Village of Dwight
Tax Increment Finance

Downtown/IL 47 TIF District

Annual Report for Fiscal Year 2017

Beginning April 1, 2016 and Ending March 31, 2017

Village of Dwight
Downtown/IL 47 TIF District

Tax Increment Finance Annual Report for Fiscal Year 2017

Table of Contents

*Attachments are consistent with the responses indicated in "Section 2", a required reporting form of the State of Illinois Comptroller included in this Annual Report. Attachments that are not applicable to this reporting Fiscal Year are not included in this Annual Report.

FY 2017
ANNUAL TAX INCREMENT FINANCE REPORT

STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality:	Village of Dwight	Reporting Fiscal Year:	**2017**
County:	Livingston & Grundy	Fiscal Year End:	3/31/2017
Unit Code:	053/030/32		

TIF Administrator Contact Information

First Name:	Kevin J.	Last Name:	McNamara		
Address:	209 S. Prairie Avenue	Title:	Village Administrator		
Telephone:	815-584-3077	City:	Dwight	Zip:	60420
E-mail-required	kmcn@dwightillinois.com				

I attest to the best of my knowledge, that this FY2017 report of the redevelopment project area(s)
in the City/Village of: VILLAGE OF DWIGHT
is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator

12/19/2017
Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
Downtown/IL 47 TIF District	4/13/2009	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2017

Name of Redevelopment Project Area (below):	
DOWNTOWN/IL 47 TIF	
Primary Use of Redevelopment Project Area*:	Combination/Mixed

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types:	Residential, Commercial, Industrial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	X
Industrial Jobs Recovery Law	______

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment labeled Attachment A**	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] **Please enclose the CEO Certification labeled Attachment B**		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] **Please enclose the Legal Counsel Opinion labeled Attachment C**		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] **If yes, please enclose the Activities Statement labeled Attachment D**		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] **If yes, please enclose the Agreement(s) labeled Attachment E**	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] **If yes, please enclose the Additional Information labeled Attachment F**	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] **If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G**	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] **If yes, please enclose the Joint Review Board Report labeled Attachment H**		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] **If yes, please enclose the Official Statement labeled Attachment I and Attachment J MUST be Yes**		X
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] **If Attachment I is yes, Analysis MUST be attached and labeled Attachment J**		X
Has a cumulative of $100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) **If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K**		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than $100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] **If yes, The audit report shall contain a letter from an independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 labeled Attachment L**		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] **If yes, please enclose list only, not actual agreements labeled Attachment M**	X	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and 65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))
Provide an analysis of the special tax allocation fund.

FY 2017
TIF NAME: DOWNTOWN/IL 47 TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period $ 108,936

SOURCE of Revenue/Cash Receipts	**Revenue/Cash Receipts for Current Reporting Year**	**Cumulative Totals of Revenue/Cash Receipts for life of TIF**	**% of Total**
Property Tax Increment	$ 138,079	$ 585,607	21%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 4,501	$ 4,706	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	$ 1,970,000	$ 1,970,000	70%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____________; if multiple other sources, attach schedule) ****SEE ATTACHED SCHEDULE ****	$ 54,653	$ 241,308	9%

All Amount Deposited in Special Tax Allocation by source $ 2,167,233

Cumulative Total Revenues/Cash Receipts $ 2,801,621 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) $ 256,068

Distribution of Surplus

Total Expenditures/Disbursements $ 256,068

Net/Income/Cash Receipts Over/(Under) Cash Disbursements $ 1,911,165

FUND BALANCE, END OF REPORTING PERIOD* $ 2,020,101

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY
(Total and Cumulative Values Carried Forward to Section 3.1)

"Other" Sources	Reporting Year	Cumulative*
Loan from Developer *(Love's)* (FY2012)	$ -	$ 144,112
Grundy County (FY2014)	$ -	$ 42,543
Bond Insurance Premium (FY2017)	$ 80,282	$ 80,282
Bond Insurance Discount (FY2017)	$ (25,629)	$ (25,629)

Total Schedule of "Other" Sources During Reporting Period	$ 54,653	
Cumulative Total Schedule of "Other" Sources		$ 241,308

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))

FY 2017
TIF NAME: DOWNTOWN/IL 47 TIF

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project cost)

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Engineering	51,917	
Engineering/Transfer to General Fund [Reimb G/F for TIF Engineering Expense paid by G/F)	3,869	
		$ 55,786
2. Annual administrative cost.		
TIF Administration	3,200	
		$ 3,200
3. Cost of marketing sites.		
		$ -
4. Property assembly cost and site preparation costs.		
		$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		$ -
6. Costs of construction of public works or improvements.		
Construction Project (East Main South Parking)	37,334	
Construction Project (Parking Lot Replacement)	104,745	
Electrical Work	5,160	
		$ 147,239

SECTION 3.2 A PAGE 2		
7. Cost of eliminating or removing contaminants of other impediments.		
		$ -
8. Cost of job training and retraining projects.		
		$ -
9. Financing costs.		
Bond Issuance	26,843	
		$ 26,843
10. Capital costs.		
		$ -
11. Cost of reimbursing school districts for their increased costs cauased by TIF assisted housing projects.		
		$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		$ -

SECTION 3.2 A		
PAGE 3		
13. Relocation costs.		
		$ -
14. Payment in lieu of taxes.		
		$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		$ -
16. Interest cost incurred by redeveloper or other nongovernmental person connected with a redevelopment project.		
		$ -
17. Cost of day care services.		
		$ -
18. Other.		
Loan to General Fund (TIF Fund paid TIF Consulting fees related to potential New TIF; Funds to be reimbursed to this TIF Fund)	23,000	
		$ 23,000

TOTAL ITEMIZED EXPENDITURES		$ 256,068

Section 3.2 B

FY 2017

TIF NAME: DOWNTOWN/IL 47 TIF

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.

Name	Service	Amount
Chamlin Associates	Engineering	$ 36,282
Christopher Burke	Engineering	$ 15,635
D Constuction	Construction Projects	$ 142,079
Ehlers	TIF Admin & Loan to General Fund	$ 25,650

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source
FY 2017
TIF NAME: DOWNTOWN/IL 47 TIF

FUND BALANCE BY SOURC $ 2,020,101

1. Description of Debt Obligations

	Amount of Original Issuance	Amount Designated
$1,970,000 G.O. Bonds (Tax Increment Alt Revenue Source) 2016B	$ 1,970,000	$ 2,578,920

Total Amount Designated for Obligations $ 1,970,000 $ 2,578,920

2. Description of Project Costs to be Paid

Due to General Fund (Expenses paid from prior FYs from General Fund)		$ -
Loan to General Fund (Expenses paid with TIF Funds; owed back to this TIF Fund)		$ (23,000)

Total Amount Designated for Project Costs $ (23,000)

TOTAL AMOUNT DESIGNATED $ 2,555,920

SURPLUS*/(DEFICIT) $ (535,819)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2017

TIF NAME: DOWNTOWN/IL 47 TIF

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

__X___ **Check here if no property was acquired by the Municipality within the Redevelopment Project Area.**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)
PAGE 1

FY 2017

TIF NAME: DOWNTOWN/IL 47 TIF

Page 1 is to be included with TIF Report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

Select ONE of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality **DID** undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	1

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	**11/1/99 to Date**	**Estimated Investment for Subsequent Fiscal Year**	**Total Estimated to Complete Project**
Private Investment Undertaken (See Instructions)	$ 4,400,000	$ -	$ -
Public Investment Undertaken	$ 648,005	$ -	$ -
Ratio of Private/Public Investment	6 64/81		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: LOVE'S DEVELOPMENT

Private Investment Undertaken (See Instructions)	$ 4,400,000		$ -
Public Investment Undertaken	$ 648,005		
Ratio of Private/Public Investment	6 64/81		0

Project 2*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of complete TIF report**

SECTION 6

FY 2017

TIF NAME: **DOWNTOWN/IL 47 TIF**

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2009	TY2008: 3,287,528	TY2015: 3,743,021

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

__X___ Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

SECTION 7

Provide information about job creation and retention:

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents	Enclosed	
Legal description of redevelopment project area		
Map of District		

ATTACHMENT B: Certification of the Chief Executive Officer

Jared Anderson
President

Jill Haacke
Village Clerk

Diane Jensen
Village Treasurer

Village of Dwight

209 S. Prairie Ave. • Dwight, Illinois 60420
Email: villagehall@dwightillinois.com
www.dwightillinois.org
815-584-3077
fax 815-584-2680

June 29, 2017

I, Jared E. Anderson, as the Chief Executive Officer of the Village of Dwight, Illinois, do hereby certify to the best of my knowledge that the Village of Dwight has complied with all of the requirements of the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning April 1, 2016 and ending March 31, 2017.

Signed,

Jared E. Anderson
Village President

ATTACHMENT C: Opinion of Legal Counsel

IRVIN L. MASCHING
ATTORNEY AT LAW

105 EAST CHIPPEWA STREET
P.O. BOX 247
DWIGHT, ILLINOIS 60420-0247
(815) 584-1700
FAX (815) 584-2900
imasching@maschinglaw.com

March 14, 2018

Re: Downtown/IL 47 TIF District Annual Report for Fiscal Year Beginning April 1, 2016 and ending March 31, 2017
Compliance Review

I, Irvin L. Masching, Village Attorney for the Village of Dwight, Grundy and Livingston Counties, Illinois have reviewed information provided to me by the Village of Dwight pertaining to the Downtown/IL 47 TIF District for Fiscal Year beginning April 1, 2016 and ending March 31, 2017.

Based solely upon the information with which I have been provided and without making any independent review or investigation of that information and relying on the accuracy, authenticity and genuineness of the information provided, it is my opinion that as to the matters to which I am aware and which have been specifically brought to my attention, the Village of Dwight, Grundy and Livingston Counties, Illinois has complied with the applicable procedural requirements of the Illinois Tax Increment Redevelopment Allocation Act (65 ILCS 5/11-74.4 ET SEQ.), to the best of my knowledge and belief. This opinion only relates to the time period of the Downtown/IL47 TIF District Annual Report, which is for the fiscal year beginning April 1, 2016 and ending March 31, 2017, and is based solely upon the information with which I have been provided by the Village of Dwight. This is further limited to the information and the attachments set forth in the aforementioned Annual Report, and does not purport to verify the accuracy of any funds or amounts set forth therein, including the Independent Auditors' Report by Mack & Associates, P.C. attached as an Exhibit to the aforementioned Annual Report.

Dated this 14th day of March, 2018.

Irvin L. Masching, Village Attorney
Village of Dwight, Illinois

ATTACHMENT D: Statement of Activities

A. Any project implemented during the reporting Fiscal Year; and
B. A description of the redevelopment activities undertaken.

The Village continued to market opportunities available within the TIF District.

The Village is in the process of assessing the feasibility of a potential new TIF District that would be contiguous to this TIF. If the new TIF District is adopted, the Downtown/IL 47 TIF Fund will be reimbursed for consulting expenses related to the new TIF, when funds are available in the new TIF Fund.

ATTACHMENT H: Report or Meeting Minutes Submitted by the Joint Review Board

No reports were submitted by the Joint Review Board to the Village during the reporting Fiscal Year.

The Joint Review Board met on **December 5, 2016** and the minutes of the meetings are included in this Attachment.

MINUTES
JOINT REVIEW BOARD MEETING

VILLAGE OF DWIGHT DOWNTOWN/IL 47TIF
Monday, December 5, 2016
Dwight Public Services Complex, Dwight, Illinois

1. Call meeting to order

Chairperson Kevin McNamara, Village Administrator, called the meeting to order at 1:00 p.m. He announced that notice of the meeting was given in accordance with the TIF Act.

2. Roll Call of Joint Review Board Members

The following members were present (see also attached sign in sheet).

Member	Representative
Village of Dwight	Kevin McNamara
Grundy County	Doug Pryor
Livingston County	absent
Dwight Township	Rudolph Piskule
Goodfarm Township	absent
Dwight Fire Protection District #16	absent
Dwight Grade School District #232	absent
Dwight High School District #230	absent
Joliet Community College District #525	absent
Prairie Creek Public Library District	absent
Public Member	Jerry Curtis

Also present were Maureen Barry and Tricia Marino Ruffolo (Ehlers & Associates, Inc.).

3. Approval of Minutes of October 13, 2015 and November 13, 2014

A motion was made by Mr. Piskule and seconded by Mr. Curtis to approve the minutes from the October 13, 2015 meeting and also from the November 13, 2014 (deferred from previous meeting for lack of attendance). With a voice vote of the JRB members present, the motion carried unanimously.

4. Overview of Proposed Annual Financial Reports

Ms. Barry noted that copies of the Annual Reports were mailed by the Village to all Taxing Districts in the mailing packet which also contained the agenda, notice of the JRB meeting, and a CD containing an electronic copy of the TIF Annual Report.

Ms. Barry provided a summary of the TIF Annual Financial Report for Fiscal Year 2016. The TIF's starting balance was a deficit of $7,350 and the fund balance at year-end was $108,936. The Village expended $3,200 for TIF eligible costs, which she reviewed in detail. She reviewed all sections of each of the Annual Reports.

5. Overview of Project Activity

Mr. McNamara stated that there was no new project activity to report in the Redevelopment Project Area. However, the growth in equalized assess value ("EAV") is due to the Love's Project. The remainder of the TIF has declining EAV in part due to the demolition of another building this year in the TIF district.

The Village intends to do a public works project to rehabilitate and upgrade the streets and sidewalks in the Downtown district. The project is estimated to cost approximately $2,000,000 and future TIF proceeds will be used to repay a bond issue.

There has been no other activity yet in the district near Love's as hoped, despite being told this is the busiest Love's location in the State. The EAV in the District is expected to increase overall. There have been no additional requests for TIF funds.

6. Joint Review Board Question and Answer Period

There were no questions asked.

7. Adjournment

With no further discussion, Mr. Pryor motioned to adjourn the meeting and Mr. Curtis seconded. The meeting was adjourned at 1:22 p.m.

ATTACHMENT I: Summary of any Obligations Issued by the Municipality and Official Statement(s)

The Village issued $1,970,000 General Obligation (Tax Increment Alternate Revenue Source) Bonds, Series 2016B (Issue Date: September 29, 2016), payable semiannually each June 1 and December 1, with interest commencing June 1, 2017. The Bonds will be used to finance various infrastructure improvements within the TIF District.

A copy of the Official Statement, which contains the maturity schedule, is included in this Attachment.

New Issue **Insured Rating: S&P's "AA" (Stable Outlook) (AGM Insured)**
Underlying Rating: S&P's "A+" (Stable Outlook)

Subject to compliance by the Village with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The Village has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

VILLAGE OF DWIGHT
LIVINGSTON AND GRUNDY COUNTIES, ILLINOIS

$2,025,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2016A
$1,970,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B
$4,865,000 General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C

Dated: Date of Delivery **Due: As Shown on the Inside Cover**

The $2,025,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2016A (the "2016A Bonds"), $1,970,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B (the "2016B Bonds"), and $4,865,000 General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C (the "2016C Bonds" and together with the 2016A Bonds and 2016B Bonds, the "Bonds") are being issued by the Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village"). Amalgamated Bank of Chicago, Chicago, Illinois, will act as the Paying Agent and Bond Registrar for the Bonds (the "Paying Agent" and "Bond Registrar"). Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2017. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Individual purchases will be made in book-entry form only in denominations of $5,000 principal amount or any authorized integral multiple thereof.

PURPOSE

The proceeds of the 2016A Bonds will be used to (i) finance the acquisition, construction, installation and rehabilitation of various capital related projects, including, but not limited to, various capital improvements to the Village's Waterworks System (the "2016A Project") and (ii) pay costs related to the issuance of the 2016A Bonds. The proceeds of the 2016B Bonds will be used to (i) finance various infrastructure improvements to the Village's Downtown TIF Area (the "2016B Project") and (ii) pay costs related to the issuance of the 2016B Bonds. The proceeds of the 2016C Bonds will be used to (i) finance various infrastructure improvements within the Village (the "2016C Project") and (ii) pay costs related to the issuance of the 2016C Bonds. See "**THE BONDS – Purpose**" and "**THE BONDS** – **The Projects**" herein.

SECURITY

The 2016A Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) net revenues (the "Net Revenues" or "2016A Pledged Revenues") of the Village's Waterworks System (the "System") (generally, Net Revenues are gross revenues minus operation and maintenance expenses of the System) and (ii) ad valorem taxes levied against all taxable property within the Village (the "Pledged Taxes") without limitation as to rate or amount, except that the rights of the owners of the 2016A Bonds and the enforceability of the 2016A Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016A Bonds through June 1, 2017. See "**THE BONDS – Security**" herein.

The 2016B Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) the distributive share of incremental taxes derived from the Downtown TIF Redevelopment Project Area (the "Incremental Taxes"), (ii) certain distributions to the Village by the State of Illinois (the "State") of Motor Fuel Taxes (the "Motor Fuel Taxes" and together with the Incremental Taxes, the "2016B Pledged Revenues") and (iii) Pledged Taxes without limitation as to rate or amount, except that the rights of the owners of the 2016B Bonds and the enforceability of the 2016B Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016B Bonds through June 1, 2017. See "**THE BONDS – Security**" herein.

The 2016C Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) receipts of the Retailer's Occupation Taxes, Service Occupation Taxes, Use taxes and Service Use Taxes (collectively, including non-home rule infrastructure municipal retailers' occupation and service occupation taxes, the "Sales Taxes" or "2016C Pledged Revenues"), and (ii) Pledged Taxes without limitation as to rate or amount, except that the rights of the owners of the 2016C Bonds and the enforceability of the 2016C Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016C Bonds through June 1, 2017. See "**THE BONDS – Security**" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP. ("AGM"). See the heading "**BOND INSURANCE**" and **APPENDIX D** herein.

ASSURED GUARANTY® MUNICIPAL

OPTIONAL REDEMPTION

The 2016B Bonds due on or after December 1, 2030 and the 2016C Bonds due on or after December 1, 2027 are subject to redemption prior to maturity at the option of the Village, as a whole or in part, on any date on or after December 1, 2026, at the redemption price of par plus accrued interest to the redemption date, less than all of the 2016B Bonds and 2016C Bonds, respectively, of a single maturity to be selected by lot as the Bond Registrar determines. See "**THE BONDS – Optional Redemption**" herein.

THE VILLAGE HAS DESIGNATED THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without any notice, and to approval of legality by Ice Miller LLP, Bloomington, Illinois, Bond Counsel. Ice Miller LLP, Bloomington, Illinois will also act as Disclosure Counsel to the Village. Certain legal matters will be passed upon for the Village by its counsel, Masching Law Office, Dwight, Illinois. Certain legal matters will be passed upon for the Underwriter by its counsel Nixon Peabody LLP, Chicago, Illinois. It is anticipated that the Bonds in definitive form will be available for delivery to the Underwriter in Chicago, Illinois, on or about September 29, 2016.

