESDA	10,000	13,810	12,461	9,682

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31.	
			2017	2016
Expenditures disbursed (Continued):				
Ambulance Services:				
Current:				
Salaries	\$ 78,657	78,657	78,657	76,738
Employee benefits	8,591	8,591	7,924	10,119
Unemployment insurance	143	143	71	246
Worker's compensation	4,350	4,750	4,506	2,685
Uniform allowance	6,000	6,000	4,999	6,696
Contractual services	487,501	490,000	489,116	479,294
Ambulance - OT	13,000	10,500	8,241	10,669
Ambulance - other	25,700	25,700	24,065	23,897
Maintenance - equipment	4,000	7,000	6,167	3,624
Maintenance - vehicles	15,000	12,000	10,687	16,239
Telephone	5,600	4,000	3,736	5,382
Dues and fees	800	800	500	678
Travel expense	100	500	442	-
Training expense	4,000	3,300	2,778	3,911
Office supplies	2,000	1,500	1,393	2,527
Other supplies	1,200	1,200	1,327	1,016
Medical supplies	10,000	10,500	10,271	10,920
Fuel/oil	11,000	11,000	10,294	10,096
Donations	1,000	1,000	958	2,909
Community training	500	500	-	-
Miscellaneous expense	1,500	1,500	870	2,383
Total Ambulance Services	680,642	679,141	667,002	670,029
Street Lighting:				
Current:				
Maintenance - lighting	2,500	2,250	1,751	1,077
Utilities	31,000	35,000	34,632	30,810
Total Street Lighting	33,500	37,250	36,383	31,887
Street & Alley				
Current:				
Salaries	87,500	87,000	61,293	52,123
Salaries - OT	3,500	7,000	6,933	5,643
Employee Benefits	15,760	15,760	13,788	13,025
Unemployment insurance	200	250	246	323
Worker's compensation	6,600	6,600	6,559	3,883
Uniform allowance	920	1,116	1,475	1,425
Maintenance - equipment	30,000	30,000	26,262	28,182
Maintenance - vehicle	-	5,000	4,172	121
Maintenance - streets & alleys	45,000	40,000	21,229	36,322
Maintenance - sidewalks	5,000	2,500	-	2,354
Maintenance - trees	30,000	57,500	55,883	28,150

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31.	
			2017	2016
Expenditures disbursed (Continued):				
Streets & Alley (Continued):				
Current (Continued):				
Utilities	\$ 1,000	1,000	-	-
Snow removal	20,000	15,000	9,447	12,372
Construction projects	-	500	513	-
Creek maintenance	15,000	10,000	4,240	14,620
Engineering services	15,000	15,000	11,236	-
Telephone	1,600	1,600	1,510	1,734
Training expense	500	500	6	69
Operating supplies	3,500	6,000	5,777	4,548
Small tools	600	500	219	979
Fuel/oil	15,000	15,000	14,280	13,725
Miscellaneous expense	750	17,500	17,189	2,825
Total Streets & Lighting	297,430	335,326	262,257	222,423
Parks and Recreation:				
Current:				
Salaries	94,200	89,700	71,974	82,815
Salaries - OT	300	750	697	507
Employee benefits	12,886	12,886	12,873	15,179
Unemployment insurance	430	500	478	653
Worker's compensation	2,120	2,120	2,064	1,414
Uniform allowance	750	750	-	573
Repair & maintenance	5,000	5,000	4,615	2,423
Repair & maintenance - parks	25,000	15,000	8,297	24,754
Utilities	800	2,750	2,679	766
Operating supplies	1,000	2,000	1,981	848
Fuel/oil	3,000	1,500	1,138	1,038
Miscellaneous	250	250	-	-
Total Parks and Recreation	145,736	133,206	106,796	130,970
Pool:				
Current:				
Salaries	42,000	40,000	39,601	39,252
Unemployment insurance	400	300	254	367
Worker's compensation	1,300	1,300	1,264	767
Maintenance - pool	12,000	10,000	8,236	17,010
Telephone	1,300	750	700	1,264
Printing	500	500	300	-

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Expenditures disbursed (Continued):				
Pool (Continued):				
Current (Continued):				
Utilities	\$ 13,000	6,000	5,036	13,490
Supplies	1,250	3,000	2,928	1,428
Concession stand supplies	5,000	3,000	2,821	2,649
Sales tax paid	400	550	502	402
Swim team expense	1,000	500	262	564
Miscellaneous expense	1,600	1,000	545	1,505
Total Pool	<u>79,750</u>	<u>66,900</u>	<u>62,449</u>	<u>78,698</u>
Total expenditures disbursed	<u>2,964,222</u>	<u>2,975,086</u>	<u>2,800,907</u>	<u>2,822,185</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	5,613	(164,901)	3,425	197,277
Other financing sources (uses):				
Transfers in	-	13,500	17,415	-
Transfers out	<u>(201,000)</u>	<u>(166,729)</u>	<u>(166,729)</u>	<u>(154,996)</u>
Total other financing sources (uses)	<u>(201,000)</u>	<u>(153,229)</u>	<u>(149,314)</u>	<u>(154,996)</u>
Net change in fund balance	<u>\$ (195,387)</u>	<u>(318,130)</u>	(145,889)	42,281
Fund balance, beginning of year			<u>538,666</u>	<u>496,385</u>
Fund balance, end of year			<u><u>392,777</u></u>	<u><u>538,666</u></u>

VILLAGE OF DWIGHT, ILLINOIS
RESERVE FOR CAPITAL EXPENDITURES FUND

SCHEDULE B-1

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017

	<u>Assets</u>	
Cash		\$ 90,787
Total assets		<u>\$ 90,787</u>
	<u>Fund Balance</u>	
Fund balance:		
Restricted fund balance		\$ 486,371
Unassigned fund balance (deficit)		<u>(395,584)</u>
Total fund balance (deficit)		<u>90,787</u>
Total fund balance		<u>\$ 90,787</u>

**VILLAGE OF DWIGHT, ILLINOIS
RESERVE FOR CAPITAL EXPENDITURES FUND**

SCHEDULE B-2

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)**

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Interest income	\$ 2,000	2,000	3,448	3,285
Grant income	2,000,000	2,100,000	2,116,048	1,450,075
Other income	-	-	-	56,625
Total revenues received	<u>2,002,000</u>	<u>2,102,000</u>	<u>2,119,496</u>	<u>1,509,985</u>
Expenditures disbursed:				
Current:				
Engineering service	125,000	125,000	110,556	135,043
Capital outlay:				
Construction projects	250,000	5,000	950	-
Equipment purchases	85,200	35,000	20,465	4,344
Vehicles	37,500	35,000	32,650	75,964
Depot - ITEP	470,000	75,000	69,955	-
HSR Depot construction	1,500,000	1,800,000	1,766,872	1,832,822
Pinecone Path construction	-	-	-	98,012
Trees	5,000	5,000	-	6,774
Improvements	-	2,500	1,879	4,350
Land purchase	-	50,000	47,654	30,000
Miscellaneous	-	45,000	42,950	-
Total expenditures disbursed	<u>2,472,700</u>	<u>2,177,500</u>	<u>2,093,931</u>	<u>2,187,309</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(470,700)	(75,500)	25,565	(677,324)
Other financing sources (uses):				
Transfers in	201,000	191,644	191,644	87,643
Transfers out	-	(13,546)	(13,546)	-
Total other financing sources (uses)	<u>201,000</u>	<u>178,098</u>	<u>178,098</u>	<u>87,643</u>
Net change in fund balance	<u>\$ (269,700)</u>	<u>102,598</u>	203,663	(589,681)
Fund balance (deficit), beginning of year			(112,876)	476,805
Fund balance (deficit), end of year			<u>90,787</u>	<u>(112,876)</u>

**VILLAGE OF DWIGHT, ILLINOIS
REFERENDUM FUND**

SCHEDULE B-3

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017**

<u>Assets</u>		
Cash		\$ 4,300,189
Total assets		<u>\$ 4,300,189</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 4,300,189
Total fund balance		<u>\$ 4,300,189</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)**

SCHEDULE B-4

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Non-home rule sales tax	\$ 350,000	200,000	219,090	-
Interest	-	2,500	6,409	-
Total revenues received	<u>350,000</u>	<u>202,500</u>	<u>225,499</u>	<u>-</u>
Expenditures disbursed:				
Current:				
Construction projects	850,000	900,000	841,164	-
Engineering service	150,000	65,000	60,468	-
Interest	10,000	-	-	-
Bond issuance costs	-	-	38,840	-
Total expenditures disbursed	<u>1,010,000</u>	<u>965,000</u>	<u>940,472</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(660,000)	(762,500)	(714,973)	-
Other financing sources (uses):				
Bond proceeds	1,000,000	5,001,236	4,865,000	-
Bond issuance premium	-	-	238,875	-
Bond issuance discount	-	-	(63,798)	-
Transfer out	-	(24,915)	(24,915)	-
Net change in fund balance	<u>\$ 340,000</u>	<u>4,213,821</u>	4,300,189	-
Fund balance, beginning of year			-	-
Fund balance, end of year			<u>4,300,189</u>	<u>-</u>

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017**

<u>Assets</u>	
Cash	\$ 2,020,101
Total assets	<u>\$ 2,020,101</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 2,020,101
Total fund balance	<u>\$ 2,020,101</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)**