BERNARDI SECURITIES INC
MUNICIPAL BOND SPECIALISTS

This Official Statement is dated September 13, 2016.

MATURITIES, INTEREST RATES, YIELDS, PRICES AND CUSIPS

$2,025,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2016A

Amount	December 1,	Interest Rate	Yield	Price	CUSIP[4]
$265,000	2017	2.000%	0.800%[1]	101.396%	267417DK6
280,000	2018	2.000%	1.100%[1]	101.925%	267417DL4
285,000	2019	2.000%	1.300%[1]	102.167%	267417DM2
290,000	2020	2.000%	1.500%[1]	102.014%	267417DN0
295,000	2021	2.000%	1.600%[1]	101.977%	267417DP5
300,000	2022	2.000%	1.800%[1]	101.162%	267417DQ3
310,000	2023	2.000%	2.000%	100.000%	267417DR1

$1,970,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B

Amount	December 1,	Interest Rate	Yield	Price	CUSIP[4]
$85,000	2017	2.000%	0.800%[1]	101.396%	267417DS9
100,000	2018	2.000%	1.100%[1]	101.925%	267417DT7

$305,000 1.600% Term Bonds Due December 1, 2021; Yield 1.600%; Price 100.000%; CUSIP[4] 267417DU4
$430,000 2.100% Term Bonds Due December 1, 2025; Yield 2.200%[2]; Price 99.172%; CUSIP[4] 267417DV2
$625,000 4.000% Term Bonds Due December 1, 2030; Yield 2.550%[1]; Price 112.917%[3]; CUSIP[4] 267417DW0
$425,000 3.000% Term Bonds Due December 1, 2033; Yield 3.000%; Price 100.000%; CUSIP[4] 267417DX8

$4,865,000 General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C

Amount	December 1,	Interest Rate	Yield	Price	CUSIP[4]
$340,000	2017	2.000%	0.800%[1]	101.396%	267417DY6
370,000	2018	2.000%	1.100%[1]	101.925%	267417DZ3
375,000	2019	2.000%	1.300%[1]	102.167%	267417EA7
385,000	2020	2.000%	1.500%[1]	102.014%	267417EB5
390,000	2021	2.000%	1.600%[1]	101.977%	267417EC3
400,000	2022	2.000%	1.800%[1]	101.162%	267417ED1
410,000	2023	2.000%	2.000%	100.000%	267417EE9
415,000	2024	2.100%	2.100%	100.000%	267417EF6
425,000	2025	2.200%	2.200%	100.000%	267417EG4
435,000	2026	4.000%	2.300%[1]	115.338%[3]	267417EH2
450,000	2027	4.000%	2.350%[1]	114.849%[3]	267417EJ8
470,000	2028	4.000%	2.450%[1]	113.878%[3]	267417EK5

(1) Premium bonds. See "TAX MATTERS" herein for more information.
(2) Discount bonds. See "TAX MATTERS" herein for more information.
(3) Priced to call.
(4) CUSIP numbers and certain related descriptive information are copyrighted by the American Bankers Association (ABA) and are used with permission from the CUSIP Service Bureau managed on behalf of the ABA by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

No dealer, broker, salesman or other person has been authorized by the Village or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Village and from other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date as of which information is given in this Official Statement.

The information contained in this Official Statement has been furnished by the Village and by DTC and other sources, which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of the Underwriter. The information and expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Village's beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAVE THE BOND ORDINANCES BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1940 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE CRIMINAL OFFENSE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SPECIFICALLY, THE UNDERWRITER MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAYBE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified to their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they will be furnished on request.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**" and "**APPENDIX D – Specimen Municipal Bond Insurance Policy**".

Village of Dwight

Livingston and Grundy Counties, Illinois

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Jared Anderson

Village Clerk
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Bond Counsel and Disclosure Counsel
Ice Miller LLP
Bloomington, Illinois

Underwriter's Counsel
Nixon Peabody LLP
Chicago, Illinois

Underwriter
Bernardi Securities, Inc.
Chicago, Illinois

2016A BOND ISSUE SUMMARY

This 2016A Bond Issue Summary is expressly qualified by the entire Official Statement which should be reviewed in its entirety by potential investors.

Issuer:	Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village")
Issue:	$2,025,000 General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2016A
Dated Date:	Date of Delivery.
Interest Due:	Interest on the 2016A Bonds is payable semiannually, each June 1 and December 1, commencing June 1, 2017.
Principal Due:	Each December 1, commencing December 1, 2017 through December 1, 2023.
Purpose:	The proceeds of the 2016A Bonds will be used (i) finance the acquisition, construction, installation and rehabilitation of various capital related projects, including, but not limited to, various capital improvements to the Village's Waterworks System (the "2016A Project") and (ii) to pay costs related to the issuance of the 2016A Bonds. See "**THE BONDS – Purpose**" herein.
Security:	The 2016A Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) net revenues (the "Net Revenues" or "2016A Pledged Revenues") of the Village's Waterworks System (the "System") (generally, Net Revenues are gross revenues minus operation and maintenance expenses of the System) and (ii) ad valorem taxes levied against all taxable property within the Village (the "Pledged Taxes") without limitation as to rate or amount, except that the rights of the owners of the 2016A Bonds and the enforceability of the 2016A Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016A Bonds through June 1, 2017. See "**THE BONDS – Security**" herein.
Investment Rating:	Standard & Poor's is expected to assign its credit rating of "AA" (stable outlook) to the 2016A Bonds, with the understanding that, upon delivery of the 2016A Bonds, a Municipal Bond Insurance Policy will be issued by AGM. The 2016A Bonds have an underlying credit rating of "A+" (stable outlook). See "**INVESTMENT RATING**" herein.
Insurance:	The scheduled payment of principal of and interest on the 2016A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2016A Bonds by AGM. See the heading "**BOND INSURANCE**" and **APPENDIX D** herein.
No Optional Redemption:	The 2016A Bonds are not subject to optional redemption prior to maturity.

Tax Exemption:	Ice Miller LLP will provide an opinion as to the legality of and tax exemption of the interest on the 2016A Bonds, as discussed under "**TAX MATTERS**" in this Official Statement. Interest on the 2016A Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Village intends to designate the 2016A Bonds as "qualified tax-exempt obligations". See "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" herein for a more complete discussion.
Paying Agent/Bond Registrar:	Amalgamated Bank of Chicago, Chicago, Illinois, will act as Paying Agent and Bond Registrar.
Underwriter:	Bernardi Securities, Inc., Chicago, Illinois.

2016B BOND ISSUE SUMMARY

This 2016B Bond Issue Summary is expressly qualified by the entire Official Statement which should be reviewed in its entirety by potential investors.

Issuer:	Village of Dwight, Livingston and Grundy Counties, Illinois
Issue:	$1,970,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B.
Dated Date:	Date of Delivery.
Interest Due:	Interest on the 2016B Bonds is payable semiannually, each June 1 and December 1, commencing June 1, 2017.
Principal Due:	As shown on the inside cover page.
Purpose:	The proceeds of the 2016B Bonds will be used (i) to finance various infrastructure improvements to the Village's Downtown TIF Area (the "2016B Project") and (ii) to pay costs related to the issuance of the 2016B Bonds. See "**THE BONDS – Purpose**" herein.
Security:	The 2016B Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) the distributive share of incremental taxes derived from the Downtown TIF Redevelopment Project Area (the "Incremental Taxes"), (ii) certain distributions to the Village by the State of Illinois (the "State") of Motor Fuel Taxes (the "Motor Fuel Taxes" and together with the Incremental Taxes, the "2016B Pledged Revenues") and (iii) Pledged Taxes without limitation as to rate or amount, except that the rights of the owners of the 2016B Bonds and the enforceability of the 2016B Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016B Bonds through June 1, 2017. See "**THE BONDS – Security**" herein.
Investment Rating:	Standard & Poor's is expected to assign its credit rating of "AA" (stable outlook) to the 2016B Bonds, with the understanding that, upon delivery of the 2016B Bonds, a Municipal Bond Insurance Policy will be issued by AGM. The 2016B Bonds have an underlying credit rating of "A+" (stable outlook). See "**INVESTMENT RATING**" herein.
Insurance:	The scheduled payment of principal of and interest on the 2016B Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2016B Bonds by AGM. See the heading "**BOND INSURANCE**" and **APPENDIX D** herein.
Optional Redemption:	The 2016B Bonds due on or after December 1, 2030 are subject to redemption prior to maturity at the option of the Village, as a whole or in part, on any date on or after December 1, 2026 at the redemption price of par plus accrued interest to the redemption date. See "**THE BONDS – Optional Redemption**" herein.

Tax Exemption: Ice Miller LLP will provide an opinion as to the legality of and tax exemption of the interest on the 2016B Bonds as discussed under "**TAX MATTERS**" in this Official Statement. Interest on the 2016B Bonds is not exempt from present State of Illinois income taxes.

Bank Qualification: The Village intends to designate the 2016B Bonds as "qualified tax-exempt obligations". See "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" herein for a more complete discussion.

Paying Agent/Bond Registrar: Amalgamated Bank of Chicago, Chicago, Illinois, will act as Paying Agent and Bond Registrar.

Underwriter: Bernardi Securities, Inc., Chicago, Illinois.

2016C BOND ISSUE SUMMARY

<u>This 2016C Bond Issue Summary is expressly qualified by the entire Official Statement which should be reviewed in its entirety by potential investors.</u>

Issuer: Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village").

Issue: $4,865,000 General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C.

Dated Date: Date of Delivery.

Interest Due: Interest on the 2016C Bonds is payable semiannually, each June 1 and December 1, commencing June 1, 2017.

Principal Due: Each December 1, commencing December 1, 2017 through December 1, 2028.

Purpose: The proceeds of the 2016C Bonds will be used (i) finance various infrastructure improvements within the Village (the "2016C Project") and (ii) to pay costs related to the issuance of the 2016C Bonds. See "**THE BONDS – Purpose**" herein.

Security: The 2016C Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) receipts of the Retailer's Occupation Taxes, Service Occupation Taxes, Use taxes and Service Use Taxes (collectively, including non-home rule infrastructure municipal retailers' occupation and service occupation taxes, the "Sales Taxes" or "2016C Pledged Revenues") and (ii) ad valorem taxes levied against all taxable property within the Village (the "Pledged Taxes") without limitation as to rate or amount, except that the rights of the owners of the 2016C Bonds and the enforceability of the 2016C Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016C Bonds through June 1, 2017. See "**THE BONDS – Security**" herein.

Investment Rating: Standard & Poor's is expected to assign its credit rating of "AA" (stable outlook) to the 2016C Bonds, with the understanding that, upon delivery of the 2016C Bonds, a Municipal Bond Insurance Policy will be issued by AGM. The 2016C Bonds have an underlying credit rating of "A+" (stable outlook). See "**INVESTMENT RATING**" herein.

Insurance: The scheduled payment of principal of and interest on the 2016C Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2016C Bonds by AGM. See the heading "**BOND INSURANCE**" and **APPENDIX D** herein.

Optional Redemption: The 2016C Bonds due on or after December 1, 2027 are subject to redemption prior to maturity at the option of the Village, as a whole or in part, on any date on or after December 1, 2026, at the redemption price of par plus accrued interest to the redemption date. See "**THE BONDS – Optional Redemption**" herein.

Tax Exemption: Ice Miller LLP will provide an opinion as to the legality of and tax exemption of the interest on the 2016C Bonds, as discussed under "**TAX MATTERS**" in this Official Statement. Interest on the 2016C Bonds is not exempt from present State of Illinois income taxes.

Bank Qualification: The Village intends to designate the 2016C Bonds as "qualified tax-exempt obligations". See "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" herein for a more complete discussion.

Paying Agent/Bond Registrar: Amalgamated Bank of Chicago, Chicago, Illinois, will act as Paying Agent and Bond Registrar.

Underwriter: Bernardi Securities, Inc., Chicago, Illinois.

Statement of Long-Term Bonded Indebtedness
(as of the Date of Delivery)

	Amount Applicable	Per Capita (2010 pop. 4,260)	Percent of EAV	Estimated True Value
Equalized Assessed Valuation, 2015	$58,990,560	$13,848	100.00%	33.33%
Estimated True Value, 2015	176,971,680	41,543	300.00%	100.00%
Direct General Obligation Bonded Debt	9,155,000	2,135	15.52%	5.17%
Plus: Other Debt	3,535,277	830	5.99%	2.00%
Total Debt	12,693,277	2,965	21.52%	7.17%
Less: Self-Supported Debt(1)	(12,693,277)	(2,965)	(21.52%)	(7.17%)
Total Direct Debt	-	-	-	-
Total Overlapping Bonded Debt	877,734	206	1.49%	0.50%
Total Direct & Overlapping Debt	877,734	206	1.49%	0.50%

(1) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds do not count against the Village's overall 8.625% of E.A.V. statutory debt limitation unless the Village fails to abate the property tax levies made for the payment therein.

Source: Livingston and Grundy Counties Clerks' Offices.

Table of Contents

OFFICIAL STATEMENT

VILLAGE OF DWIGHT
Livingston and Grundy Counties, Illinois

$2,025,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2016A
$1,970,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B
$4,865,000 General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is provided by the Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village") to furnish information in connection with its issuance of $2,025,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2016A (the "2016A Bonds"), $1,970,000 General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B (the "2016B Bonds"), and $4,865,000 General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C (the "2016C Bonds" and together with the 2016A Bonds and 2016B Bonds, the "Bonds").

Brief descriptions of the Bonds and the bond ordinances authorizing the 2016A Bonds, the 2016B Bonds, and the 2016C Bonds (each respectively, the "2016A Bond Ordinance," the "2016B Bond Ordinance," the 2016C Bond Ordinance," and together the "Bond Ordinances") are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive.

THE BONDS

Authority

The Bonds are being issued pursuant to applicable sections of (i) the Illinois Municipal Code (65 ILCS 5/1 et seq.), as supplemented and amended (the "Municipal Code"), and (ii) the Local Government Debt Reform Act of the State of Illinois (30 ILCS 350/1 et seq.), as supplemented and amended (the "Debt Reform Act") ((i) and (ii), collectively, the "Act") and the Bond Ordinances adopted by the Village on June 27, 2016. The Village passed the initial authorizing ordinances for the Bonds on May 9, 2016. Together with a notice of intent to issue the Bonds as alternate revenue bonds, the Village published the initial ordinance on May 18, 2016, in *The Paper*, a newspaper of general circulation within the corporate limits of the Village. The Village held its Bond Issue Notification Act Hearing on June 13, 2016, as required for the Bonds. The Village received no petition in connection with the issuance of the Bonds, a form of petition therefor being at all relevant times available in the office of the Village Clerk on and since May 9, 2016.

Purpose

2016A Bonds. The proceeds of the 2016A Bonds will be used (i) finance the acquisition, construction, installation and rehabilitation of various capital related projects, including, but not limited to, various capital improvements to the Village's Waterworks System (the "2016A Project") and (ii) to pay costs related to the issuance of the 2016A Bonds.

2016B Bonds. The proceeds of the 2016B Bonds will be used (i) to finance various infrastructure improvements to the Village's Downtown TIF Area (the "2016B Project") and (ii) to pay costs related to the issuance of the 2016B Bonds.

2016C Bonds. The proceeds of the 2016C Bonds will be used (i) finance various infrastructure improvements within the Village (the "2016C Project") and (ii) to pay costs related to the issuance of the 2016C Bonds.

Together, the 2016A Project, the 2016B Project and the 2016C Project are the "Projects." See "**THE BONDS – The Projects**" herein.

Security

2016A Bonds. The 2016A Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) net revenues (the "Net Revenues" or "2016A Pledged Revenues") of the Village's Waterworks System (the "System") (generally, Net Revenues are gross revenues minus operation and maintenance expenses of the System) and (ii) ad valorem taxes levied against all taxable property within the Village (the "Pledged Taxes") without limitation as to rate or amount, except that the rights of the owners of the 2016A Bonds and the enforceability of the 2016A Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016A Bonds through June 1, 2017.

2016B Bonds. The 2016B Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) the distributive share of incremental taxes derived from the Downtown TIF Redevelopment Project Area (the "Incremental Taxes"), (ii) certain distributions to the Village by the State of Illinois (the "State") of Motor Fuel Taxes (the "Motor Fuel Taxes" and together with the Incremental Taxes, the "2016B Pledged Revenues") and (iii) Pledged Taxes without limitation as to rate or amount, except that the rights of the owners of the 2016B Bonds and the enforceability of the 2016B Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016B Bonds through June 1, 2017.

2016C Bonds. The 2016C Bonds will constitute valid and legally binding general obligations of the Village and are payable from and to which are pledged (i) receipts of the Retailer's Occupation Taxes, Service Occupation Taxes, Use taxes and Service Use Taxes (collectively, including non-home rule infrastructure municipal retailers' occupation and service occupation taxes, the "Sales Taxes" or "2016C Pledged Revenues") and (ii) ad valorem taxes levied against all taxable property within the Village (the "Pledged Taxes") without limitation as to rate or amount, except that the rights of the owners of the 2016C Bonds and the enforceability of the 2016C Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable principals, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use cash on hand to cover debt service on the 2016C Bonds through June 1, 2017.

Together, 2016A Pledged Revenues, the 2016B Pledged Revenues and the 2016C Pledged Revenues are the "Pledged Revenues."

Description

Amalgamated Bank of Chicago, Chicago, Illinois, will act as the Paying Agent, and Registrar for the Bonds (the "Paying Agent" and "Bond Registrar"). The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such Bonds as they respectively become due at the designated payment office of the Paying Agent. The interest on the Bonds shall be payable by check or draft mailed by the Paying Agent to the registered owners at the addresses appearing on the registration books maintained by the Bond Registrar at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date (the "Record Date"). The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Interest on the Bonds shall be payable on each June 1 and December 1, commencing June 1, 2017.

Optional Redemption

The 2016B Bonds maturing on and after December 1, 2030 and the 2016C Bonds maturing on and after December 1, 2027 are subject to optional redemption prior to maturity in whole or in part in integral multiples of $5,000 in such amounts from such maturities as shall be specified by the Village (but in inverse order of maturity if there is no such specification) on any date on and after December 1, 2026 at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, less than all of the 2016B Bonds and 2016C Bonds, respectively, of a single maturity to be selected by lot as the Bond Registrar determines.

The 2016B Bonds and 2016C Bonds, as applicable, shall be redeemed only in the principal amount of $5,000 or any authorized integral multiple thereof. For purposes of any redemption of less than all of the outstanding 2016B Bonds and 2016C Bonds of a single maturity, the particular 2016B Bonds and 2016C Bonds or portions of 2016B Bonds and 2016C Bonds to be redeemed shall be selected at least thirty (30) days prior to the redemption date by the Bond Registrar from the outstanding 2016B Bonds and 2016C Bonds of the longest maturity or maturities by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of 2016B Bonds and 2016C Bonds or portions of 2016B Bonds and 2016C Bonds in principal amounts of $5,000 and integral multiples thereof.