SCHEDULE B-6

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
TIF revenue	\$ 120,000	125,000	138,079	119,455
Interest income	30	500	4,501	31
Total revenues received	<u>120,030</u>	<u>125,500</u>	<u>142,580</u>	<u>119,486</u>
Expenditures disbursed:				
Construction projects	165,000	155,000	147,240	-
Engineering service	19,000	55,000	51,917	-
Other professional services	2,750	25,650	25,650	2,650
Façade grants	40,000	-	-	-
Reporting expenses	2,750	-	-	-
Dues	605	600	550	550
Bond issuance costs	-	-	26,842	-
Total expenditures disbursed	<u>230,105</u>	<u>236,250</u>	<u>252,199</u>	<u>3,200</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(110,075)	(110,750)	(109,619)	116,286
Other financing sources (uses):				
Bond proceeds	-	1,997,810	1,970,000	-
Bond issuance premium	-	-	80,282	-
Bond issuance discount	-	-	(25,629)	-
Transfers out	-	-	(3,869)	-
Total other financing sources (uses)	<u>-</u>	<u>1,997,810</u>	<u>2,020,784</u>	<u>-</u>
Net change in fund balance	<u>\$ (110,075)</u>	<u>1,887,060</u>	1,911,165	116,286
Fund balance (deficit), beginning of year			<u>108,936</u>	<u>(7,350)</u>
Fund balance (deficit), end of year			<u>2,020,101</u>	<u>108,936</u>

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

Calendar Year Ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	\$ 153,504	143,229	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	595,440	547,518	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(23,828)	212,150	-	-	-	-	-	-	-	-
Assumption Changes	(20,273)	19,740	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(282,449)	(252,713)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	422,394	669,924	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	8,024,902	7,354,978	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 8,447,296</u>	<u>8,024,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 146,019	133,480	-	-	-	-	-	-	-	-
Contributions - Employee	60,173	57,151	-	-	-	-	-	-	-	-
Net Investment Income	486,961	35,673	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(282,449)	(252,713)	-	-	-	-	-	-	-	-
Other (Net Transfer)	71,396	(102,705)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	482,100	(129,114)	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	7,036,434	7,165,548	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 7,518,534</u>	<u>7,036,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 928,762</u>	<u>988,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.01%	87.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 1,337,176	1,270,033	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	69.46%	77.83%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Illinois Municipal Retirement Fund
Schedule of Contributions**

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

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions Used to Determine 2016 Contribution Rate:

Actuarial Cost Method Aggregate Entry Age Normal
 Amortization Method Level Percentage of Payroll, Closed
 Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP, and ECO Groups): 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.

NOTES TO OTHER INFORMATION

VILLAGE OF DWIGHT, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2017

NOTE 1: BUDGETARY PROCEDURES

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

1. The municipal budget officer compiles a budget containing estimates of revenues available to the Village for the fiscal year for which the budget is drafted, together with recommended expenditures for the Village and all the Village's departments, commissions and boards.
2. Passage of the annual budget by the Board of Trustees is in lieu of passage of the appropriation ordinance as required by Section 8-2-9 of the Illinois Municipal Code.
3. The annual budget is adopted by the Board of Trustees before the beginning of the fiscal year to which it applies.
4. Formal budgetary integration is employed as a management control device at the fund level during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. The Budget is adopted on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Budgetary comparisons presented in this report are on this non-GAAP budgetary basis. On March 28, 2016, the Village approved Ordinance No. 1369 adopting the annual budget for the fiscal year ending March 31, 2017. The Village amended the annual budget on March 27, 2017 by approving Ordinance No. 1391.

NOTE 2: BUDGETARY COMPARISONS – MAJOR FUNDS

The following is an analysis of budget versus actual amounts for the Village's major funds for the year ended March 31, 2017:

Description	Budget	Actual	Variance
General Fund Revenues Received	\$ 2,810,185	2,804,332	(5,853)
General Fund Expenditures Disbursed	2,975,086	2,800,907	174,179
Reserve for Capital Expenditures Fund Revenues Received	2,102,000	2,119,496	17,496
Reserve for Capital Expenditures Fund Expenditures Disbursed	2,177,500	2,093,931	83,569
Referendum Fund Revenues Received	202,500	225,499	22,999
Referendum Fund Expenditures Disbursed	965,000	940,472	24,528
TIF Fund Revenues Received	125,500	142,580	17,080
TIF Fund Expenditures Disbursed	236,250	252,199	(15,949)

NOTE 3: EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures exceeded appropriations in the TIF fund by \$15,949, largely attributable to the payment of debt issuance costs that were not included in the budget.

SUPPLEMENTARY INFORMATION

VILLAGE OF DWIGHT, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Statement of Assets, Liabilities and
Fund Balances Arising from Cash Transactions
March 31, 2017

	Special Revenue Funds				Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	CDAP Economic Development Fund	March 31,	
					2017	2016
<u>Assets</u>						
Cash in bank	\$ 281,670	116,568	8,895	101,391	508,524	387,655
Total assets	\$ 281,670	116,568	8,895	101,391	508,524	387,655
<u>Fund Balance</u>						
Fund balance:						
Restricted	\$ 281,670	116,568	-	101,391	499,629	378,990
Assigned	-	-	8,895	-	8,895	8,665
Total fund balance	\$ 281,670	116,568	8,895	101,391	508,524	387,655

VILLAGE OF DWIGHT, ILLINOIS NON-
MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2

Combining Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances
For the Year Ended March 31, 2017