Notice of Redemption

Notice of the call for any redemption identifying the 2016B Bonds and/or 2016C Bonds, or portions of the 2016B Bonds and/or 2016C Bonds, to be redeemed shall be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each 2016B Bond and 2016C Bond to be redeemed at the address shown on the registration books, provided, however, that failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a 2016B Bond and 2016C Bond, shall not affect the sufficiency of such notice with respect to other registered owners. Whenever any 2016B Bond and/or 2016C Bond is called for redemption and payment as provided in the applicable Bond Ordinance, all interest on such 2016B Bond and/or 2016C Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price specified.

Mandatory Redemption

The 2016B Bonds as detailed below are Term Bonds (the "Term Bonds") subject to redemption on December 1 of the following years and in the following principal amounts at 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date:

Term Bonds Due December 1, 2021

Year	Sinking Fund Requirement
2019	$100,000
2020	100,000
2021	105,000 (final maturity)

Term Bonds Due December 1, 2025

Year	Sinking Fund Requirement
2022	$105,000
2023	105,000
2024	110,000
2025	110,000 (final maturity)

Term Bonds Due December 1, 2030

Year	Sinking Fund Requirement
2026	$115,000
2027	120,000
2028	125,000
2029	130,000
2030	135,000 (final maturity)

Term Bonds Due December 1, 2033

Year	Sinking Fund Requirement
2031	$140,000
2032	140,000
2033	145,000 (final maturity)

Mandatory Redemption Procedure

At its option before the 45th day (or such lesser time acceptable to the Bond Registrar) next preceding any mandatory sinking fund redemption date in connection with Term Bonds, the Village, by furnishing the Bond Registrar and the Paying Agent with an appropriate certificate of direction and authorization executed by the Village, may: (i) deliver to the Bond Registrar for cancellation Term Bonds in any authorized aggregate principal amount desired; or (ii) furnish the Paying Agent funds for the purpose of purchasing any such Term Bonds as arranged by the Village; or (iii) receive a credit (not previously given) with respect to the mandatory sinking fund redemption obligation for such Term Bonds which prior to such date have been redeemed and canceled. Each such Bond so delivered, previously purchased or redeemed shall be credited at 100% of the principal amount thereof, and any excess shall be credited with regard to future mandatory sinking fund redemption obligations for such Term Bond in chronological order, and the principal amount of, Bonds to be so redeemed as provided shall be accordingly reduced. In the event Bonds being so redeemed are in a denomination greater than $5,000, a portion of such Bonds may be so redeemed, but such portion shall be in a principal amount of $5,000 or any authorized integral multiple thereof.

Alternate Bonds

The Bonds are Alternate Bonds under the Debt Reform Act, anticipated to be payable from Pledged Revenues. Under and pursuant to Section 15 of the Debt Reform Act, the full faith and credit of the Village are irrevocably pledged to the punctual payment of the principal of, premium, if any, and interest on such Bonds; and such Bonds shall be direct and general obligations of the Village; and the Village shall be obligated to levy ad valorem taxes upon all the taxable property within the Village's corporate limits, for the payment of the Bonds and the interest thereon, without limitation as to rate or amount (such ad valorem taxes being the "**Pledged Taxes**"), as provided in the Bond Ordinances.

The applicable Pledged Revenues for the Bonds are determined by the Village to be sufficient to provide for or pay in each year to final maturity of the Bonds, as applicable, the following: **(1)** operation and maintenance expenses of the System as the enterprise, but not including depreciation (with (1) only applicable for the 2016A Bonds), **(2)** the debt service on all outstanding revenue bonds payable from Pledged Revenues, **(3)** all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds, **(4)** other contractual or tort liability obligations, if any, payable from such Pledged Revenues, and **(5)** in each year, an amount not less than 1.25 times debt service of all **(i)** Alternate Bonds payable from the Pledged Revenues previously issued and outstanding, and **(ii)** Alternate Bonds payable from such Pledged Revenues proposed to be issued, including the Bonds. To the extent payable from one or more revenue sources, the Pledged Revenues are determined by the Village to provide in each year an amount not less than 1.25 times debt service (as defined in Section 3 of the Debt Reform Act) of Alternate Bonds payable from such revenue sources previously issued and outstanding and Alternate Bonds proposed to be issued. Such conditions enumerated need not be met for that amount of debt service (as defined in Section 3 of the Debt Reform Act) provided for by the setting aside of proceeds of bonds or other moneys at the time of the delivery of such bonds. The applicable Pledged Revenues are determined by the Village to provide in each year operation and maintenance expenses applicable to the System, all amounts required to meet any fund or account requirements with respect to the Bond Ordinances, any other contractual or tort liability obligations, if any, payable from Pledged Revenues, and an amount not less than 1.25 times debt service (as defined in Section 3 of the Debt Reform Act) of all of the outstanding bonds, payable from such Pledged Revenues. See "**ESTIMATED DEBT SERVICE COVERAGE**" herein.

The determination of the sufficiency of the Pledged Revenues for the Bonds is expected to be supported by reference to the most recent audit of the Village, which was for a Fiscal Year ending not earlier than 18 months previous to the time of issuance of the Bonds. If such Pledged Revenues are shown to be insufficient, the determination of sufficiency, if applicable law so requires, and not otherwise, are to be supported by the "report" of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters and not otherwise associated with the Project, demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means Pledged Revenues are to be greater than as shown in the audit. Whenever the sufficiency of Pledged Revenues is demonstrated by reference to higher rates or charges and fees for enterprise revenues such higher rates or charges and fees with respect to the use of the services of the System are to be properly imposed by an ordinance adopted prior to the time of delivery of any Bonds.

Flow of Funds

2016A Bonds

Waterworks Fund. Upon the issuance of any of the 2016A Bonds the System shall continue to be operated on a fiscal year basis commencing on the first day of April and ending the last day of March of each calendar year. All of the revenues from any source whatsoever derived from the operation of the System shall continue to be set aside as collected and be deposited in a separate fund and in accounts in a bank to be designated or continued under another ordinance, as the case may be, by the Village is continued and as stated in the 2016A Bond Ordinance, designed as the "Waterworks Fund" for the sole purpose of carrying out the covenants, terms, and conditions of the 2016A Bond Ordinance, and shall be used only in paying operation and maintenance costs, providing an adequate depreciation fund, paying the principal of and interest on all bonds of the Village which by their terms are payable from the revenues derived from the System, and providing for the establishment of and expenditure from the respective accounts as described in the 2016A Bond Ordinance.

There shall be and there is thereby continued a separate account in the Waterworks Fund to be known as the "Operation and Maintenance Account," the "Bond and Interest Account," the "Sinking Fund Account", the "Depreciation Account," and the "Surplus Account," to which there shall be credited on or before the first day of each month by the financial officer of the Village, without any further official action or direction, in the order in which said account is mentioned in the 2016A Bond Ordinance, all moneys held in the Waterworks Fund, in accordance with the following provisions:

(a) *Operation and Maintenance Account*: There shall be credited to the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in said Account, to establish a balance to an amount not less than the amount necessary to pay operation and maintenance costs for the then current month. Amounts in said Account shall be used to pay operation and maintenance costs.

(b) *Bond and Interest Account*: There next shall be credited to the Bond and Interest Account and held, in cash and investments, a fractional amount of the interest becoming due on the next succeeding interest payment date on all 2016A Bonds and also a fractional amount of the principal becoming due on the next succeeding principal maturity date of all of the 2016A Bonds until there shall have been accumulated and held, in cash and investments, in the Bond and Interest Account on or before the month preceding such payment date of interest or maturity date of principal, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be set aside each month in the Bond and Interest Account, the fraction shall be so computed that a sufficient amount will be set aside in said Account and will be available for the prompt payment of such principal of and interest on all 2016A Bonds and shall be not less than one-sixth (1/6) of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth (1/12) of the principal becoming due on the next succeeding principal payment date on all 2016A Bonds until there is sufficient money in said Account to pay such principal or interest, or both.

Credits to the Bond and Interest Account may be suspended in any fiscal year at such time as there shall be a sufficient sum, held in cash and investments, in said Account to meet principal and interest requirements in said Account for the balance of such fiscal year, but such credits shall again be resumed at the beginning of the next fiscal year. All moneys in said Account shall be used only for the purpose of paying interest on and principal of 2016A Bonds.

2016B Bonds

Pursuant to the 2016B Bond Ordinance, the Village will establish a special fund of the Village known as the "Alternate Bond and Interest Fund of 2016B" (the "2016B Bond Fund"). The 2016B Bond Fund is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the 2016B Bond Ordinance. The 2016B Bonds are secured by a pledge of all of the moneys on deposit in the 2016B Bond Fund, and such pledge is irrevocable until the 2016B Bonds have been paid in full or until the obligations of the Village under the 2016B Bond Ordinance are discharged.

For the purpose of providing funds to pay the principal of and interest on the 2016B Bonds, the Village covenants and agrees with the purchasers and the owners of the 2016B Bonds that so long as any 2016B Bonds are outstanding and unpaid, either as to principal or interest, the Village will deposit the 2016B Pledged Revenues and the Pledged Taxes into the 2016B Bond Fund in the manner set forth in the 2016B Bond Ordinance. All payments with respect to the 2016B Bonds shall be made directly from the 2016B Bond Fund. There are created two accounts in the 2016B Bond Fund, designated as the 2016B Pledged Revenues Account and as the Pledged Taxes Account. All applicable Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the 2016B Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the 2016B Pledged Revenues Account. On or before each payment date on the 2016B Bonds, the Village shall deposit into the 2016B Pledged Revenues Account the 2016B Pledged Revenues as provided pursuant to the applicable Bond Order. The 2016B Pledged Revenues Account is to be held by the Village. Deposits of 2016B Pledged Revenues into the 2016B Pledged Revenues Account shall be made on parity with deposits into the bond fund established for the bonds issued on parity with the 2016B Bonds as it relates to the 2016B Pledged Revenues (the "Incremental Taxes Parity Bonds"). See "**ESTIMATED DEBT SERVICE COVERAGE**" herein.

The Village reserves the right to issue additional bonds from time to time payable from the 2016B Pledged Revenues, and any such additional bonds will share ratably and equally in the 2016B Pledged Revenues with the 2016B Bonds and the Incremental Taxes Parity Bonds; *provided, however,* that no additional bonds will be issued except in accordance with the provisions of the Debt Reform Act.

<u>2016C Bonds</u>

Pursuant to the 2016C Bond Ordinance, the Village will establish a special fund of the Village known as the "Alternate Bond and Interest Fund of 2016C" (the "2016C Bond Fund"). The 2016C Bond Fund is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the 2016C Bond Ordinance. The 2016C Bonds are secured by a pledge of all of the moneys on deposit in the 2016C Bond Fund, and such pledge is irrevocable until the 2016C Bonds have been paid in full or until the obligations of the Village under the 2016C Bond Ordinance are discharged.

For the purpose of providing funds to pay the principal of and interest on the 2016C Bonds, the Village covenants and agrees with the purchasers and the owners of the 2016C Bonds that so long as any 2016C Bonds are outstanding and unpaid, either as to principal or interest, the Village will deposit the 2016C Pledged Revenues and the Pledged Taxes into the 2016C Bond Fund in the manner set forth in the 2016C Bond Ordinance. All payments with respect to the 2016C Bonds shall be made directly from the 2016C Bond Fund. There are created two accounts in the 2016C Bond Fund, designated as the 2016C Pledged Revenues Account and as the Pledged Taxes Account. All applicable Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the 2016C Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the 2016C Pledged Revenues Account. On or before each payment date on the 2016C Bonds, the Village shall deposit into the 2016C Pledged Revenues Account the 2016C Pledged Revenues as provided pursuant to the applicable Bond Order. The 2016C Pledged Revenues Account is to be held by the Village. Deposits of 2016C Pledged Revenues into the 2016C Pledged Revenues Account shall be made on parity with deposits into the bond fund established for the bonds issued on parity with the 2016C Bonds as it relates to the 2016C Pledged Revenues (the "Sales Taxes Parity Bonds"). See "**ESTIMATED DEBT SERVICE COVERAGE**" herein.

The Village reserves the right to issue additional bonds from time to time payable from the 2016C Pledged Revenues, and any such additional bonds will share ratably and equally in the 2016C Pledged Revenues with the 2016C Bonds and the Sales Taxes Parity Bonds; *provided, however*, that no additional bonds will be issued except in accordance with the provisions of the Debt Reform Act.

Abatement of Pledged Taxes

Upon the annual deposit of sufficient Pledged Revenues into each applicable Bond Fund to pay debt service on the Bonds when due, the Village will direct the abatement of the Pledged Taxes by such amount by giving proper notification of such abatement to the County Clerk. The Village has covenanted in the Bond Ordinances not to file any abatement of Pledged Taxes with the County Clerk unless funds are then on deposit in each applicable Bond Fund in an aggregate amount equal to or greater than the amount of the abatement that is being made.

If for any reason there is a failure to pay debt service after such abatement, then an additional amount, together with additional interest accruing, shall be added to the tax levy in the year of, or the next year following, such failure.

Additional Bonds

The Village may issue additional bonds from time to time payable from the Pledged Revenues. Under the Act and Bond Ordinances, the Village must demonstrate that applicable Pledged Revenues are sufficient in each year to provide debt service on all outstanding bonds payable from applicable Pledged Revenues computed immediately after the issuance of any proposed parity bonds, and an additional amount not less than 0.25 times debt service on such Bonds as shall be then outstanding after the issuance of the proposed parity bonds.

The determination of the sufficiency of Pledged Revenues shall be supported by reference to the most recent audit of the Village which shall be for a fiscal year ending not earlier than 18 months previous to the time of the proposed issuance of the parity bonds. If such audit shows that Pledged Revenues are insufficient, then the determination of the sufficiency of the Pledged Revenues may be supported by the report of an independent accountant or feasibility analyst, the later with national reputation for expertise in such matters and not otherwise associated with the applicable Project, that demonstrates the sufficiency of Pledged Revenues and explains by what means they will be greater than what is shown in the audit.

General Covenants

The Village covenants and agrees with the registered owners of the Bonds, so long as there are any outstanding Bonds, as follows:

(a) The Village will take all action necessary to impose, levy, collect and apply applicable Pledged Revenues and Pledged Taxes in the manner contemplated by the Bond Ordinances and such Pledged Revenues shall not be less than as shall be required under Section 15 of the Local Government Debt Reform Act to maintain the Bonds as Alternate Bonds according to their respective terms.

(b) In connection with Alternate Bonds, the Village covenants that it will, while any of the applicable Bonds shall remain outstanding, charge rates and fees (including for usage of the System) which, together with any other Pledged Revenues applicable to the Bonds, are sufficient to provide for or pay each of the following in any given year: (1) operation and maintenance expenses of the System (but not including depreciation); (2) debt service on all outstanding revenue bonds payable from the Pledged Revenues; (3) all amounts required to meet any fund or account requirements with respect to the Bonds or any other obligations payable from Pledged Revenues; (4) any other contractual or tort liability obligations, if any, payable from Pledged Revenues; and (5) in each year, an amount not less than 1.25 times the debt service for all (i) Alternate Bonds payable from Pledged Revenues, and the Bonds outstanding; and (ii) Alternate Bonds proposed to be issued and payable from the Pledged Revenues.

(c) Whenever each 125% coverage requirement is not effected or any Alternate Bonds under the Bond Ordinances at any time fail to qualify as Alternate Bonds not subject to any applicable debt limit under Section 15 of the Debt Reform Act or taxes are levied and extended and collected as described in the Bond Ordinances, the Village covenants to promptly have prepared a financial analysis of the Pledged Revenues by an independent consulting accountant or other qualified professional employed for that purpose, and further, to send a copy of such analysis, when completed, to the Underwriter of the Bonds along with a letter indicating what action the Village has taken responsive to such study and to comply with Section 15 of the Debt Reform Act.

(d) The Village will make and keep proper books and accounts (separate and apart from all other records and accounts of the Village), in which complete entries shall be made of all transactions relating to Pledged Taxes, Pledged Revenues and the operations of the System, and hereby covenants that within 180 days following the close of each Fiscal Year, it will cause the books and accounts related to the Pledged Revenues and the System and the Pledged Taxes, to be audited by independent certified public accountants. Such audit will be available for inspection by the owners of any of the Bonds. Supplemental to the Undertaking (as defined herein), upon request, the Village will send to the Underwriter a copy of such audit and of its general audit in each year. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall, without limiting the generality of the foregoing, include the following:

(i) A balance sheet as of the end of such fiscal year, including a statement of the amount held in each of the funds and accounts under the Bond Ordinances.

(ii) A list of all insurance policies in force at the end of the fiscal year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy.

(iii) The amount and details of all outstanding bonds.

(iv) The accountant's comments regarding the manner in which the Village has carried out the accounting requirements of the Bond Ordinances (including as to the Alternate Bond status of the Bonds) and has complied with Section 15 of the Debt Reform Act, and the accountants recommendations for any changes.

It is further covenanted and agreed that a copy of each such audit upon request shall be furnished upon completion to the Underwriter.

(e) The Village will keep its books and accounts in accordance with generally accepted fund reporting practices for local government entities and enterprise funds; provided, however, that the monthly credits to each applicable Bond Fund shall be in cash, and such funds shall be held separate and apart in cash and investments. For the purpose of determining whether sufficient cash and investments are on deposit in the accounts and subaccounts under the terms and requirements of the Bond Ordinances, investments shall be valued at the lower of the cost or market price on the valuation date thereof, which valuation date shall be not less frequently than annually.

(f) The Village will take no action in relation to the Pledged Revenues or the Pledged Taxes which would unfavorably affect the security of any of the outstanding Bonds or the prompt payment of the principal and interest thereon or qualification of any Bonds as Alternate Bonds.

(g) The owner of any Bond may proceed by civil action to compel performance of all duties required by law and the Bond Ordinances.

(h) The Village will adopt a budget and/or approve appropriations for the System prior to the beginning of each fiscal year (or in the next quarter if applicable law permits), subject to all applicable state laws, providing for payment of all sums to be due in the fiscal year or bond year so as to comply with the terms of the Bond Ordinances. The budget may include in its estimate of income the use of available surplus moneys or other funds of the Village appropriated for such purposes. If during the fiscal year there are extraordinary receipts or payments of unusual cost, the Village will adopt an amended budget for the remainder of the fiscal year, providing for receipts or payments pursuant to the Bond Ordinances.

(i) The Village will comply with the special covenants concerning Alternate Bonds as required by Section 15 of the Debt Reform Act and the Bond Ordinances.

(j) The Village will not sell, lease, loan, mortgage or in any manner dispose of or encumber the System (subject to the right of the Village to issue additional bonds as provided in the Bond Ordinances, to issue obligations subordinate to the applicable outstanding bonds, and to dispose of real or personal property which is no longer useful or necessary to the operation of the System or to the function of the 2016A Project), and the Village will take no action in relation to the System or the Projects which would unfavorably affect the security of any of the applicable outstanding bonds or the prompt payment of the principal and interest thereon.

(k) The Village will pay, or cause to be paid, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed, imposed or levied against the System or the Village.

(l) The Village will carry insurance on the Projects of the kinds and in the amounts which are usually carried by private parties operating similar properties, covering such risks as shall be recommended by a competent consulting engineer or insurance consultant employed by the Village for the purpose of making such recommendations. All moneys received for loss under such insurance policies shall be deposited in a segregated insurance account and used in making good the loss or damage in respect of which they were paid, either by repairing the property damaged or making replacement of the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from the date of the loss. The payment of premiums for all insurance policies required under the provisions of this covenant in connection with the facilities related to the Bonds shall be considered an operation and maintenance expense for the System. The proceeds derived from any and all policies for workers compensation or public liability shall be paid into a segregated account and used in paying the claims on account of which they were received.

(m) After their issuance, to the extent lawful each issue of the Bonds shall be incontestable by the Village.

Treatment of Bonds as Debt

The Bonds are general obligations of the Village, but the Bonds do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation provided that the levy for debt service on the Bonds is abated annually and not extended. If the levy is extended and Pledged Taxes are received for payment of the Bonds, the amount of Bonds then outstanding will be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that debt service on the Bonds has been paid from the Pledged Revenues for a complete fiscal year.

The Projects

2016A Project: Portions of the proceeds of the 2016A Bonds will be used to finance the acquisition, construction, installation and rehabilitation of various capital related projects, including, but not limited to, various capital improvements to the Waterworks System (the "System"). The Village expects to complete the 2016A project by the end of calendar year 2017.

2016B Project: Portions of the proceeds of the 2016B Bonds will be used to finance the acquisition, construction, installation and rehabilitation of various capital related projects, including, but not limited to, certain infrastructure and road improvements within the Downtown TIF Redevelopment Project Area, including, in connection with said work, acquisition of all land or rights in land, mechanical, electrical, and other services necessary, useful, or advisable thereto. The Village expects to complete the 2016B project by the end of calendar year 2017.

2016C Project: Portions of the proceeds of the 2016C Bonds will be used to finance the acquisition, construction, installation and rehabilitation of various capital related projects, including, but not limited to, certain infrastructure and road improvements within the Village, including, in connection with said work, acquisition of all land or rights in land, mechanical, electrical, and other services necessary, useful, or advisable thereto. The Village expects to complete the 2016C project by the end of calendar year 2018.

CERTAIN RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchaser the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Alternate Revenue Bonds

The ability of the Village to pay debt service on the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the Village. In addition, there is no guarantee that the Village will continue to receive sufficient revenues from the receipt of the Pledged Revenues for the payment of principal of and interest on the Bonds. See "**ESTIMATED DEBT SERVICE COVERAGE**" herein.

Notwithstanding the forgoing, the Bonds are secured by the Village's Pledged Taxes. In the event the Pledged Revenues for the Bonds are insufficient to make payments on the Bonds, or abate the Pledged Taxes, the Village would be obligated to make such payment from any legally available funds of the Village or from the levies of Pledged Taxes as described in the Bond Ordinances. To the extent that timely deposits of Pledged Revenues may be insufficient or not timely received to abate Pledged Taxes to pay the Bonds, such Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are extended to pay such Bonds, the amount of such Bonds then outstanding will be included in the computation of indebtedness for the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that the required 1.25 debt service coverage on such Bonds was available from the Pledged Revenues for a complete fiscal year.

The Village, in the Bond Ordinances, covenant and agree with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy, have extended, receive and apply the Pledged Taxes or to collect and segregate the Pledged Revenues unless and to the extent there then shall be moneys irrevocably on deposit therefor in the applicable Debt Service Account established under the Bond Ordinances to abate such Pledged Taxes. The Village and its officers agree to comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that to the extent required, and the Pledged Taxes will be extended, collected and applied, as provided in the Bond Ordinances.

Local Economy

The financial health of the Village is in part dependent on the strength of the regional and state economy. Many factors affect the economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Finances of the State of Illinois

The State of Illinois (the “State”) has experienced adverse economic conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. In addition, the underfunding of the State’s pension systems has contributed to the State’s poor financial health. As of the date of this Official Statement there is no budget in place for the State. Certain appropriations, however, were enacted and certain spending is occurring through statutory transfers, statutory continuing appropriations, court orders and consent decrees. Budget problems of the State may result in decreased or delayed distributions of certain revenues received by the Village (i.e., Motor Fuel Taxes and Sales Taxes). If the Village does not timely receive their respective portion of Motor Fuel Taxes and/or Sales Taxes, for the current fiscal year, it may result in a breakeven or negative general fund balance.

Loss or Change of Bond Rating

The Bonds have received a credit rating from Standard & Poor’s Ratings Group, New York, New York (“S&P”). The rating can be changed or withdrawn at any time for reasons both under and outside the Village’s control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the Village to comply with the Undertaking for continuing disclosure (see “**CONTINUING DISCLOSURE**” herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Village, or the taxing authority of the Village. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax-exemption

As discussed under "**TAX MATTERS**" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Village in violation of its covenants in the Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Village's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Village.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for Federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Village could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds and the Bond Ordinances will be similarly qualified.

SOURCES AND USES OF FUNDS

2016A Bonds

Sources of Funds	
Par Amount of 2016A Bonds	$2,025,000.00
Reoffering Premium	30,424.10
Total Sources	$2,055,424.10
Uses of Funds	
Deposit to 2016A Project Fund	$2,002,536.88
Costs of Issuance (including Underwriter's discount and bond insurance premium)	52,887.22
Total Uses	$2,055,424.10

2016B Bonds

Sources of Funds	
Par Amount of 2016B Bonds	$1,970,000.00
Net Reoffering Premium	80,282.45
Total Sources	$2,050,282.45
Uses of Funds	
Deposit to 2016B Project Fund	$1,997,544.51
Costs of Issuance (including Underwriter's discount and bond insurance premium)	52,737.94
Total Uses	$2,050,282.45

2016C Bonds

Sources of Funds	
Par Amount of 2016C Bonds	$4,865,000.00
Reoffering Premium	238,874.75
Total Sources	$5,103,874.75
Uses of Funds	
Deposit to 2016C Project Fund	$5,000,098.53
Costs of Issuance (including Underwriter's discount and bond insurance premium)	103,776.22
Total Uses	$5,103,874.75

REGISTRATION, TRANSFER AND EXCHANGE

See also **Appendix A, "BOOK-ENTRY FORM"** for information on registration, transfer and exchange of book-entry Bonds.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the designated corporate trust office of the Bond Registrar. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

For provisions applicable to the Bonds while they are in the Book-Entry System, see APPENDIX A**.** Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinances.

Upon surrender for transfer of any Bond at the designated corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same series and maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the fifteenth (15th) day of the calendar month next preceding any interest payment date on such Bond and ending on such interest payment date, nor, as applicable, to transfer or exchange any Bond after notice calling any Bonds for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment and redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or such registered owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption.

THE VILLAGE

General

The Village is located in central Illinois, approximately 75 miles southwest of Chicago. The Village is located in Livingston and Grundy Counties and was incorporated in 1874. The Village maintains five parks for the residents use and most households are within walking distance of at least one facility. The largest park has picnic areas, shelter, playground equipment, an Olympic-size swimming pool, baseball diamonds, and tennis and volleyball courts.

Government

The Village is governed by a President and Board of Trustees. The Village President is elected on an at large basis and serves a term of four years. The remainder of the Village Board consists of six Trustees all of whom are elected on an at-large basis and serve overlapping four year terms.

Education

Dwight School District Number 232 serves the residents of the Village for grades PK-8 along with Dwight Township High School District Number 230 for high school grades.

Transportation

The Village's transportation needs are served by Interstate 55 on the Village's west border, which is intersected by Illinois Routes 17 and 47. Amtrak provides daily rail service to Chicago and St. Louis. There is also a privately owned airport with a hard-surface runway located northwest of the Village.

SOCIO-ECONOMIC INFORMATION

Population Trend

	1990	2000	2010
Village of Dwight	4,230	4,384	4,260
Livingston County	39,301	39,678	38,950
Grundy County	32,337	37,535	50,063
State of Illinois	11,430,602	12,419,293	12,830,632

Median Home Value

	1990	2000	Est. 2014
Village of Dwight	$57,700	$94,100	$123,900
Livingston County	46,700	79,700	109,200
Grundy County	71,600	128,600	178,800
State of Illinois	80,900	130,800	175,700

Median Family Income

	1990	2000	Est. 2014
Village of Dwight	$37,248	$44,813	$64,948
Livingston County	34,927	47,958	66,079
Grundy County	41,553	60,862	79,538
State of Illinois	38,664	55,545	70,967

Source: U.S. Census Bureau.

Average Unemployment Rates

Year	State of Illinois	Livingston County	Grundy County
2009	10.2%	10.3%	12.2%
2010	10.4	9.9	13.2
2011	9.7	8.4	12.7
2012	9.0	7.7	11.4
2013	9.1	8.1	11.6
2014	7.1	6.3	8.7
2015	5.9	5.5	6.8
2016*	5.6	5.2	6.2

*As of July, 2016.
Source: Illinois Department of Employment Security.

Large Area Employers

Employer	Approximate Number of Employees
Riverside Healthcare	2,200
Provena St. Mary's Hospital	900
R.R. Donnelley	550
Webber, Inc., A.N.	300
BASF Corp.	220
Armstrong World Industries, Inc.	200
The Valspar Corp.	170
Kankakee Valley Construction Co.	150
Midwest Transit Equipment, Inc.	150
ALDI Distribution Center	100+
ITW Plastic Packaging	100
United Parcel Service, Inc.	100

Source: 2015 Illinois Manufacturers Directory and 2015 Illinois Services Directory for the Village and nearby City of Kankakee and a phone survey.

TAX INCREMENT FINANCE REDEVELOPMENT PROJECT AREA

Tax Increment Financing ("TIF") provides a means for municipalities, after the approval of a "Redevelopment Plan" and "Redevelopment Project", designation of a "Redevelopment Project Area" and adoption of "TIF" to redevelop blighted and conservation areas by pledging the anticipated increase in tax revenues generated by increases in equalized assessed value, generally from private development and redevelopment to pay for redevelopment project costs incurred to stimulate private investment in the Redevelopment Project Area. Tax increment financing is authorized in Illinois by the Tax Increment Allocation Redevelopment Act (65 ILCS 11- 74.4-1 et seq.), as amended (the "TIF Act").

Downtown/IL 47 TIF District

On April 3, 2009, the Village Board passed Ordinance #1264 establishing a tax increment financing district. The goal of the TIF Act 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 Downtown/IL 47 TIF District as restructured is mainly made up of retail establishments and commercial space.

Downtown/IL 47 TIF District
EAV

Tax Year	Base Value EAV(1)	Incremental EAV	Total EAV	% Change
2009	$3,710,325	$189,509	$3,899,834	5.11
2010	3,710,325	59,285	3,769,610	(3.34)
2011	3,710,325	310,041	4,020,366	6.65
2012	3,710,325	906,908	4,617,233	14.85
2013	3,710,325	1,295,863	5,006,188	8.42
2014	3,710,325	1,124,582	4,834,907	(3.42)
2015	3,710,325	1,145,740	4,856,065	0.44

(1) 2008 Base Year EAV.

Source: Livingston and Grundy Counties Clerks' Offices.

It is expected that the Incremental Taxes pledged to pay debt service on the 2016B Bonds will not be sufficient to show 1.25x debt service coverage on the 2016B Bonds at the time of issuance. Therefore, additional pledge of Motor Fuel Taxes is covenanted for the 2016B Bonds. Below are the historical Incremental Taxes from the Downtown/IL 47 TIF District:

Downtown/IL 47 TIF District
Tax Increment

Tax Year	Incremental Tax Revenue
2010	$23,996
2011	27,094
2012	124,000
2013	122,676
2014	119,455

Source: Livingston County Clerk's Office and the Village.

SALES TAXES DATA

Sales Taxes were approximately 23.17% of General Fund revenues in fiscal year ending March 31, 2016. Following is a summary of the Village's Sales Taxes as collected and disbursed by the State for the last five fiscal years:

Fiscal Year	Sales Taxes(1)	Growth (%)
2012	$735,377	-
2013	748,279	1.75
2014	705,771	(5.68)
2015	728,136	3.17
2016	698,912	(4.01)

(1) Sales Taxes comprised of $604,162 in state sales tax receipts and $94,750 in local use tax receipts, as reflected in the Village's Audited Financial Statements for fiscal year ending March 31, 2016. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.

Source: The Village.

MOTOR FUEL TAXES DATA

Following is a summary of the Village's Motor Fuel Taxes as collected and disbursed by the State for the last five fiscal years:

Fiscal Year	Motor Taxes	Growth (%)
2012	$107,061	-
2013	102,321	(4.43)
2014	106,446	4.03
2015	143,116	34.45
2016	105,056	(26.59)

Source: The Village

DEBT INFORMATION

Legal Debt Margin
(as of the Date of Delivery)

2015 Equalized Assessed Valuation ("EAV")	$58,990,560
Statutory Debt Limit (8.625% of EAV)	5,087,935
General Obligation Debt Applicable to Limitation:	
2016A Bonds(1)	2,025,000
2016B Bonds(1)	1,970,000
2016C Bonds(1)	4,865,000
General Obligation Waterworks Refunding Bonds (ARS), Series 2010(1)	295,000
Total General Bonded Obligation Debt	9,155,000
Other Debt:	
IEPA Loans(1)	3,538,277
Total Other Debt	3,538,277
Total Direct Debt	12,693,277
Less Self-Supporting Debt(1)	(12,693,277)
Total Direct Debt Applicable to Limitation	-
Available Legal Debt Margin	$5,087,935

(1) Pursuant to the provisions of the Debt Reform Act, self-supporting debt, such as the Bonds, do not count against the Village's overall 8.625% of E.A.V. statutory debt limitation unless the Village fails to abate the property tax levies made for the payment therein.

Detailed Overlapping Bonded Debt
(as of June 15, 2016)

		Applicable to Village	
Taxing Body	Outstanding Debt	Percent	Amount
Grundy County(1)	$ -	0.43%	$ -
Dwight Common SD #232	1,000,000	53.22%	532,200
Dwight THSD #230(2)	195,000	42.65%	83,168
Joliet CCD #525(3)	79,505,000	0.33%	262,367
Total			$877,734

(1) Excludes $3,639,153 of self-insurance bonds and $10,510,000 of public building commission bonds.
(2) Excludes $985,000 of alternate revenue source bonds.
(3) Excludes $131,475,000 of alternate revenue source bonds.

Source: Livingston and Grundy Counties Clerks' Offices.

Statement of Long-Term Bonded Indebtedness
(as of the Date of Delivery)

	Amount Applicable	Per Capita (2010 pop. 4,260)	Percent of EAV	Estimated True Value
Equalized Assessed Valuation, 2015	$58,990,560	$13,848	100.00%	33.33%
Estimated True Value, 2015	176,971,680	41,543	300.00%	100.00%
Direct General Obligation Bonded Debt	9,155,000	2,135	15.52%	5.17%
Plus: Other Debt	3,535,277	830	5.99%	2.00%
Total Debt	12,693,277	2,965	21.52%	7.17%
Less: Self-Supported Debt[1]	(12,693,277)	(2,965)	(21.52%)	(7.17%)
Total Direct Debt	-	-	-	-
Total Overlapping Bonded Debt	877,734	206	1.49%	0.50%
Total Direct & Overlapping Debt	877,734	206	1.49%	0.50%

(1) Pursuant to the provisions of the Debt Reform Act, self-supporting bonds do not count against the Village's overall 8.625% of E.A.V. statutory debt limitation unless the Village fails to abate the property tax levies made for the payment therein.

Source: Livingston and Grundy Counties Clerks' Offices.

Schedule of Outstanding Debt
(as of the Date of Delivery)

Fiscal Year Ending 3/31	2010 Bonds Principal	2016A Bonds Principal	2016B Bonds Principal	2016C Bonds Principal	Total Principal	Principal Outstanding	% Paid
2017	$295,000	$ -	$ -	$ -	$295,000	$8,860,000	3.22%
2018	-	265,000	85,000	340,000	690,000	8,170,000	10.76%
2019	-	280,000	100,000	370,000	750,000	7,420,000	18.95%
2020	-	285,000	100,000	375,000	760,000	6,660,000	27.25%
2021	-	290,000	100,000	385,000	775,000	5,885,000	35.72%
2022	-	295,000	105,000	390,000	790,000	5,095,000	44.35%
2023	-	300,000	105,000	400,000	805,000	4,290,000	53.14%
2024	-	310,000	105,000	410,000	825,000	3,465,000	62.15%
2025	-	-	110,000	415,000	525,000	2,940,000	67.89%
2026	-	-	110,000	425,000	535,000	2,405,000	73.73%
2027	-	-	115,000	435,000	550,000	1,855,000	79.74%
2028	-	-	120,000	450,000	570,000	1,285,000	85.96%
2029	-	-	125,000	470,000	595,000	690,000	92.46%
2030	-	-	130,000	-	130,000	560,000	93.88%
2031	-	-	135,000	-	135,000	425,000	95.36%
2032	-	-	140,000	-	140,000	285,000	96.89%
2033	-	-	140,000	-	140,000	145,000	98.42%
2034	-	-	145,000	-	145,000	-	100.00%
Total	$295,000	$2,025,000	$1,970,000	$4,865,000	$9,155,000		

FUTURE FINANCING

The Village does not plan to issue any other debt within the next six months.

HISTORY OF DEBT PAYMENT

The Village has always promptly paid principal and interest on its debt obligations.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment, Levy and Collection Procedures

The following is a summary of general property tax assessment, levy and collection procedures in Livingston and Grundy Counties, Illinois.

Assessment

The County Assessors are responsible for the assessment of all taxable real property within the township except for certain railroad property and certified pollution control facilities, which are assessed directly by the State. Real property is reassessed every fourth year. After the Township Assessors establish the fair market value of a parcel of land, that value, as revised by the County Assessors, is multiplied by 33-1/3% to arrive at the assessed valuation ("Assessed Valuation") for that parcel. Each Township Assessor and the County Assessors may revise the Assessed Valuation pursuant to requests of taxpayers. Taxpayers can also formally petition for review of their assessments by each County Board of Review. In addition, limited judicial review of assessments is available during the tax collection process, when the County Collectors present the Warrant Books (defined below) to the Circuit Courts for judgment, or by appeal to the State Property Tax Appeal Board.

Equalization

After the Township Assessor and the County Assessors have established the Assessed Valuation for each parcel for a given year and township multipliers have been established, and following each County Board of Review revisions, the Illinois Department of Revenue (the "Revenue Department") is required by statute to review the Assessed Valuations. The Revenue Department establishes an equalization factor (commonly called the "multiplier") for each county, to make all valuations uniform among the 102 counties in the State. For real property in the County, assessments are equalized at 33-1/3% of estimated fair market value.