	Special Revenue Funds				Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	CDAP Economic Development Fund	March 31,	
					2017	2016
Revenues received:						
Property taxes	\$ -	261,075	-	-	261,075	255,943
Interest income	1,477	60	3	49	1,589	348
Motor fuel tax	108,583	-	-	-	108,583	105,056
Revolving loan	-	-	-	7,000	7,000	11,000
Miscellaneous	-	-	1,396	-	1,396	278
Total revenues received	110,060	261,135	1,399	7,049	379,643	372,625
Expenditures disbursed:						
General Government	-	257,605	1,169	-	258,774	251,231
Debt Service:						
Principal	-	-	-	-	-	65,000
Interest	-	-	-	-	-	1,853
Total expenditures disbursed	-	257,605	1,169	-	258,774	318,084
Excess (deficiency) of revenues received over (under) expenditures disbursed	110,060	3,530	230	7,049	120,869	54,541
Other financing sources (uses):						
Transfers In	-	-	-	-	-	67,353
Total other financing sources (uses)	-	-	-	-	-	67,353
Net change in fund balance	110,060	3,530	230	7,049	120,869	121,894
Fund balance (deficit), beginning of year	171,610	113,038	8,665	94,342	387,655	265,761
Fund balance (deficit), end of year	\$ 281,670	116,568	8,895	101,391	508,524	387,655

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017**

<u>Assets</u>		
Cash		\$ 281,670
Total assets		<u>\$ 281,670</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 281,670
Total fund balance		<u>\$ 281,670</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)**

SCHEDULE C-4

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Motor fuel tax allotments	\$ 109,908	109,908	108,583	105,056
Interest income	25	500	1,477	217
Supplemental allotments	-	-	-	-
Total revenues received	<u>109,933</u>	<u>110,408</u>	<u>110,060</u>	<u>105,273</u>
Expenditures disbursed:				
Construction projects	220,000	-	-	-
Engineering service	22,000	-	-	-
Total expenditures disbursed	<u>242,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (132,067)</u>	<u>110,408</u>	110,060	105,273
Fund balance, beginning of year			<u>171,610</u>	<u>66,337</u>
Fund balance, end of year			<u>281,670</u>	<u>171,610</u>

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017

<u>Assets</u>		
Cash		\$ 116,568
Total assets		<u>\$ 116,568</u>
<u>Fund Balance</u>		
Fund balance		
Restricted - IMRF		\$ 76,141
Restricted - FICA		<u>40,427</u>
Total fund balance		<u>\$ 116,568</u>

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Property taxes - IMRF	\$ 155,000	150,000	150,044	149,966
Property taxes - FICA	115,000	106,000	111,031	105,977
Interest income	50	50	60	84
Total revenues received	<u>270,050</u>	<u>256,050</u>	<u>261,135</u>	<u>256,027</u>
Expenditures disbursed:				
FICA contribution	115,050	112,575	110,511	109,716
IMRF contribution	155,000	150,000	147,094	139,503
Total expenditures disbursed	<u>270,050</u>	<u>262,575</u>	<u>257,605</u>	<u>249,219</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	<u>(6,525)</u>	3,530	6,808
Fund balance, beginning of year			<u>113,038</u>	<u>106,230</u>
Fund balance, end of year			<u>116,568</u>	<u>113,038</u>

**Statement of Assets, Liabilities and
 Fund Balance Arising from Cash Transactions
 March 31, 2017**

		<u>Assets</u>	
Cash			\$ 8,895
Total assets			<u>\$ 8,895</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ 8,895
Total fund balance			<u>\$ 8,895</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2017
 (With Comparative Figures for 2016)**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Year Ended March 31,</u>	
			<u>2017</u>	<u>2016</u>
Revenues received:				
Gross receipts repayment	\$ 1,100	1,100	1,396	278
Interest	5	5	3	3
Total revenues received	<u>1,105</u>	<u>1,105</u>	<u>1,399</u>	<u>281</u>
Expenditures disbursed:				
Rent subsidy	<u>1,444</u>	<u>1,170</u>	<u>1,169</u>	<u>1,512</u>
Total expenditures disbursed	<u>1,444</u>	<u>1,170</u>	<u>1,169</u>	<u>1,512</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (339)</u>	<u>(65)</u>	230	(1,231)
Fund balance, beginning of year			<u>8,665</u>	<u>9,896</u>
Fund balance, end of year			<u>8,895</u>	<u>8,665</u>

**Statement of Assets, Liabilities and
 Fund Balance Arising from Cash Transactions
 March 31, 2017**

<u>Assets</u>		
Cash		\$ 101,391
Total assets		<u>\$ 101,391</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 101,391
Total fund balance		<u>\$ 101,391</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2017
 (With Comparative Figures for 2016)**

SCHEDULE C-10

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Principal	\$ 10,445	10,445	6,099	9,372
Interest	1,504	1,504	901	1,628
Interest Income	35	35	49	44
Total revenues received	<u>11,984</u>	<u>11,984</u>	<u>7,049</u>	<u>11,044</u>
Expenditures disbursed:				
Development	-	-	-	-
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 11,984</u>	<u>11,984</u>	7,049	11,044
Fund balance, beginning of year			<u>94,342</u>	<u>83,298</u>
Fund balance, end of year			<u>101,391</u>	<u>94,342</u>

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2017

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

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

SCHEDULE D-2

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues received:				
Interest	\$ -	-	-	-
Total revenues received	-	-	-	-
Expenditures disbursed:				
Debt Service:				
Fees	-	-	-	500
Principal	-	-	-	65,000
Interest	-	-	-	1,853
Total expenditures disbursed	-	-	-	67,353
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	-	-	(67,353)
Other financing sources (uses):				
Transfers in	-	-	-	67,353
Net change in fund balance	<u>\$ -</u>	<u>-</u>	-	-
Fund balance, beginning of year			-	-
Fund balance, end of year			<u>-</u>	<u>-</u>

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE E-1

Proprietary Fund
Statement of Net Position
March 31, 2017

Assets

Current assets:		
Cash		\$ 324,140
Accounts receivable		17,789
Total current assets		<u>341,929</u>
Non-current assets:		
Capital assets		7,722,760
Accumulated depreciation		<u>(3,948,499)</u>
Total non-current assets		<u>3,774,261</u>
Total assets		<u>\$ 4,116,190</u>

Liabilities and Net Position

Current liabilities:		
Accounts payable		\$ 6,717
Water deposits		13,110
Interest payable		18,301
Current portion of long-term debt:		
Bonds payable		<u>265,000</u>
Total current liabilities		<u>303,128</u>
Long-term liabilities:		
Bonds payable, net of current portion		<u>1,760,000</u>
Total long-term liabilities		<u>1,760,000</u>
Total liabilities		<u>2,063,128</u>
Net position		<u>2,053,062</u>
Total liabilities and net position		<u>\$ 4,116,190</u>

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE E-2

Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues:				
Water	\$ 815,000	850,000	859,533	801,600
Water meters	500	500	2,795	1,580
Water penalties	6,500	6,500	7,485	7,504
Interest	150	150	364	142
Miscellaneous	1,250	1,250	1,669	1,413
Total revenues	823,400	858,400	871,846	812,239
Expenses:				
Current:				
Salaries	189,750	194,500	194,440	193,424
Salaries - OT	7,500	17,000	16,887	5,792
Employee benefits	29,275	29,275	25,415	33,963
Unemployment insurance	370	370	247	443
Worker's compensation	3,300	3,400	3,354	1,810
Uniform allowance	1,167	1,167	603	856
Contractual services	7,000	6,500	4,784	5,342
Maintenance - equipment	15,000	65,000	64,293	5,217
Maintenance - vehicle	-	2,500	2,279	-
Maintenance - system	35,000	60,000	63,035	32,911
Engineering service	1,500	20,000	19,645	772
Postage	1,750	1,750	1,749	1,786
Telephone	1,250	1,500	1,341	1,351
Printing and publishing	1,000	2,250	2,189	510
Dues	750	750	526	649
Travel	300	300	-	-
Training	1,000	1,000	290	534
Utilities	45,000	46,500	48,850	44,616
Lease/rentals	3,200	4,500	4,462	3,179
Operating supplies	2,600	3,100	3,473	838
Small tools	500	500	393	813
Fuel/oil	6,000	4,000	1,632	2,351
Chemicals	12,500	8,500	6,857	8,544
Principal	4,716	4,716	4,716	4,577
Interest	1,117	1,117	19,418	1,256
Miscellaneous expense	1,500	1,500	1,432	136
Capital outlay				
Equipment	67,400	20,000	5,297	3,137
Improvements	50,000	90,000	30,865	-
Depreciation	161,935	170,156	201,925	209,476
Total expenses	652,380	761,851	730,397	564,283
Excess of revenues over (under) expenses	171,020	96,549	141,449	247,956
Other financing sources (uses):				
Transfers out	(304,350)	(395,500)	(2,034,088)	(21,335)
Change in net position	\$ (133,330)	(298,951)	(1,892,639)	226,621
Net position, beginning of year			3,945,701	3,719,080
Net position, end of year			2,053,062	3,945,701

VILLAGE OF DWIGHT, ILLINOIS
WATER CAPITAL PROJECT FUND

SCHEDULE E-3

Proprietary Fund
Statement of Net Position
March 31, 2017

<u>Assets</u>	
Cash	\$ 1,472,053
Total assets	<u>\$ 1,472,053</u>
<u>Net Position</u>	
Net position	\$ 1,472,053
Total net position	<u>\$ 1,472,053</u>

Statement of Revenues, Expenses, & Changes in Fund Net Position -
Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

SCHEDULE E-4

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues:				
Tap-on fees	\$ -	2,500	2,563	2,094
Interest Income	30	500	1,981	71
Total revenues	<u>30</u>	<u>3,000</u>	<u>4,544</u>	<u>2,165</u>
Expenses:				
Current:				
Construction projects	-	580,000	578,269	-
Engineering service	-	35,000	31,180	7,491
Bond issuance cost	-	-	26,949	-
Miscellaneous	100	2,500	2,500	-
Total expenses	<u>100</u>	<u>617,500</u>	<u>638,898</u>	<u>7,491</u>
Excess of revenues over (under) expenses	(70)	(614,500)	(634,354)	(5,326)
Other financing sources (uses):				
Bond issuance premium	-	-	30,424	-
Bond issuance discount	-	-	(25,693)	-
Transfer in - bond proceeds	-	2,002,782	2,025,000	3,430
Transfer out	(82,000)	-	-	-
Total other financing sources (uses)	<u>(82,000)</u>	<u>2,002,782</u>	<u>2,029,731</u>	<u>3,430</u>
Net change in net position	<u>\$ (82,070)</u>	<u>1,388,282</u>	1,395,377	(1,896)
Net position, beginning of year			<u>76,676</u>	<u>78,572</u>
Net position, end of year			<u>1,472,053</u>	<u>76,676</u>