Once the equalization factor is established, the Assessed Valuations determined by the assessors, as revised by each County Board of Review, are multiplied by the equalization factor to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations are the final property valuations used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in the Village, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State and the valuation of farms assessed under the direction of the State, constitutes the total real estate tax base for the Village, and is the value utilized to calculate tax rates.

Illinois Equalized Assessed Valuation Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by up to $5,000 for assessment years 2004 through 2007 in all counties. Additionally, the maximum reduction is $5,500 for assessment year 2008 and the maximum reduction is $6,000 for assessment year 2009 and thereafter in all counties.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by $2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is $3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is $3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is $4,000 for all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("**S**enior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessment year 2008 and after, the maximum income limitation is $55,000. In general, the exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. For those counties with less than 3,000,000, the exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption. For assessment year 2006, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the EAV of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the Disabled Veterans Standard Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") cannot claim the aforementioned exemption. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Beginning in tax year 2015, a $2,500 homestead exemption is available to a veteran with a service-connected disability of at least 30% but less than 50%; a $5,000 homestead exemption is available to a veteran with a service connected disability of at least 50% but less than 70%; veterans with a service-connected disability of at least 70% are exempt from paying property taxes on their primary residence. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Homestead Exemption for Persons with Disabilities cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Tax Levy

As part of the annual budget process of the Village, an ordinance is adopted by the Village Board each year in which it determines to levy real estate taxes. This tax levy ordinance imposes real estate taxes in terms of a dollar amount. The Village certifies its real estate tax levy, as established by ordinance, to the each County Clerk's Office. The remaining administration and collection of the real estate taxes are statutorily assigned to each County Clerk and each County Treasurer (the "County Treasurers") who also serve as the County Collectors (the "County Collectors"). After the Village files its annual tax levy, the County Clerks compute the annual tax rate for the Village. This computation is made by dividing the Village levy by its EAV.

Once the necessary adjustments to the tax rates are made, the County Clerks then compute the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the taxing units having jurisdiction over that particular parcel. The County Clerks enter the tax determined by multiplying that total tax rate by the EAV of the parcel in the books prepared for the County Collectors (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. These books are the

County Collectors authority for the collection of taxes and are used by the County Collectors as the basis for issuing tax bills to all property owners.

Collection

Property taxes are collected by the County Collectors, who are also the County Treasurers, who remit to the Village its share of the collections. Taxes levied in one calendar year become payable during the following calendar year in two equal installments, the first on the later of June 1 or 30 days after the mailing of the tax bills and the second on the later of September 1 or 60 days after such mailing.

At the end of each calendar year, the County Collectors present the Warrant Books to each County's Circuit Court, and apply for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% (1% for agricultural property) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within specified time periods based on the type of real estate involved, the tax buyer can receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

Truth in Taxation

On July 29, 1981, legislation known as the Truth in Taxation Act became effective, which requires additional procedures in connection with the annual levying of property taxes. Notice in the prescribed form must be published if the aggregate annual levy by a taxing body is estimated to exceed 105% of its levy for the preceding year, exclusive of the election costs and debt service. A public hearing must also be held, which may not be in conjunction with the budget hearing of the taxing body. No amount in excess of 105% of the preceding year's levy may be extended for a taxing body unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels. However, the legislation does not impose any limitation on the rate or amount of the levies of taxes extended to pay principal of or interest on the Bonds.

Illinois Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-510 permits the county board of all counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

Under the legislation, the county board of any such county can initiate a binding tax cap referendum at any regularly scheduled election other than the consolidated primary, which is the February election in odd-numbered year. If the referendum is successful, then the Limitation Law will become applicable to those non-home rule taxing bodies having all of their equalized assessed valuation in the county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (i) each county in which the taxing body is located has held a referendum and (ii) the proposition is passed in a county or counties containing a majority of the equalized assessed valuation of the taxing body.

The County Board of Grundy has yet to submit the question of whether the Limitation Law should apply to taxing districts within its county to the voters of its county. The County Board of Livingston submitted the question of whether the Limitation

Law should apply to taxing districts within its county to the voters of its county in April, 1999, where it was approved by a majority of the voters. **Because the majority of the EAV of the Village lies in Livingston County, the Limitation Law applies to the Village**.

TAX BASE INFORMATION

EAV is estimated at 33-1/3% of fair market value.

Equalized Assessed Valuation

Tax year	Valuation(1)	% of Growth
2011	$73,014,418	-
2012	69,367,728	(4.99)
2013	65,379,475	(5.75)
2014	61,877,096	(5.36)
2015	58,990,560	(4.66)

(1) Equals Total Equalized Assessed Valuation.

Source: Livingston and Grundy Counties Clerks' Offices.

Village Tax Rate Trend
(per $100 of EAV)

Fund	2011	2012	2013	2014	2015
Corporate	$0.21662	$0.22764	$0.25000	$0.25000	$0.25000
IMRF	0.22694	0.23848	0.24523	0.24287	0.25541
Audit	0.01513	0.00723	0.00230	0.00648	0.01520
Tort Judgments, Liab.	0.14167	0.15032	0.14560	0.17001	0.19752
Street Lighting	0.05000	0.04336	0.05000	0.05000	0.05000
Park/Park Maintenance	0.07500	0.06504	0.07500	0.07500	0.07500
Social Security	0.13135	0.13803	0.15327	0.17163	0.18900
Recreation	0.00000	0.04336	0.01456	0.01943	0.04087
TOTALS	$0.85671	$0.91346	$0.93596	$0.98542	$1.07300

Source: Livingston and Grundy Counties Clerks' Offices.

Representative Total Tax Rate
(per $100 of EAV)

Entity	2011	2012	2013	2014	2015
The Village	$0.85671	$0.91346	$0.93596	$0.98542	$1.07300
Livingston County	1.15348	1.15550	1.18148	1.19288	1.19578
Dwight Commons SD #232	2.93992	3.06853	3.19196	3.26068	3.44009
Dwight THSD #230	2.82094	2.94750	3.06966	3.00975	3.11580
Prairie Common Public Library District	0.13649	0.14018	0.14415	0.14997	0.15206
Dwight Fire	0.24681	0.25436	0.27892	0.28142	0.29197
Dwight Road District	0.21656	0.23064	0.24765	0.27063	0.28098
Dwight Township	0.26989	0.29178	0.31480	0.34402	0.35717
Joliet Community College #525	0.24633	0.27228	0.29423	0.31129	0.30762
TOTALS	$8.88713	$9.27423	$9.65881	$9.80606	$10.21447

Source: Livingston and Grundy Counties Clerks' Offices.

Tax Extensions and Collections

Tax Levy Year	Extension	Collection	Collected (%)
2011	$676,598	$686,856	101.52
2012	683,535	693,013	101.39
2013	665,032	676,491	101.72
2014	661,366	674,131	101.93
2015	632,968	In process of collection	

Source: Livingston and Grundy Counties Treasurers' Offices.

Major Village Taxpayers

Name	2015 EAV	% of Village's EAV
Aldi Inc.	$6,635,950	11.25%
R.R. Donnelley	1,292,197	2.19%
Loves Travel Stops Store	1,138,054	1.93%
Heritage Woods of Dwight Owner LLC	636,528	1.08%
Dwight Continental Manor Inc.	489,747	0.83%
Creek Ridge LLC	410,818	0.70%
FFCA Funding Corp.	397,772	0.67%
Resident	389,668	0.66%
McDonalds Corp.	387,713	0.66%
Rajjay Inc.	387,595	0.66%
TOTAL	$12,166,042	20.62%

Source: Livingston and Grundy Counties Treasurers' Offices.

THE SYSTEM

The Waterworks System

As of June 30, 3016, the Village provides water services to 1,763 meters, of which 1,671 are active customers. The Village owns and operates its own water treatment plant. The water treatment plant has a plant capacity of 1,891,200 million gallons per day (mgd) and presently with a peak daily flow of 500,000 million gallons per day (mgd). The Village has three elevated storage tanks with a capacity of 750,000 gallons to serve its water distribution system. The Village's water distribution system is made up of various mains ranging in size from 6"-36". The water distribution system does not include booster pumps.

Billings and Collections

Accounts are billed on the 1st of every odd month and are due on the last day of the month of issuance. After 5 days, bills are subject to a 10% penalty. If unpaid, water service shall be disconnected after the expiration of one billing cycle. Customers are responsible for any legal fees incurred in collection of delinquent bills and the Village puts a lien on the property. Once delinquent bills are settled, a $50 reconnection fee for water service is charged to customers for reconnection during normal business hours. No reconnection will be done after hours.

Rates

Those customers who receive water services from the Village shall pay the following bi-monthly rates according to their water usage. These rates have been in effect since April, 2016, which was during the Village's 2016 fiscal year.

Inside Village Rates (Bi-Monthly)

First 4,000 Gallons……………..	$28.60 per 4,000 Gallons (minimum)
Over 4,000 Gallons…………..	$7.85 per 1,000 Gallons

Outside Village Rates (Bi-Monthly)

First 4,000 Gallons…………….	$85.80 per 4,000 Gallons (minimum)
Over 4,000 Gallons….............	$21.55 per 1,000 Gallons

Water Users and Consumption

Year Ended Dec. 31,	Total Users	Average Bi-Monthly Consumption (gallons)	Total Annual Consumption (gallons)[1]
2011	1,650	13,607,829	163,305,948
2012	1,655	13,576,084	162,913,010
2013	1,654	11,026,740	132,320,880
2014	1,642	10,043,177	120,518,124
2015	1,648	9,562,901	114,754,820

(1) In March 2013, the State of Illinois closed Dwight Correctional Center, at the time a major System user, which subsequently led to a drop in consumption.

2015 Largest Water Users (Gallons)

	Account	Average Monthly Consumption (gallons)	Percent of Total Average Monthly Consumption (gallons)
1.	RR Donnelley	1,126,109	11.78%
2.	State of Illinois-Fox Center	545,036	5.70
3.	Heritage Health	382,000	4.00
4.	Love's Travel Center	342,500	3.60
5.	Creek Ridge Mobile Home Park	316,066	3.30
6.	ALDI Distribution Center	190,105	2.00
7.	Heritage Woods	147,167	1.50
8.	Crop Production	93,624	0.98
9.	Dwight Super Clean	79,167	0.83
10.	McDonald's	84,891	0.89
	Total	3,306,665	32.58%

Source: Village of Dwight Water Department.

2015 Largest Water Users (Revenue)

	Account	Average Monthly Consumption (Rev.)	Percent of Total Average Monthly Consumption (Rev.)
1.	Love's Travel Center	$5,815	8.49%
2.	Creek Ridge Mobile Home Park	4,768	6.96%
3.	RR Donnelley	4,255	6.21%
4.	ALDI Distribution Center	2,859	4.17%
5.	Heritage Health	2,626	3.83%
6.	Heritage Woods	2,217	3.24%
7.	State of Illinois-Fox Center	2,064	3.01%
8.	Crop Production	1,402	2.05%
9.	McDonald's	1,275	1.86%
10.	Dwight Super Clean	1,195	1.74%
	Total	$28,476	41.58%

Source: Village of Dwight Water Department.

FINANCIAL INFORMATION

All funds of the Village are maintained on the modified cash basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized when received, not earned; expenditures are recognized when paid, not incurred. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.

Balance Sheet – General Fund
(Fiscal Year Ending March 31)

	2012	2013	2014	2015	2016
Assets					
Cash	$833,448	$539,930	$762,746	$482,385	$538,666
Due from TIF Fund	191,000	209,000	139,000	14,000	-
Investments	-	-	-	-	-
Total Assets	**1,024,448**	**748,930**	**901,746**	**496,385**	**538,666**
Liabilities					
Due to General Fund	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balances					
Unassigned	1,020,282	742,002	884,576	337,674	390,068
Committed	-	-	-	151,453	142,748
Restricted	4,166	6,928	17,170	7,258	5,850
Total Fund Balance	1,024,448	748,930	901,746	496,385	538,666
Total Liabilities and Fund Balances	**$1,024,448**	**$748,930**	**$901,746**	**$496,385**	**$538,666**

Source: The Village's annual audited financial statements from 2012 – 2016. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.

Fiscal Year 2017

The Village budgeted a breakeven in the General Fund for fiscal year 2017. As of July 31, 2016, the Village anticipates a breakeven in the General Fund for fiscal year 2017.

Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund

(Fiscal Year Ending March 31)

	2012	2013	2014	2015	2016
Revenues					
Property taxes	$408,388	$426,988	$434,329	$416,777	$418,941
Utility tax	384,992	370,039	375,155	348,342	327,855
Sales tax	672,854	681,230	632,385	644,910	604,162
Income tax	316,085	396,381	445,034	403,431	460,630
Replacement tax	38,286	38,033	43,418	41,487	45,876
Local use tax	62,523	67,049	73,386	83,226	94,750
Hotel/motel tax	32,727	29,804	30,617	28,551	33,098
Video gaming tax	-	-	21,106	59,222	84,599
Interest income	8,136	5,395	2,606	2,653	2,213
Charges for services	695,398	643,375	670,016	578,267	719,076
Fines, fees and forfeitures	76,282	85,235	68,697	74,372	77,857
Grants	59,562	9,685	750	7,804	1,842
Licenses and permits	43,699	48,968	73,802	55,236	50,549
Donations	3,643	5,332	4,992	5,784	9,142
Reimbursements	26,418	21,970	17,912	4,813	1,023
Miscellaneous	7,873	17,475	7,988	42,053	88,029
Total Revenues	**2,836,866**	**2,846,959**	**2,902,193**	**2,796,928**	**3,019,462**
Expenditures					
Current:					
General government	369,368	413,968	425,383	418,281	417,424
Garbage services	306,599	286,829	287,315	297,021	303,627
Public safety	1,395,035	1,352,355	1,406,259	1,558,495	1,637,156
Streets and lighting	271,096	310,199	188,680	239,660	254,310
Culture and recreation	181,568	198,054	194,060	180,836	209,668
Capital outlay	6,222	-	-	25,184	-
Total Expenditures	**2,529,888**	**2,561,405**	**2,501,696**	**2,719,476**	**2,822,184**
Excess (deficiency) of Revenues over Expenditures	**306,978**	**285,554**	**400,497**	**77,452**	**197,278**
Other Financing Sources (Uses)					
Transfers in(1)	-	-	-	40,216	-
Transfers out(2)	(131,302)	(561,071)	(247,680)	(523,028)	(154,996)
Total Other Financing Sources (Uses)	(131,302)	(561,071)	(247,680)	(482,812)	(154,996)
Net Change in Fund Balance	**175,676**	**(275,518)**	**152,816**	**(405,361)**	**42,281**
Fund Balance, Beginning	848,772	1,024,448	748,930	901,746	496,385
Fund Balance, Ending	**$1,024,448**	**$748,930**	**$901,746**	**$496,385**	**$538,666**

(1) Constitutes a transfer to the General Fund from the Commercial Rehab Fund.
(2) Constitutes various transfers from the General Fund to the Reserve Capital Expenditures Fund, the Public Service Bond Fund and to the MFT Bond Fund.

Source: The Village's annual audited financial statements from 2012 – 2016. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.

Balance Sheet – Water Fund
(Fiscal Year Ending March 31)

	2012	2013	2014	2015	2016
Assets					
Current Assets:					
Cash	$117,803	$271,716	$400,308	$421,853	$316,801
Accounts receivable	63,403	60,635	18,285	24,497	25,363
Investments	-	-	-		
Total Current Assets	181,206	332,351	418,593	446,350	342,164
Noncurrent Assets:					
Land	10,500	10,500	10,500	10,500	10,500
Buildings & improvements	128,914	128,914	128,914	128,914	128,914
Equipment	416,653	427,377	481,780	436,120	644,066
Infrastructure	6,705,517	6,875,128	6,875,128	6,875,128	6,875,128
Accumulated depreciation	(2,968,245)	(3,171,279)	(3,375,163)	(3,537,098)	(3,746,574)
Total Noncurrent Assets	4,293,339	4,270,640	4,121,159	3,913,564	3,912,034
Total Assets	**4,474,545**	**4,602,991**	**4,539,752**	**4,359,914**	**4,254,198**
Liabilities and Net Position					
Current Liabilities:					
Accounts payable	3,582	-	4,360	2,524	387
Customer deposits	11,340	11,570	12,410	13,310	13,110
Bonds payable, current	300,000	315,000	325,000	330,000	295,000
Notes payable, current	5,829	4,546	4,707	-	-
Total Current Liabilities	320,751	331,116	346,477	345,834	308,497
Noncurrent Liabilities:					
Notes payable	38,014	34,804	30,096	-	-
Bonds payable	1,265,000	950,000	625,000	295,000	-
Total Noncurrent Liabilities	1,303,014	984,804	655,096	295,000	-
Total Liabilities	1,623,765	1,315,920	1,001,573	640,834	308,497
Invested in capital assets, net of related debt	2,684,496	2,966,290	3,136,356	3,288,564	3,617,034
Unrestricted	166,284	320,781	401,823	430,516	328,667
Total Net Assets	2,850,780	3,287,071	3,538,179	3,719,080	3,719,080
Total Liabilities and Net Position	**$4,474,545**	**$4,602,991**	**$4,539,752**	**$4,359,914**	**$4,359,914**

Source: The Village's annual audited financial statements from 2012 – 2016. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position – Water Fund
(Fiscal Year Ending March 31)

	2012	2013	2014	2015	2016
Operating Revenues					
Water charges(1)	$903,662	$874,870	$787,925	$794,783	$810,684
Other	1,253	984	7,651	1,281	1,413
Total Operating Revenues	904,915	875,854	795,576	796,064	812,097
Operating Expenses					
Water operations	425,837	313,569	345,367	358,448	353,551
Depreciation	199,765	203,034	203,884	198,463	209,476
Total Operating Expenses	625,602	516,603	549,251	556,911	563,027
Operating Income (Loss)	**279,313**	**359,251**	**246,325**	**239,153**	**249,070**
Non-Operating Revenues (Expenses):					
Interest revenue	416	214	182	213	143
Interest expense and bond fees	(1,420)	(1,440)	(1,286)	(1,209)	(1,256)
Total Non-Operating Revenues (Expenses)	(1,004)	(1,226)	(1,104)	(996)	(1,114)
Net Income (Loss) Before Transfers	**278,309**	**358,025**	**245,221**	**238,157**	**247,956**
Contributed capital	16,209	-	54,403	25,671	-
Transfers in(2)	-	169,611	-	-	-
Transfers out(3)	(290,137)	(91,345)	(48,516)	(82,927)	(21,335)
Change in Net Position	**4,381**	**436,291**	**251,108**	**180,901**	**226,621**
Total Net Position, Beginning	2,846,339	2,850,780	3,287,071	3,538,179	3,719,080
Total Net Position, Ending	**$2,850,780**	**$3,287,071**	**$3,538,179**	**$3,719,080**	**$3,945,701**

(1) In March 2013, the State of Illinois closed Dwight Correctional Center, at the time a major System user, which subsequently led to a drop in water revenues.
(2) Constitutes a transfer in from the Water Capital Project Fund.
(3) Constitutes various transfers from the Water Fund to the Water Capital Project Fund and to the Water Bond Fund.