Proprietary Fund
Statement of Net Position
March 31, 2017

<u>Assets</u>	
Current assets:	
Cash	\$ 243,690
Accounts receivable	28,895
Total current assets	<u>272,585</u>
Non-current assets:	
Capital assets	11,610,311
Accumulated depreciation	<u>(5,528,696)</u>
Total non-current assets	<u>6,081,615</u>
Total assets	<u><u>\$ 6,354,200</u></u>
 <u>Liabilities and Net Position</u> 	
Current Liabilities:	
Accounts payable	\$ 6,695
Current portion of long-term debt:	
EPA loan payable	<u>162,674</u>
Total current liabilities	<u>169,369</u>
Long-term liabilities:	
EPA loan payable, net of current portion	<u>344,379</u>
Total long-term liabilities	<u>344,379</u>
Total liabilities	<u>513,748</u>
Net position	<u>5,840,452</u>
Total liabilities and net position	<u><u>\$ 6,354,200</u></u>

VILLAGE OF DWIGHT, ILLINOIS
SEWER FUND

SCHEDULE E-6

Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues:				
Sewer	\$ 862,500	890,000	899,821	846,168
Sewer penalties	7,500	8,000	8,115	8,308
Surcharge	50	50	42	39
Industrial cost recovery	700	700	982	845
Interest	40	100	289	70
Miscellaneous	200	8,500	8,547	113
Total revenues	870,990	907,350	917,796	855,543
Expenses:				
Current:				
Salaries	175,600	177,000	176,447	159,360
Salaries - OT	5,000	5,500	5,430	5,348
Employee benefits	29,280	29,280	26,578	29,977
Unemployment insurance	370	370	261	482
Worker's compensation	2,120	2,250	2,214	1,161
Uniform allowance	1,167	1,167	911	787
Contractual services	20,000	20,000	17,651	15,300
Maintenance - equipment	20,000	20,000	14,102	24,146
Maintenance - vehicle	1,500	1,500	540	401
Maintenance - system	35,000	52,000	51,026	43,824
Engineering service	1,500	5,500	5,098	-
Postage	1,900	1,900	1,670	1,816
Telephone	5,600	5,000	4,640	6,526
Printing & publishing	700	700	287	-
Dues	10,200	10,000	10,000	10,192
Travel	250	250	-	-
Training	500	500	209	-
Utilities	85,000	105,000	112,209	95,862
Insurance	3,200	3,750	3,567	3,001
Lease / rentals	500	500	-	-
Operating supplies	5,500	5,500	5,086	6,301
Small tools	1,000	1,100	757	1,118
Fuel/oil	5,000	2,750	2,097	2,629
Chemicals	800	1,200	959	1,138
Principal	4,716	4,716	4,716	4,577
Interest	1,117	1,117	1,117	1,256
Miscellaneous expense	1,500	9,000	8,947	982
Capital outlay				
Equipment	26,500	20,000	12,420	1,926
Improvements	1,500	57,500	1,926	1,650
Depreciation	274,301	261,821	272,890	273,425
Total expenses	721,321	806,871	743,755	693,185
Excess of revenues over (under) expenses	149,669	100,479	174,041	162,358
Other financing sources (uses):				
Transfers out	(327,088)	(396,000)	(168,274)	(63,914)
Change in net position	\$ (177,419)	(295,521)	5,767	98,444
Net position, beginning of year			5,834,685	5,736,241
Net position, end of year			5,840,452	5,834,685

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

SCHEDULE E-7

Proprietary Fund
Statement of Net Position
March 31, 2017

Assets

Cash	\$	105,961
Accounts receivable		<u>6,986</u>
Total assets	\$	<u>112,947</u>

Liabilities & Net Position

Current Liabilities		
Interest payable	\$	4,674
Current portion of EPA loan payable		<u>218,654</u>
Total current liabilities		<u>223,328</u>
Non-current Liabilities:		
EPA loan payable, net of current portion		<u>2,372,057</u>
Total non-current liabilities		<u>2,372,057</u>
Total liabilities		<u>2,595,385</u>
Net position (deficit)		<u>(2,482,438)</u>
Total liabilities & net position	\$	<u>112,947</u>