Source: The Village's annual audited financial statements from 2012 – 2016. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.

ESTIMATED DEBT SERVICE COVERAGE

The Water System Revenues in the table below for the 2016A Bonds, the Incremental Taxes and Motor Fuel Taxes in the table for the 2016B Bonds and the Sales Taxes in the table for the 2016C Bonds are based upon the Audited Financial Statements for the Village's fiscal year ending March 31, 2016 (summarized herein, see "**FINANCIAL INFORMATION**"). There has been no independent financial study or feasibility study of expected System receipts and expenditures in relation to the 2016A Bonds. The presentation in the table below shows no increases in those receipts or takes into account increases in operations and maintenance, which the Village believes is reasonable here, as reflected in the "fixed" numbers in the columns under the heading Waterworks System Revenues.

2016A Bonds

Fiscal Year Ending March 31	Water System Revenues(1)	2016A Pledged Revenues Available for Debt Service(2)	2010 Bonds	2016A Bonds	Total Fiscal Year Debt Service	Estimated Debt Service Coverage(3)
2017	$458,688	$458,688	$303,850	$ -	$303,850	1.51
2018	458,688	458,688	-	268,699	268,699	1.71
2019	458,688	458,688	-	285,390	285,390	1.61
2020	458,688	458,688	-	291,176	291,176	1.58
2021	458,688	458,688	-	295,841	295,841	1.55
2022	458,688	458,688	-	300,832	300,832	1.52
2023	458,688	458,688	-	303,486	303,486	1.51
2024	458,688	458,688	-	310,000	310,000	1.48

(1) Waterworks System Revenues are comprised of gross revenues ($812,097) minus gross expenses ($563,027), plus depreciation ($209,476), plus interest income ($142) of the Village's Waterworks System for fiscal year ending March 31, 2016.
(2) Estimated Debt Service Coverage equals Total Fiscal Year Debt Service divided by 2016A Pledged Revenues Available for Debt Service.

2016B Bonds

Fiscal Year Ending March 31	Incremental Taxes	Motor Fuel Taxes	2016B Pledged Revenues Available for Debt Service(1)	The 2016B Bonds	Total Fiscal Year Debt Service	Estimated Debt Service Coverage(2)
2017	$119,455	$105,056	$224,511	$ -	$ -	-
2018	119,455	105,056	224,511	149,894	149,894	1.50
2019	119,455	105,056	224,511	153,660	153,660	1.46
2020	119,455	105,056	224,511	151,660	151,660	1.48
2021	119,455	105,056	224,511	150,060	150,060	1.50
2022	119,455	105,056	224,511	153,460	153,460	1.46
2023	119,455	105,056	224,511	151,780	151,780	1.48
2024	119,455	105,056	224,511	149,575	149,575	1.50
2025	119,455	105,056	224,511	152,370	152,370	1.47
2026	119,455	105,056	224,511	150,060	150,060	1.50
2027	119,455	105,056	224,511	152,750	152,750	1.47
2028	119,455	105,056	224,511	153,150	153,150	1.47
2029	119,455	105,056	224,511	153,350	153,350	1.46
2030	119,455	105,056	224,511	153,350	153,350	1.46
2031	119,455	105,056	224,511	153,150	153,150	1.47
2032	119,455	105,056	224,511	152,750	152,750	1.47
2033	119,455	105,056	224,511	148,550	148,550	1.51
2034	119,455	105,056	224,511	149,350	149,350	1.50

(1) Pledged Revenues are comprised of Incremental Taxes plus Motor Fuel Taxes collected by the Village for fiscal year ending March 31, 2016. No growth has been assumed in the calculation of 2016B Pledged Revenues.
(2) Estimated Debt Service Coverage equals Total Fiscal Year Debt Service divided by 2016B Pledged Revenues Available for Debt Service.

Source: Audited Financial Statements for fiscal year ending March 31, 2016.

2016C Bonds

Fiscal Year Ending March 31	Sales Taxes[(1)]	2016C Pledged Revenues Available for Debt Service[(2)]	The 2016C Bonds	Total Fiscal Year Debt Service	Estimated Debt Service Coverage[(3)]
2017	$698,912	$698,912	$ -	$ -	-
2018	698,912	698,912	344,746	344,746	2.03
2019	698,912	698,912	377,122	377,122	1.85
2020	698,912	698,912	383,126	383,126	1.82
2021	698,912	698,912	382,754	382,754	1.83
2022	698,912	698,912	379,710	379,710	1.84
2023	698,912	698,912	404,648	404,648	1.73
2024	698,912	698,912	410,000	410,000	1.70
2025	698,912	698,912	415,000	415,000	1.68
2026	698,912	698,912	425,000	425,000	1.64
2027	698,912	698,912	501,720	501,720	1.39
2028	698,912	698,912	516,820	516,820	1.35
2029	698,912	698,912	535,227	535,227	1.31

(1) Sales Taxes comprised of $604,162 in state sales tax receipts and $94,750 in local use tax receipts, as reflected in the Village's Audited Financial Statements for fiscal year ending March 31, 2016. See **APPENDIX B** for a copy of the Village's 2016 Audited Financial Statements.
(2) Pledged Revenues are comprised of Sales Taxes collected by the Village for fiscal year ending March 31, 2016. No growth has been assumed in the calculation of 2016C Pledged Revenues.
(3) Estimated Debt Service Coverage equals Total Fiscal Year Debt Service divided by 2016C Pledged Revenues Available for Debt Service.

Source: Audited Financial Statements for fiscal year ending March 31, 2016.

DEFINED BENEFIT PENSION PLANS

Illinois Municipal Retirement Fund

Plan Description – The Village's defined benefit pension plan for non-certified 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 IMRF, the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. 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 for the plan as a whole, but not for individual employers. That report can be obtained online at www.imrf.org.

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

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees covered by benefit terms – At December 31, 2015, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	9
Active employees	23
Total members	55

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 for calendar year 2015 and the fiscal year ended March 31, 2016 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 2015	10.51%
Village required contribution rate for 2016	10.92%
Village actual contributions for 2015	$133,480
Village actual contributions for fiscal year 2016	$139,503

Net Pension Liability – The Village's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability	$8,024,902
Plan fiduciary net position	7,036,434
Net pension liability	$988,468

Sensitivity of the net pension liability to changes in the single discount rate – The following presents the net pension liability of the Village, calculated using the discount rate of 7.48 percent, as well as what the Village's IMRF net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.48 percent) or 1-percentage-point higher (8.48 percent) than the current rate:

	1% Decrease 6.48%	Current Single Discount Rate Assumption 7.48%	1% Increase 8.48%
Net Pension Liability	$2,058,471	$988,468	$108,705

Social Security

Employees not qualifying for coverage under IMRF are considered as "non-participating employees." These employees and those qualifying for coverage under the IMRF are covered under social security. The Village paid $105,214, the total required contribution for the year ended March 31, 2015.

Other Post-Employment Retiree Benefits

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.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Ice Miller LLP, Bloomington, Illinois, who has been retained by, and acts as, Bond and Disclosure Counsel to the Village. See **Appendix C** for the Form of Bond Counsel Opinion. Certain legal matters will be passed upon for the Village by its counsel, Masching Law Office, Dwight, Illinois and for the Underwriter by its counsel Nixon Peabody LLP, Chicago, Illinois.

NO LITIGATION CERTIFICATE

Simultaneously with the delivery of the Bonds, the Village will furnish to the Underwriter a certificate which shall state, among other things, that there is no controversy, suit or other proceeding of any kind pending or to their knowledge, threatened in any court (either State or Federal) restraining or enjoining the issuance or delivery of the Bonds or questioning (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the pledge by the Village of the Pledged Revenues and Pledged Taxes under the Bond Ordinances with respect to the Bonds, or (iv) the legal existence of the Village or the title to office of the present officials of the Village.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 27, 2016, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

On December 10, 2015, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Capitalization of AGM

At June 30, 2016, AGM's policyholders' surplus and contingency reserve were approximately $3,841 million and its net unearned premium reserve was approximately $1,459 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (filed by AGL with the SEC on May 5, 2016); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 (filed by AGL with the SEC on August 4, 2016).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**".

INVESTMENT RATING

S&P is expected to assign its credit rating of "AA" (stable outlook) to the Bonds, with the understanding that, upon delivery of the Bonds, a Municipal Bond Insurance Policy will be issued by AGM. S&P has assigned its underlying rating of "A+" (stable outlook) to the Bonds. The rating reflects only the view of such rating agency and any desired explanations of the significance of such rating should be obtained at the following address: Standard & Poor's Rating Services, 130 East Randolph Street, Suite 2900, Chicago, IL 60601. The Village did not apply to any other rating service for a rating on the Bonds.

There is no assurance that a rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if, in the judgment of such rating agency circumstances so warrant. Such lowering or withdrawal may have an adverse effect on the market price of the Bonds.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the alternative minimum tax, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but owners of OID Bonds should consult their own tax advisors as to whether original issue discount is taken into account in computing adjusted current earnings, which is used in determining the alternative minimum tax for certain corporations under the Code; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Obligation holders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX EXEMPT OBLIGATIONS

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are “qualified tax exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LIMITED CONTINUING DISCLOSURE

Because at the time of the delivery of the Bonds the Village will be an “obligated person” (as such term is defined in the Rule) with respect to less than $10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds, the Village is exempt from the provisions of the Rule requiring the delivery of annual financial information to the MSRB (defined hereinafter), as specified in the Rule. However, pursuant to the Rule, the Village will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB on its EMMA system and to provide notice of certain reportable events on EMMA pursuant to the requirements of Section (d)(2) of the Rule adopted by the Commission under the Exchange Act. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under “**THE UNDERTAKING**.”

The Village entered into a continuing disclosure undertaking agreement similar to the Undertaking in connection with the issuance of the 2010 Bonds (the “Prior Undertaking”). Pursuant to the Prior Undertaking, the Village agreed to disseminate its audited financial statements and certain financial information and operating data annually (collectively, the “Annual Report”) to the MSRB through EMMA within 180 days of the end of its fiscal year (March 31). In the past five years, the Village failed to file its Annual Report in the timeframe required in accordance with the Prior Undertaking for fiscal years 2011 through 2013.

At the time of issuance, the 2010 Bonds had an underlying credit rating of “A+” issued by S&P. On August 15, 2014, S&P upgraded the 2010 Bonds to “AA-” (stable outlook). Notice of the change was provided by the Village pursuant to the Prior Undertaking; however, notice was filed outside of the timeframes covenanted in the Prior Undertaking.

Except as stated in the previous two paragraphs, in the past five years, the Village was in material compliance with all of its outstanding continuing disclosure requirements. The Village has put procedures in place to ensure compliance with continuing disclosure requirements going forward, including, but not limited to, tasking the Village’s Finance Director as the Village’s officer who will oversee compliance with Rule. The Village has timely filed its Annual Report for the past two fiscal years. A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinances and registered owners and beneficial owners of Bonds are limited to the remedies described in the Undertaking. See “THE UNDERTAKING—Consequences of Failure of the Village to Provide Information.” A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Under the Commission’s Municipalities Continuing Disclosure Cooperation Initiative (“MCDC Initiative”), the Village was reported during the underwriter self-reporting phase of the MCDC Initiative in relation to its 2010 Bonds. The Village elected to not self-report within the issuer self-reporting period of the MCDC Initiative.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Limited Financial Disclosure Information

The Village covenants that it will disseminate its Audited Financial Statements, if any (as described below) electronically through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rule Making Board (the "MSRB") in accordance with the rules and procedures established by the MSRB, as hereinafter provided. The Village is required to deliver such information within 210 days of the end of the Village's fiscal year so that the information is received by the dates specified in the Undertaking.

Audited Financial Statements. To the MSRB electronically through the EMMA system, when and if available, the audited financial statements of the Village for each twelve (12) month period, beginning with the twelve (12) month period ending March 31, together with the opinion of such independent certified public accountants engaged by the Village and all notes thereto, within 210 days of the end of the Village's fiscal year so that the information is received by the dates specified in the Undertaking.

All or a portion of the Audited Financial Statements may be included by reference to other documents which have been submitted to EMMA. If the information included by reference is contained in an official statement, the official statement must be available from the MSRB's EMMA. The Village shall clearly identify each such item of information included by reference.

Reportable Events Disclosure

The Village shall disclose the following events, in a timely manner within 10 business days of the occurrence of any of the following events electronically to the MSRB through the EMMA system:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the Village[*]
- The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

[*] This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB through EMMA of any failure to provide disclosure of Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the registered owners and beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Village to comply with is obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinances, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Modification

Notwithstanding any other provision of the Undertaking, the Village may amend or modify the Undertaking, if:

(a)(i) legal requirements, change in law, or change in the identity, nature, or status of the Village, or type of business conducted;

(ii) The Undertaking, as amended or modified, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or modification does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel); or

(b) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by the SEC Rule, as then in effect.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinances.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Audited Financial Statements or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a material Event.

Contact Person/ Initial Dissemination Agent

Financial Information and Notices of Events can be obtained from the Dissemination Agent:

Village of Dwight, Attn: Finance Director
209 S. Prairie Ave
Dwight, Illinois 60420

Dissemination Agent

The Village may, at its sole discretion, utilize an agent (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by the Village pursuant to the terms of the Rule and this Agreement. Further, the Village may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Village in making judgments with respect to the scope of its obligations

UNDERWRITING

Bernardi Securities, Inc., Chicago, Illinois (the "Underwriter") has agreed to purchase the 2016A Bonds from the Village at a price of 100.234% of the principal amount thereof for the 2016A Bonds, plus accrued interest to the date of delivery of the 2016A Bonds. The Underwriter intends to reoffer the 2016A Bonds at an average price of 101.502% of the principal amount of the 2016A Bonds.

The Underwriter has agreed to purchase the 2016B Bonds from the Village at a price of 102.774% of the principal amount thereof for the 2016B Bonds, plus accrued interest to the date of delivery of the 2016B Bonds. The Underwriter intends to reoffer the 2016B Bonds at an average price of 104.075% of the principal amount of the 2016B Bonds.

The Underwriter has agreed to purchase the 2016C Bonds from the Village at a price of 103.599% of the principal amount thereof for the 2016C Bonds, plus accrued interest to the date of delivery of the 2016C Bonds. The Underwriter intends to reoffer the 2016C Bonds at an average price of 104.910% of the principal amount of the 2016C Bonds.

The Underwriter must purchase and pay for all of the Bonds if any are purchased. The Bonds are being offered for sale at an initial price stated on the cover page of the Official Statement, plus accrued interest. After the initial offer, the offering price and other selling terms may be changed. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the Bonds at the request of any owner thereof.

DISTRIBUTION OF OFFICIAL STATEMENT

This Official Statement has been prepared for distribution to prospective purchasers and the Underwriter of the Bonds, dated the Date of Delivery, by the Village. All statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the Village.

CERTIFICATION OF OFFICIAL STATEMENT

The Village, will provide to the Underwriter simultaneously with the delivery of the Bonds, a certificate signed by an officer of the Village which shall state, among other things, that to the best of the knowledge and belief of such officer that the final Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds, was true and correct in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statement herein, in light of the circumstances under which they were made, not misleading in any material respect.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Village and the purchasers or owners of any of the Bonds. Any statement made in this Official Statement involving matters of opinion is intended merely as an opinion and not as a representation of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof.

/s/ Jared Anderson ___________________
Village President
Village of Dwight,
Livingston and Grundy Counties, Illinois

APPENDIX A

Book-Entry System- DTC

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other bond transactions in deposited bonds, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. bond brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Registrar, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records to the Registrar. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Registrar's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX B

Audited Financial Statement for Year Ending March 31, 2016

VILLAGE OF DWIGHT

DWIGHT, ILLINOIS

ANNUAL FINANCIAL REPORT

<u>MARCH 31, 2016</u>

Prepared by:

Mack & Associates, P.C.
Certified Public Accountants

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

Mack & associates
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

Table of Contents

Table of Contents

PAGE

Table of Contents

VILLAGE OF DWIGHT, ILLINOIS

Table of Contents

PAGE

SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' REPORT

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STEPHANIE HEISNER

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, 2016, 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, 2016, 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 32-43, and the supplementary information on pages 44-64 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 non-major 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 non-major 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 the March 31, 2015 financial statements. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived. Such information is presented for comparison purposes only.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, 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 27, 2016

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
March 31, 2016

	Primary Government			
	Governmental Activities	Business-Type Activities	Total 2016	Total 2015
Assets				
Current assets:				
Cash and cash equivalents	$ 922,381	704,692	1,627,073	1,937,760
Accounts receivable	-	57,044	57,044	55,194
Total current assets	922,381	761,736	1,684,117	1,992,954
Non-current assets:				
Capital Assets				
Land	171,366	45,500	216,866	216,866
Equipment	1,535,743	1,102,017	2,637,760	2,479,978
Buildings and improvements	3,228,124	128,914	3,357,038	3,351,834
Construction in progress	1,784,826	-	1,784,826	-
Infrastructure	2,949,389	17,932,277	20,881,666	20,881,666
Accumulated Depreciation	(3,710,406)	(9,002,380)	(12,712,786)	(12,125,344)
Total non-current assets	5,959,042	10,206,328	16,165,370	14,805,000
Total assets	$ 6,881,423	10,968,064	17,849,487	16,797,954
Liabilities				
Current Liabilities:				
Accounts payable	$ -	2,789	2,789	7,562
Customer deposits	-	13,110	13,110	13,310
Due within one year:				
Bonds payable	-	295,000	295,000	395,000
EPA loan payable	-	440,511	440,511	429,159
Total current liabilities	-	751,410	751,410	845,031
Long-term Liabilities:				
Due in more than one year:				
Bonds payable	-	-	-	295,000
EPA loan payable	-	3,097,765	3,097,765	3,538,277
Total long-term liabilities	-	3,097,765	3,097,765	3,833,277
Total liabilities	-	3,849,175	3,849,175	4,678,308
Net Position				
Net investment in capital assets	5,959,042	6,373,052	12,332,094	10,147,564
Restricted	894,574	76,676	971,250	735,786
Unrestricted	27,807	669,161	696,968	1,236,296
Total net position	$ 6,881,423	7,118,889	14,000,312	12,119,646