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

SCHEDULE E-8

Proprietary Fund
Statement of Revenues, Expenses & Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues:				
Tap-on fees	\$ -	-	-	1,500
Debt service revenue	200,000	210,000	229,877	207,341
Interest Income	50	50	103	60
Total revenues	200,050	210,050	229,980	208,901
Expenses:				
Construction project	-	55,000	51,274	-
Debt service:				
Principal	440,512	440,512	-	-
Interest	86,571	86,571	91,245	97,923
Total expenses	527,083	582,083	142,519	97,923
Excess of revenues over (under) expenses	(327,033)	(372,033)	87,461	110,978
Other financing sources (uses):				
Transfer in	327,083	395,500	168,274	63,914
Transfers out	(57,000)	-	-	-
Total other financing sources (uses)	270,083	395,500	168,274	63,914
Net change in net position	\$ (56,950)	23,467	255,735	174,892
Net position (deficit), beginning of year			(2,738,173)	(2,913,065)
Net position (deficit), end of year			(2,482,438)	(2,738,173)

VILLAGE OF DWIGHT, ILLINOIS
WATER BOND FUND

SCHEDULE E-9

Proprietary Fund
Statement of Net Position
March 31, 2017

<u>Assets</u>	
Cash	\$ -
Total assets	<u>\$ -</u>
<u>Net Position</u>	
Net position	\$ -
Total net position	<u>\$ -</u>

Statement of Revenues, Expenses & Changes in Fund Net Position -
Budget & Actual
For the Year Ended March 31, 2017
(With Comparative Figures for 2016)

SCHEDULE E-10

	Original Budget	Amended Budget	Year Ended March 31,	
			2017	2016
Revenues:				
Interest income	\$ 25	25	-	-
Expenses:				
Construction project	1,400,000	-	-	-
Meter replacement	500,000	-	-	-
Engineering services	150,000	-	-	-
Debt Service:				
Fees	500	500	238	475
Principal	295,000	295,000	-	-
Interest	8,850	8,850	8,850	17,430
Total expenses	<u>2,354,350</u>	<u>304,350</u>	<u>9,088</u>	<u>17,905</u>
Excess of revenues over (under) expenses	(2,354,325)	(304,325)	(9,088)	(17,905)
Other financing sources (uses):				
Bond proceeds	2,000,000	-	-	-
Transfer in (out)	443,350	304,350	9,088	17,905
Total other financing sources (uses)	<u>2,443,350</u>	<u>304,350</u>	<u>9,088</u>	<u>17,905</u>
Net change in net position	<u>\$ 89,025</u>	<u>25</u>	-	-
Net position, beginning of year			-	-
Net position, end of year			<u>-</u>	<u>-</u>

**Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended March 31, 2017
 (With Comparative Figures for 2016)**

	Police Donations Fund	Disaster Relief Fund	Totals Year Ended March 31,	
			2017	2016
Additions:				
Revenues	\$ -	4	4	354
Deductions:				
Expenditures	-	-	-	5
Net increase (decrease)	-	4	4	349
Cash balance, beginning of year	350	4,533	4,883	4,534
Cash balance, end of year	\$ 350	4,537	4,887	4,883

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

		2012	2013	2014	2015	2016
Assessed valuations	Maximum Rate	\$ 69,188,903	65,247,172	62,894,275	58,730,529	58,758,609
Tax Rates:						
General	0.2500	0.2276	0.2500	0.2500	0.2500	0.2500
Audit	N/A	0.0072	0.0023	0.0065	0.0152	0.0068
IMRF	N/A	0.2385	0.2452	0.2429	0.2554	0.2553
Social Security	N/A	0.1380	0.1533	0.1716	0.1890	0.1804
Liability Insurance	N/A	0.1503	0.1456	0.1700	0.1975	0.1787
Street Lighting	0.0500	0.0434	0.0500	0.0500	0.0500	0.0500
Parks	0.0750	0.0650	0.0750	0.0750	0.0750	0.0750
Recreation	0.0900	0.0434	0.0146	0.0194	0.0409	0.0204
Totals		0.9134	0.9360	0.9854	1.0730	1.0166
Tax extensions:						
General		\$ 157,502	163,118	157,220	146,826	146,897
Audit		5,002	1,501	4,075	8,927	4,001
IMRF		165,002	160,006	152,747	150,004	150,005
Social Security		95,501	100,004	107,942	111,001	106,001
Liability Insurance		104,005	95,000	106,923	116,005	105,002
Street Lighting		30,000	32,624	31,444	29,365	29,379
Parks		45,000	48,935	47,166	44,048	44,069
Recreation		30,000	9,500	12,220	24,003	12,004
Totals		\$ 632,012	610,688	619,737	630,179	597,358
Road & Bridge (from townships)		\$ 64,147	65,349	66,427	64,998	-
Tax collections		\$ 693,900	677,344	674,884	695,347	-

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

	2012	2013	2014	2015	2016
Assessed valuations	\$ 4,427,428	4,215,565	3,944,807	3,743,021	3,759,130
Tax Rates: General	0.0000	0.0000	0.0000	0.0000	0.0000
Tax extensions: General	\$ 124,442	122,332	119,571	138,285	140,046
Tax collections	\$ 124,000	122,675	119,455	138,079	-



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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
Village Board of Trustees
Village of Dwight, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Dwight, Illinois, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise Village of Dwight, Illinois' basic financial statements, and have issued our report thereon dated June 26, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2017-01).