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, 2016

		Program Revenues			Net (Expenditures) Revenue and Changes in Net Position			
							Total	
Program Activities	Expenditures	Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2016	2015
Governmental activities:								
General government	$ 1,232,339	128,316	-	-	(1,104,023)	-	(1,104,023)	(1,131,023)
Garbage services	303,627	306,476	-	-	2,849	-	2,849	(3,376)
Public safety	1,637,156	381,651	-	-	(1,255,505)	-	(1,255,505)	(1,299,852)
Streets and lighting	254,310	-	1,451,917	-	1,197,607	-	1,197,607	(231,856)
Culture and recreation	209,668	30,949	-	-	(178,719)	-	(178,719)	(154,857)
Unallocated interest - expense	1,853	-	-	-	(1,853)	-	(1,853)	(10,964)
Total governmental activities	3,638,953	847,392	1,451,917	-	(1,339,644)	-	(1,339,644)	(2,831,928)
Business-type activities:								
Waterworks	589,679	812,778	-	-	-	223,099	223,099	197,584
Sewer	791,108	1,064,201	-	-	-	273,093	273,093	157,467
Total business-type activities	1,380,787	1,876,979	-	-	-	496,192	496,192	355,051
Total primary government	$ 5,019,740	2,724,371	1,451,917	-	(1,339,644)	496,192	(843,452)	(2,476,877)
			General revenues:					
			Taxes:					
			Property taxes		$ 674,884	-	674,884	677,344
			Utility tax		327,855	-	327,855	348,342
			Sales tax		604,162	-	604,162	644,910
			Income tax		460,630	-	460,630	403,431
			Replacement tax		45,876	-	45,876	41,487
			Local use tax		94,750	-	94,750	83,226
			TIF revenue		119,455	-	119,455	122,676
			Motor fuel tax		105,056	-	105,056	143,116
			Hotel/Motel tax		33,098	-	33,098	28,551
			Video gaming tax		84,599	-	84,599	59,222
			Interest on investments		5,787	343	6,130	6,800
			Donations		9,142	-	9,142	5,784
			Reimbursements		12,023	-	12,023	7,813
			Miscellaneous		144,932	1,526	146,458	43,579
			Total general revenues		2,722,249	1,869	2,724,118	2,616,281
			Special item - contributed capital		-	-	-	25,671
			Change in net position		1,382,605	498,061	1,880,666	165,075
			Net position, beginning of year		5,498,818	6,620,828	12,119,646	11,954,571
			Net position, end of year		$ 6,881,423	7,118,889	14,000,312	12,119,646

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, 2016

	Major Funds			Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Non-major Governmental Funds	2016	2015
Assets					
Cash	$ 538,666	-	496,591	1,035,257	1,231,601
Due from TIF Fund	-	-	-	-	14,000
Total assets	$ 538,666	-	496,591	1,035,257	1,245,601
Liabilities and fund balances					
Liabilities:					
Overdrafts payable	$ -	112,876	-	112,876	-
Due to General Fund	-	-	-	-	14,000
Total liabilities	-	112,876	-	112,876	14,000
Fund balances:					
Unassigned	390,068	(513,674)	-	(123,606)	330,324
Assigned	-	-	8,665	8,665	62,610
Committed	142,748	-	-	142,748	181,453
Restricted	5,850	400,798	487,926	894,574	657,214
Total fund balances	538,666	(112,876)	496,591	922,381	1,231,601
Total liabilities and fund balances	$ 538,666	-	496,591		

Reconciliation to Statement of Net Position:

	2016	2015
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities of $9,669,448 (net of accumulated depreciation of $3,710,406) are not financial resources and, therefore, are not reported in the funds.	5,959,042	4,332,217
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	-	(65,000)
Net position of governmental activities	$ 6,881,423	5,498,818

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, 2016

	Major Funds			Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Non-major Governmental Funds	2016	2015
Revenues received:					
Property taxes	$ 418,941	-	255,943	674,884	677,344
Utility tax	327,855	-	-	327,855	348,342
Sales tax	604,162	-	-	604,162	644,910
Income tax	460,630	-	-	460,630	403,431
Replacement tax	45,876	-	-	45,876	41,487
Local use tax	94,750	-	-	94,750	83,226
Hotel/Motel tax	33,098	-	-	33,098	28,551
Video gaming tax	84,599	-	-	84,599	59,222
Interest income	2,123	3,285	379	5,787	6,402
Motor Fuel Tax	-	-	105,056	105,056	143,116
TIF Revenue	-	-	119,455	119,455	122,676
Charges for Services	719,076	-	-	719,076	578,267
Fines, fees, and forfeitures	77,857	-	-	77,857	74,372
Grants	1,842	1,450,075	-	1,451,917	7,804
Licenses and permits	50,459	-	-	50,459	55,236
Donations	9,142	-	-	9,142	5,784
Reimbursements	1,023	-	11,000	12,023	7,813
Miscellaneous	88,029	56,625	278	144,932	42,053
Total revenues received	3,019,462	1,509,985	492,111	5,021,558	3,330,036
Expenditures disbursed:					
Current:					
General government	417,424	135,043	254,431	806,898	984,004
Garbage services	303,627	-	-	303,627	297,021
Public safety	1,637,156	-	-	1,637,156	1,558,495
Streets and lighting	254,310	-	-	254,310	239,660
Culture and recreation	209,668	-	-	209,668	180,836
Capital Outlay	-	2,052,266	-	2,052,266	471,501
Debt Service					
Principal	-	-	65,000	65,000	225,000
Interest	-	-	1,853	1,853	10,964
Total expenditures disbursed	2,822,184	2,187,309	321,284	5,330,778	3,967,481
Excess (deficiency) of revenues received over (under) expenditures disbursed	197,278	(677,324)	170,827	(309,220)	(637,445)

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, 2016

	Major Funds			Total Governmental Funds	
	General Fund	Reserve Capital Expenditures Fund	Non-major Governmental Funds	2016	2015
Other financing sources (uses):					
Transfers In	$ -	87,643	67,353	154,996	628,244
Transfers Out	(154,996)	-	-	(154,996)	(628,244)
Total other financing sources (uses)	(154,996)	87,643	67,353	-	-
Net Change in fund balance	42,281	(589,681)	238,180	(309,220)	(637,445)
Fund balances - beginning	496,385	476,805	258,411	1,231,601	1,869,046
Fund balances - ending	$ 538,666	(112,876)	496,591	922,381	1,231,601

Reconciliation to the Statement of Activities:

	2016	2015
Net Change in Fund Balances - total governmental funds	$ (309,220)	(637,445)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Bonds Payable	65,000	225,000
Notes Payable	-	34,803
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.		
Purchase of capital assets	1,872,212	432,610
Disposal of assets, net of depreciation	-	(17,477)
Depreciation	(245,387)	(255,062)
Change in net position of governmental activities (Statement B)	$ 1,382,605	(217,571)

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

Statement of Fund Net Position
Proprietary Funds
March 31, 2016

	Major Funds					March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Sewer Replacement Reserve Fund	Water Bond Fund	2016	2015
Assets							
Current assets:							
Cash	$ 316,801	76,676	245,389	65,826	-	704,692	706,159
Accounts receivable	25,363	-	31,681	-	-	57,044	55,194
Total current assets	342,164	76,676	277,070	65,826	-	761,736	761,353
Non-current assets:							
Land	10,500	-	35,000	-	-	45,500	45,500
Buildings & improvements	128,914	-	-	-	-	128,914	128,914
Equipment	644,066	-	457,951	-	-	1,102,017	885,571
Infrastructure	6,875,128	-	11,057,149	-	-	17,932,277	17,932,277
Accumulated depreciation	(3,746,574)	-	(5,255,806)	-	-	(9,002,380)	(8,519,479)
Total non-current assets	3,912,034	-	6,294,294	-	-	10,206,328	10,472,783
Total assets	$ 4,254,198	76,676	6,571,364	65,826	-	10,968,064	11,234,136
Liabilities							
Current liabilities:							
Accounts payable	$ 387	-	2,402	-	-	2,789	7,562
Customer deposits	13,110	-	-	-	-	13,110	13,310
Bonds payable - current portion	295,000	-	-	-	-	295,000	330,000
EPA loan payable - current portion	-	-	227,223	213,288	-	440,511	429,159
Total current liabilities	308,497	-	229,625	213,288	-	751,410	780,031
Long-term liabilities:							
Bonds payable - long term portion	-	-	-	-	-	-	295,000
EPA Loan Payable - long term portion	-	-	507,054	2,590,711	-	3,097,765	3,538,277
Total long-term liabilities	-	-	507,054	2,590,711	-	3,097,765	3,833,277
Total liabilities	308,497	-	736,679	2,803,999	-	3,849,175	4,613,308
Net Position							
Invested in capital assets, net of related debt	3,617,034	-	5,560,017	(2,803,999)	-	6,373,052	5,880,347
Restricted	-	76,676	-	-	-	76,676	78,572
Unrestricted	328,667	-	274,668	65,826	-	669,161	661,909
Total net position (deficit)	$ 3,945,701	76,676	5,834,685	(2,738,173)	-	7,118,889	6,620,828

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, 2016

	Major Funds					Year Ended March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Replacement Reserve Fund	Water Bond Fund	2016	2015
Operating revenues:							
Sewer charges	$ -	-	855,360	208,841	-	1,064,201	951,827
Water charges	810,684	2,094	-	-	-	812,778	795,533
Other	1,413	-	113	-	-	1,526	1,526
Total operating revenues	812,097	2,094	855,473	208,841	-	1,878,505	1,748,886
Operating expenses:							
Water and sewer operations	353,551	7,491	419,760	-	-	780,802	783,955
Depreciation	209,476	-	273,425	-	-	482,901	472,764
Total operating expenses	563,027	7,491	693,185	-	-	1,263,703	1,256,719
Operating income (loss)	249,070	(5,397)	162,288	208,841	-	614,802	492,167
Non-operating revenues (expenses):							
Agent fees	-	-	-	-	(475)	(475)	(495)
Interest income	142	71	70	60	-	343	398
Interest expense	(1,256)	-	-	(97,923)	(17,430)	(116,609)	(135,095)
Total non-operating revenues (expenses)	(1,114)	71	70	(97,863)	(17,905)	(116,741)	(135,192)
Income (loss) before contributions and transfers	247,956	(5,326)	162,358	110,978	(17,905)	498,061	356,975
Contributed capital	-	-	-	-	-	-	25,671
Transfers in	-	3,430	-	63,914	17,905	85,249	203,658
Transfers out	(21,335)	-	(63,914)	-	-	(85,249)	(203,658)
Total	(21,335)	3,430	(63,914)	63,914	17,905	-	25,671
Change in net position	226,621	(1,896)	98,444	174,892	-	498,061	382,646
Total net position (deficit) - beginning	3,719,080	78,572	5,736,241	(2,913,065)	-	6,620,828	6,238,182
Total net position (deficit) - ending	$ 3,945,701	76,676	5,834,685	(2,738,173)	-	7,118,889	6,620,828

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, 2016

	Year Ended March 31,	
	2016	2015
Cash flows from operating activities:		
Receipts from customers	$ 1,876,655	1,794,334
Payments for goods and services	(421,651)	(394,539)
Payments to employees	(363,924)	(389,712)
Net cash provided by operating activities	1,091,080	1,010,083
Cash flows from noncapital financing activities:		
Increase/(decrease) in current liabilities	(200)	900
Net cash provided by (used in) noncapital financing activities	(200)	900
Cash flows from capital financing activities:		
Capital purchases	(216,446)	(16,761)
Loss on disposals	-	9,132
Principal paid on capital debt	(759,160)	(777,904)
Interest paid on loan payable	(117,084)	(135,590)
Net cash provided by (used in) capital financing activities	(1,092,690)	(921,123)
Cash flows from investing activities:		
Interest	343	398
Net cash provided by investing activities	343	398
Net increase (decrease) in cash and cash equivalents	(1,467)	90,258
Cash balance - beginning of the year	706,159	615,901
Cash Balance - end of the year	$ 704,692	706,159

Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	$ 614,802	492,167
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	482,901	472,764
Changes in assets and liabilities	(6,623)	45,152
Net cash provided by operating activites	$ 1,091,080	1,010,083

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

Statement of Fiduciary Net Position
Agency Funds
March 31, 2016

	March 31, 2016		March 31, 2015
Assets			
Cash	$	4,688	4,534
Total assets	$	4,688	4,534
Liabilities			
Payable to others	$	4,688	4,534
Total liabilities	$	4,688	4,534

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 polices 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.

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

A. Reporting Entity – (Continued)

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the Statement of Net 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.

B. Fund Accounting

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

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

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

B. Fund Accounting – (Continued)

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

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

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

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

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

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

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

Commercial Rehabilitation Loan Fund – accounts for funds restricted for loans provided from a consortium of lending institutions in financing the restoration and/or rehabilitation of properties in the area. (This fund was closed during the year ended March 31, 2015.)

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

TIF Fund - The TIF Fund is described in detail in Note 16 to these financial statements.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. The Public Service Bond Fund is the Village's only Debt Service fund, as the 2005 MFT Bond Fund was closed during the year ended March 31, 2015 when the MFT bonds were paid in full. The fund balances of the funds are reserved to signify the amounts that are restricted exclusively for debt service expenses.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).The Village did not report any Capital Project Funds for the year ended March 31, 2016.

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

B. Fund Accounting – (Continued)

Proprietary Fund Types

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

C. Basis of Accounting

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

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

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

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

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

D. Capital Assets and Long-Term Liabilities

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

The reported fund balance (net 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.

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

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

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

Buildings & Infrastructure	40 years
Improvements	10 years
Equipment	7 years

E. Property Taxes

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

The 2014 property tax levy, in the amount of $632,000, reduced by statutory limitations to $608,653, was received by the Village in the current fiscal year. The 2015 tax levy in the amount of $635,575, reduced by statutory limitations to $630,179, was adopted on December 14, 2015 and will be received by the Village in the subsequent fiscal year.

F. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. Certain amounts for 2015 may have been reclassified to conform to the 2016 presentation.

NOTE 2: CASH AND INVESTMENTS

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

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

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

NOTE 2: CASH AND INVESTMENTS – (Continued)

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.

Cash and investments as of March 31, 2016 are classified as cash and cash equivalents on the Statement of Net Position, and include the following:

Cash	$ 489,307
Investments	1,137,766
Total	$ 1,627,073

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, 2016, the bank balance of the Village's deposits was $1,916,971 and the carrying amount was $1,626,873 (excluding petty cash of $200).

Custodial Credit Risk:

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

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The 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.

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 171,366	-	-	171,366
Construction in progress	-	1,784,826	-	1,784,826
Total capital assets not being depreciated:	171,366	1,784,826	-	1,956,192
Capital assets being depreciated				
Machinery & equipment	1,594,407	82,182	(140,846)	1,535,743
Infrastructure	2,949,389	-	-	2,949,389
Buildings	3,222,920	5,204	-	3,228,124
Total capital assets being depreciated	7,766,716	87,386	(140,846)	7,713,256
Less accumulated depreciation for:				
Machinery & equipment	(1,237,308)	(108,518)	140,846	(1,204,980)
Infrastructure	(531,805)	(73,735)	-	(605,540)
Buildings	(1,836,752)	(63,134)	-	(1,899,886)
Total accumulated depreciation	(3,605,865)	(245,387)	140,846	(3,710,406)
Total capital assets being depreciated, net	4,160,851	(158,001)	-	4,002,850
Governmental activites capital assets, net	$ 4,332,217	1,626,825	-	5,959,042
Business-Type Activities:				
Capital assets not being depreciated:				
Land - Water Fund	$ 10,500	-	-	10,500
Land - Sewer Fund	35,000	-	-	35,000
Total capital assets not being depreciated	45,500	-	-	45,500
Capital assets being depreciated:				
Buildings/infrastructure - Water Fund	128,914	-	-	128,914
Utility Systems - Water Fund	6,875,125	-	-	6,875,125
Equipment - Water Fund	436,121	207,946	-	644,067
Utility Systems - Sewer Fund	11,057,148	-	-	11,057,148
Equipment - Sewer Fund	449,454	8,500	-	457,954
Total capital assets being depreciated	18,946,762	216,446	-	19,163,208
Less accumulated depreciation for:				
Buildings/infrastructure - Water Fund	(128,913)	-	-	(128,913)
Utility Systems - Water Fund	(3,049,734)	(171,878)	-	(3,221,612)
Equipment - Water Fund	(358,450)	(37,598)	-	(396,048)
Utility Systems - Sewer Fund	(4,582,739)	(259,979)	-	(4,842,718)
Equipment - Sewer Fund	(399,643)	(13,446)	-	(413,089)
Total accumulated depreciation	(8,519,479)	(482,901)	-	(9,002,380)
Total capital assets being depreciated, net	10,427,283	(266,455)	-	10,160,828
Business-type activites capital assets, net	$ 10,472,783	(266,455)	-	10,206,328

NOTE 4: CAPITAL ASSETS – (Continued)

Significant additions for the year ended March 31, 2016 included the following:

Governmental Activities:		
High Speed Rail Depot (Construction in Progress)	$	1,784,826
2015 Ford F-550 Truck		75,370
Business-Type Activities:		
Route 66 Water Tank	$	207,946

Governmental activities depreciation of $245,387 was charged to general government. Business-type activities depreciation of $482,901 was allocated to Waterworks ($209,476) and Sewer ($273,425).

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt transactions of the Village for the year ended March 31, 2016:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
	Governmental Activities:				
Bonds Payable - Series 2009	$ 65,000	-	65,000	-	-
Total Governmental Activities	$ 65,000	-	65,000	-	-
	Business-type Activities:				
Bonds Payable - Series 2010	$ 625,000	-	330,000	295,000	295,000
IEPA Loan Payable	3,012,054	-	208,055	2,803,999	213,288
IEPA Loan Payable	339,131	-	132,740	206,391	136,604
IEPA Loan Payable	616,251	-	88,365	527,886	90,619
Total Business-type Activities	$ 4,592,436	-	759,160	3,833,276	735,511

At March 31, 2016, bonds and notes payable consisted of the following:

$630,000 – Refunding Bond (Alternate Revenue Source) Series 2009, due in annual installments of $75,000 - $105,000 from December 1, 2009 through December 1, 2016, interest ranges from 2.5% to 2.85%. The bond was paid in full during the year ended March 31, 2016 from the Public Service Bond Fund.

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

$1,840,000 – 1994 General Obligation Refunding Waterworks Bonds, Series 2010, payable beginning December 1, 2011 through December 1, 2016, interest ranges from 2.3% to 3.00% and are not subject to redemption prior to maturity. Principal payments are made from the Waterworks Fund. Interest is paid from the Water Bond Fund.