Compliance and Other Matters

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

Purpose of this Report

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

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

SINGLE AUDIT SECTION



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Village Of Dwight, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village of Dwight, Illinois' major federal programs for the year ended March 31, 2017. The Village of Dwight, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village of Dwight, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Dwight, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Village of Dwight, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

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

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

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

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 26, 2017

VILLAGE OF DWIGHT, ILLINOIS

Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2017

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor and Number</u>	<u>Federal Expenditures</u>
Department of Commerce			
Economic Adjustment Assistance Grant	11.307		\$ 13,223
<i>Total Department of Commerce</i>			<u>13,223</u>
Department of Transportation			
<u>Passed through Illinois Department of Transportation</u>			
High-Speed Rail Corridors and Intercity Passenger Rail Service Capital Assistance Grants	20.319*	HSR14082	1,838,142
<i>Total Department of Transportation</i>			<u>1,838,142</u>
Total Expenditures of Federal Awards			<u>\$ 1,851,365</u>

*Denotes major program

VILLAGE OF DWIGHT, ILLINOIS

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2017

NOTE 1: BASIS OF PRESENTATION & ACCOUNTING

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Village of Dwight, Illinois, and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit requirements of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Basis of Accounting

Under the modified cash basis of account, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash.

NOTE 2: INDIRECT FACILITIES & ADMINISTRATION COSTS

The Village of Dwight, Illinois did not elect to use the 10% de minimis cost rate.

NOTE 3: SUB-RECIPIENTS

The Village of Dwight, Illinois did not provide awards to sub-recipients.

NOTE 4: OTHER DISCLOSURES

Amount of federal insurance, loans, and loan guarantees in effect during the year - None.

VILLAGE OF DWIGHT, ILLINOIS

Schedule of Findings and Questioned Costs For the Year Ended March 31, 2017

SECTION I: SUMMARY OF AUDITORS' RESULTS

- a. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Village of Dwight, Illinois.
- b. One significant deficiency and no material weaknesses relating to the audit of the financial statements are reported in the 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*.
- c. No instances of noncompliance material to the general government's financial statements of the Village of Dwight, Illinois were disclosed during the audit.
- d. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance For Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance.
- e. The Auditors' Report on Compliance for the major federal award programs for the Village of Dwight, Illinois expresses an unmodified opinion on all major federal programs.
- f. Audit findings relative to the major federal award programs for the Village of Dwight, Illinois are reported in Section III of this Schedule.
- g. The program tested as a major program includes: High Speed Rail Corridors and Intercity Passenger Rail Service Capital Assistance Grants (CFDA # 20.319).
- h. The threshold for distinguishing Types A and B programs was \$750,000.
- i. The Village of Dwight, Illinois was not determined to be a low-risk auditee.

VILLAGE OF DWIGHT, ILLINOIS

Schedule of Findings and Questioned Costs For the Year Ended March 31, 2017

SECTION II: FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-01: Financial Statement Preparation

Condition:

Currently, the Village's personnel do not prepare the Village's financial statements and related disclosures, including the Schedule of Expenditures of Federal Awards. The Village engages the external auditors to assist in preparing these reports using the financial reports provided by the Village. The Village's financial reporting personnel are competent, capable, and perform daily and monthly functions adequately. Their expertise is limited, however, in the area of financial statement preparation in accordance with applicable government accounting standards.

Criteria:

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

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

Cause:

As a municipal entity, the Village lacks the resources to prepare the disclosures and Schedule of Expenditures of Federal Awards in accordance with applicable requirements.

Effect:

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 Village's system of internal controls.

Recommendation:

The Village could consider the costs and benefits of dedicating the necessary staff resources, technical training, and oversight to ensure the Village's financial statements are accurately prepared in accordance with the modified-cash basis of accounting. However, the Village 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.

VILLAGE OF DWIGHT, ILLINOIS

**Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2017**

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

VILLAGE OF DWIGHT, ILLINOIS

Summary Schedule of Prior Audit Findings For the Year Ended March 31, 2017

2016-01: Financial Statement Preparation

Condition:

Currently, the Village's personnel do not prepare the Village's financial statements and related disclosures, including the Schedule of Expenditures of Federal Awards. The Village engages the external auditors to assist in preparing these reports using the financial reports provided by the Village. While the Village's financial reports are complete and accurate, the Village does not prepare the related disclosures and Schedule of Expenditures of Federal Awards.

Criteria:

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

In an ideal setting, the Board of Trustees or Village personnel would possess a thorough understanding of applicable accounting principles and stay abreast of recent accounting developments. Such personnel would perform a comprehensive review of the financial statements and disclosures, to ensure completeness and accuracy.

Cause:

Trustees and Village personnel may not possess comprehensive accounting knowledge to either prepare the disclosures and Schedule of Expenditures of Federal Awards, or to effectively perform the necessary review.

Effect:

Material misstatements to the financial statements may not be prevented or detected by the Village's system of internal controls.

Recommendation:

The Village should implement internal control procedures related to preparation and/or review of financial statements, and personnel should continue to increase their knowledge of financial matters.