Due During Year Ended March 31,	Principal	Interest June 1	Interest December 1	Total
2017	$ 295,000	4,425	4,425	303,850
	$ 295,000	4,425	4,425	303,850

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 July 1	Interest January 1	Total
2017	$ 136,604	2,982	2,002	141,588
2018	69,787	1,012	-	70,799
	$ 206,391	3,994	2,002	212,387

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 July 1	Interest January 1	Total
2017	$ 90,619	6,691	6,120	103,430
2018	92,887	5,576	4,967	103,430
2019	95,302	4,364	3,764	103,430
2020	97,733	3,156	2,541	103,430
2021	100,226	1,918	1,286	103,430
2022	51,119	648	-	51,767
	$ 527,886	22,353	18,678	568,917

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

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

Due During Year Ended March 31,	Principal	Interest September 27	Interest March 27	Total
2017	$ 213,288	35,051	33,725	282,064
2018	218,654	32,384	31,026	282,064
2019	224,155	29,651	28,258	282,064
2020	229,794	26,849	25,421	282,064
2021	235,575	23,976	22,513	282,064
2022	241,500	21,032	19,532	282,064
2023	247,576	18,013	16,475	282,064
2024	253,804	14,918	13,342	282,064
2025	260,188	11,746	10,130	282,064
2026	266,734	8,493	6,837	282,064
2027	273,444	5,159	3,461	282,064
2028	139,287	1,745	-	141,032
	$ 2,803,999	229,017	210,720	3,243,736

NOTE 6: 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.

A temporary transfer was made from the General Fund to cover TIF Fund expenditures in a prior year, and the remainder of the outstanding balance ($14,000) was repaid in the current year.

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

NOTE 6: INDIVIDUAL FUND DISCLOSURES – (Continued)

Fund	Transfer from Other Funds	Transfer to Other Funds
Governmental Funds:		
Major Funds:		
General Fund	$ -	154,996
Reserve Capital Expenditures	87,643	-
Non-major Funds:		
Public Service Bond Fund	67,353	-
Total Governmental Funds	154,996	154,996
Business-type Funds:		
Water Capital Project Fund	3,430	-
Water Fund	-	21,335
Water Bond Fund	17,905	-
Sewer Replacement Reserve	63,914	-
Sewer Fund	-	63,914
Total Business-type Funds:	85,249	85,249
Total Transfers	$ 240,245	240,245

NOTE 7: PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village 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, 2016.

During the year ended March 31, 2016, there were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 8: CONTINGENCIES - LITIGATION

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

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

Plan Description – The 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.

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.

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

Employees Covered by Benefit Terms – As of December 31, 2015, the following Village employees were covered by the benefit terms:

Retireees and Benficiaries currently receiving benefits	23
Inactive Plan Members entitled to but not yet receiving benefits	9
Active Plan Members	23
Total	55

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 2015 and the fiscal year ended March 31, 2016 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 2015	10.51%
Village required contribution rate for 2016	10.92%
Village actual contributions for 2015	$ 133,480
Village actual contributions for fiscal year 2016	$ 139,503

Net Pension Liability – The Village's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2015, the Village had a net pension liability for the plan, determined as follows:

Total Pension Liability	$ 8,024,902
Plan Fiduciary Net Position	7,036,434
Net Pension Liability	$ 988,468

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- 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 3.5%.
- 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.

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

Actuarial Assumptions (continued)

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate - A Single Discount Rate of 7.48% 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).

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

Single Discount Rate (continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

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 7.48%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

	1% Decrease 6.48%	Current Single Discount Rate Assumption 7.48%	1% Increase 8.48%
Total Pension Liability	$ 9,094,905	8,024,902	7,145,139
Plan Fiduciary Net Position	7,036,434	7,036,434	7,036,434
Net Pension Liability	$ 2,058,471	988,468	108,705

NOTE 10: COMPENSATED ABSENCES

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

Vacation pay is awarded, based on years of service, annually at the beginning of each employee's employment anniversary date. Vacation must be taken during the year and may only be carried over if approved by the employee's immediate supervisor. Unused vacation days are paid to all employees upon separation of service. The Village's obligation for unused vacation at March 31, 2016 was $82,665.

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 $278,270.

NOTE 11: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2016:

Assessed valuation - 2015		$ 58,730,529
Statutory debt limitation (8.625% of assessed valuation)		$ 5,065,508
Debt outstanding at March 31, 2016:		
General obligation bonds payable	$ 295,000	
EPA loans payable	3,538,276	
	3,833,276	
EPA loan and other debt not included for purposes of debt limitation statute	(3,833,276)	-
Legal debt margin		$ 5,065,508

NOTE 12: SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Retirement Fund are considered as "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Village paid $109,716, the total required contribution for the year ended March 31, 2016.

NOTE 13: 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:

	Levy	Expenditure	Restricted Balance
Audit	$ 4,001	8,750	-
Street Lighting	30,872	31,887	1,202
Parks	46,308	128,869	-
Road & Bridge	66,426	66,825	4,648
Liability Insurance	104,976	107,721	-
Total	$ 252,583	344,052	5,850

NOTE 14: MOTOR FUEL TAX ALLOTMENTS

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

NOTE 15: 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.

NOTE 16: TIF DISTRICT

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

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

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

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

The Village made payments totaling $2,650 for professional services during the current fiscal year, per an approved agreement.

NOTE 17: FUND BALANCE – GASB 54 PRESENTATION

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

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 13 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 $39,886.

2. IMRF - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the FICA & IMRF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of $73,152.

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 $171,610. See Note 14 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 $94,342. See Note 19 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	$	59,070
Pool Renovations		79,197
Brewster Run		105,765
Downtown Street Project		156,766
Total	$	400,798

NOTE 17: FUND BALANCE – GASB 54 PRESENTATION

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. As of March 31, 2016, the Village has the following committed fund balances:

1. In December 2014, the Village Board passed a resolution to commit funds for completion of the Pine Cone Path project, in conjunction with an Illinois Transportation Enhancement Program grant, to be completed in subsequent years. The Village has reported a committed fund balance of $142,748 in the General Fund in connection with this resolution.

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, 2016:

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 $8,665 as of March 31, 2016.

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 $513,674 (net of restricted balances) is reported as unassigned in the Reserve for Capital Expenditures fund at March 31, 2016.

NOTE 18: 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, 2016.

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, 2016.

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 $200 for the year ended March 31, 2016.

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

Year Ending March 31,	McGrath	Merchants	NeoPost	Total
2017	3,732	11,666	240	15,638
2018	3,732	11,666	240	15,638
2019	3,732	11,666	40	15,438
2020	1,555	2,917	-	4,472

NOTE 19: CDAP LOANS

The Village has a loan agreement with Dwight Restaurant Group, LLC. The Dwight Restaurant Group, LLC. has an outstanding loan balance of $54,066 as of March 31, 2016.

NOTE 20: 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 Commercial Rent Subsidy Fund had expenditures in excess of appropriations of $1,512, and the Water Capital Project Fund had expenditures in excess of appropriations of $7,391 for the year ended March 31, 2016.

OTHER INFORMATION

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions
March 31, 2016

Assets		
Cash	$	538,666
Total assets	$	538,666
Fund Balance		
Fund balance:		
Unassigned	$	390,068
Committed for construction projects		142,748
Restricted for street lighting		1,202
Restricted for roads & bridges		4,648
Total fund balance	$	538,666

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, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Property taxes	$ 464,750	418,941	416,777
Utility tax	225,000	210,518	232,889
Telecommunications taxes	120,000	117,337	115,453
Hotel/Motel taxes	30,000	33,098	28,551
State sales tax	660,000	604,162	644,910
State income taxes	413,220	460,630	403,431
Local use taxes	78,810	94,750	83,226
Replacement taxes	41,500	45,876	41,487
Gas tax refund	2,000	-	3,638
Garbage/refuse	313,026	306,476	293,645
Ambulance receipts	275,500	313,163	258,568
Police compensation	22,000	68,488	75
Grants	65,500	1,842	7,804
Interest income	2,500	2,123	2,653
Video gaming revenue	60,000	84,599	59,222
Miscellaneous	5,000	85,260	39,748
Permits	13,400	19,181	17,528
Licenses	29,200	31,278	37,708
County fines	51,244	64,734	56,537
Village fines	11,500	13,123	17,835
Donations	3,500	9,142	5,784
Park/Pool charges for service	32,600	30,949	25,979
Tourism revenue	2,750	2,769	2,305
Retiree insurance reimbursement	-	1,023	1,175
Total revenues received	$ 2,923,000	3,019,462	2,796,928

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, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Expenditures disbursed:			
General Government:			
Current:			
Salaries - Employees	$ 87,500	89,450	85,439
Salaries - Elected	17,500	15,870	16,495
Employee benefits	10,741	12,423	12,645
Unemployment insurance	410	471	355
Worker's compensation	2,265	1,237	3,369
Transportation services	4,800	4,800	4,800
Building maintenance	16,000	19,891	29,524
Equipment maintenance	10,000	7,431	14,519
Engineering services	17,500	8,171	20,065
Legal & professional services	36,850	24,652	33,045
Dues and fees	2,000	1,239	1,630
Printing and publications	2,750	4,600	3,097
Postage	4,000	3,429	4,009
Telephone	4,000	5,776	3,815
Travel	1,500	1,094	871
Training	1,000	630	280
Economic development	50,000	56,282	46,054
Hotel/Motel expenditures	30,000	28,736	28,058
Utilities	4,000	3,022	5,078
Insurance	83,000	86,115	79,288
Equipment rental	5,500	5,531	6,158
Other contractual services	1,500	-	1,059
Maintenance supply - building	1,500	3,035	732
Maintenance supply - equipment	750	1,224	255
Office supplies	3,750	6,017	3,948
Sales tax paid	155	149	153
Property tax abatement	30,000	4,502	-
Miscellaneous expense	7,500	11,965	5,729
Total General Government	436,471	407,742	410,470
Garbage Disposal:			
Current:			
Disposal services	309,276	302,736	296,188
Postage	750	719	833
Supplies	150	172	-
Miscellaneous expense	150	-	-
Total Garbage Disposal	310,326	303,627	297,021

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, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Expenditures disbursed (Continued):			
Public Safety:			
Current:			
Salaries - Employees	$ 716,812	713,658	650,962
Employee benefits	109,310	101,196	108,996
Unemployment insurance	1,575	2,635	1,515
Worker's compensation	9,000	6,723	12,726
Uniform allowance	6,000	5,050	8,717
Contractual services	35,100	28,462	28,111
Maintenance - equipment	3,500	2,645	1,356
Maintenance - vehicles	14,000	17,940	12,222
Telephone	8,000	11,083	8,363
Printing & advertising	1,000	-	1,155
Dues and fees	1,500	1,263	1,359
Travel expense	1,500	2,641	912
Training expense	6,000	6,414	7,442
Supplies	5,000	4,170	4,589
Fuel/oil	30,000	21,640	27,507
Capital outlay - equipment	-	4,736	-
DUI expense	1,500	-	6,994
Canine unit	2,000	5,565	6,100
Officer friendly expenditures	9,000	6,726	6,806
Range expense	5,000	-	469
Humane officer & animal control	250	99	65
Miscellaneous	4,000	24,481	6,620
Total Public Safety	970,047	967,127	902,986
ESDA:			
Current:			
Salaries	1,000	1,026	641
Unemployment insurance	10	10	6
Worker's compensation	100	192	128
Contractual services	5,275	6,688	5,552
Repair & maintenance	500	-	535
Telephone	950	1,681	873
Training	200	-	-
Supplies	150	-	-
Other	100	85	76
Total ESDA	8,285	9,682	7,811

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Expenditures disbursed (Continued):			
Ambulance Services:			
Current:			
Salaries	$ 76,738	76,738	74,867
Employee benefits	10,731	10,119	10,904
Unemployment insurance	122	246	123
Worker's compensation	4,400	2,685	4,381
Uniform allowance	4,000	6,696	4,139
Contractual services	480,683	479,294	462,505
Ambulance - OT	8,000	10,669	14,532
Ambulance - other	25,700	23,897	23,647
Maintenance - equipment	4,000	3,624	6,967
Maintenance - vehicles	10,000	16,239	17,450
Telephone	4,100	5,382	3,945
Dues and fees	800	678	678
Travel expense	100	-	-
Training expense	3,000	3,911	3,356
Office supplies	1,500	2,527	1,912
Other supplies	1,200	1,016	1,277
Medical supplies	8,000	10,920	8,604
Fuel/oil	16,500	10,096	13,785
Donations	500	2,909	1,046
Miscellaneous expense	1,500	2,383	1,391
Total Ambulance Services	661,574	670,029	655,509
Streets & Lighting:			
Current:			
Salaries	80,500	52,123	47,158
Salaries - OT	3,500	5,643	8,421
Employee Benefits	21,510	13,025	7,879
Unemployment insurance	120	323	103
Worker's compensation	1,500	3,883	6,681
Uniform allowance	920	1,425	396
Maintenance - equipment	20,000	28,303	40,389
Maintenance - streets & alleys	35,000	36,322	16,059
Maintenance - lighting	2,500	1,077	2,448
Maintenance - sidewalks	5,000	2,354	200
Maintenance - trees	20,000	28,150	21,225

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Expenditures disbursed (Continued):			
Streets & Lighting (Continued):			
Utilities	$ 31,000	30,810	30,295
Snow removal	20,000	12,372	31,956
Creek maintenance	15,000	14,620	7,610
Engineering services	15,000	-	-
Telephone	1,300	1,734	1,193
Training expense	500	69	407
Operating supplies	3,000	4,548	3,040
Small tools	500	979	467
Fuel/oil	13,000	13,725	13,608
Miscellaneous expense	500	2,825	125
Total Streets & Lighting	290,350	254,310	264,844
Parks and Recreation:			
Current:			
Salaries	90,400	82,815	81,424
Salaries - OT	300	507	275
Employee benefits	16,115	15,179	8,146
Unemployment insurance	450	653	591
Worker's compensation	1,500	1,414	2,055
Uniform allowance	750	573	682
Repair & maintenance	5,000	2,423	3,102
Repair & maintenance - parks	20,000	24,754	23,789
Utilities	800	766	792
Operating supplies	1,000	848	257
Fuel/oil	4,000	1,038	2,957
Miscellaneous	243	-	-
Total Parks and Recreation	140,558	130,970	124,070
Pool:			
Current:			
Salaries	40,000	39,252	34,767
Unemployment insurance	300	367	330
Worker's compensation	600	767	1,300
Maintenance - pool	10,000	17,010	7,585
Telephone	1,100	1,264	1,005
Printing	500	-	-

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, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	Year Ended March 31, 2015
Expenditures disbursed (Continued):			
Pool (Continued):			
Utilities	$ 7,500	13,490	6,971
Supplies	1,100	1,428	742
Concession stand supplies	5,000	2,649	2,386
Sales tax paid	350	402	340
Swim team expense	1,000	564	546
Miscellaneous expense	1,500	1,505	794
Total Pool	68,950	78,698	56,766
Total expenditures disbursed	2,886,561	2,822,185	2,719,477
Excess (deficiency) of revenues received over (under) expenditures disbursed	36,439	197,277	77,451
Other financing sources (uses):			
Transfers in	19,000	-	40,216
Transfers out	(290,318)	(154,996)	(523,028)
Total other financing sources (uses)	(271,318)	(154,996)	(482,812)
Net change in fund balance	$ (234,879)	42,281	(405,361)
Fund balance, beginning of year		496,385	901,746
Fund balance, end of year		538,666	496,385

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, 2016

Assets		
Cash	$	-
Total assets	$	-
Liabilities and Fund Balance		
Liabilities:		
Overdrafts payable	$	112,876
Fund balance:		
Restricted fund balance		400,798
Unassigned fund balance (deficit)		(513,674)
Total fund balance (deficit)		(112,876)
Total liabilities and fund balance	$	-

VILLAGE OF DWIGHT, ILLINOIS
RESERVE FOR CAPITAL EXPENDITURES FUND

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Interest income	$ 2,000	3,285	3,486
Grant income	3,816,600	1,450,075	-
Other income	105,000	56,625	-
Total revenues received	3,923,600	1,509,985	3,486
Expenditures disbursed:			
Current:			
Engineering service	320,000	135,043	60,414
Capital outlay:			
Construction projects	665,000	-	53,410
Equipment purchases	1,500	4,344	126,791
Vehicles	-	75,964	299,753
HSR Depot construction	3,000,000	1,832,822	11,051
Pinecone Path construction	-	98,012	-
Trees	5,000	6,774	3,722
Improvements	-	4,350	-
Land purchase	40,000	30,000	5,000
Total expenditures disbursed	4,031,500	2,187,309	560,141
Excess (deficiency) of revenues received over (under) expenditures disbursed	(107,900)	(677,324)	(556,655)
Other financing sources (uses):			
Transfers in	246,000	87,643	351,068
Total other financing sources (uses)	246,000	87,643	351,068
Net change in fund balance	$ 138,100	(589,681)	(205,587)
Fund balance, beginning of year		476,805	682,392
Fund balance (deficit), end of year		(112,876)	476,805

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

Calendar Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	$ 143,229	-	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	547,518	-	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	212,150	-	-	-	-	-	-	-	-	-
Assumption Changes	19,740	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(252,713)	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	669,924	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	7,354,978	-	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	$ 8,024,902	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Contributions - Employer	$ 133,480	-	-	-	-	-	-	-	-	-
Contributions - Employee	57,151	-	-	-	-	-	-	-	-	-
Net Investment Income	35,673	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(252,713)	-	-	-	-	-	-	-	-	-
Other (Net Transfer)	(102,705)	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(129,114)	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	7,165,548	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	$ 7,036,434	-	-	-	-	-	-	-	-	-
Net Pension Liability (Asset)	$ 988,468	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of theTotal Pension Liability	87.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	$ 1,270,033	N/A	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	77.83%	N/A	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
12/31/2015	$ 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 2015 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): 28-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 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% 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 2011 valuation pursuant to an experience study fo the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

NOTES TO OTHER INFORMATION

Notes to Other Information
For the Year Ended March 31, 2016

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 23, 2015 the Village approved Ordinance No. 1332 adopting the annual budget for the fiscal year ending March 31, 2016, and it was not amended.

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, 2016:

Description	Budget	Actual	Variance
General Fund Revenues Received	$ 2,923,000	3,019,462	96,462
General Fund Expenditures Disbursed	2,886,561	2,822,185	64,376
Reserve for Capital Expenditures Fund Revenues Received	3,923,600	1,509,985	(2,413,615)
Reserve for Capital Expenditures Fund Expenditures Disbursed	4,031,500	2,187,309	1,844,191

SUPPLEMENTARY INFORMATION

Combining Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions
March 31, 2016

	Special Revenue Funds					Debt Service Fund	Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	TIF Fund	CDAP Economic Development Fund	Public Service Bond Fund	March 31, 2016	March 31, 2015
Assets								
Cash in bank	$ 171,610	113,038	8,665	108,936	94,342	-	496,591	272,411
Total assets	$ 171,610	113,038	8,665	108,936	94,342	-	496,591	272,411
Liabilities and Fund Balance								
Liabilities:								
Due to General Fund	$ -	-	-	-	-	-	-	14,000
Total liabilities	-	-	-	-	-	-	-	14,000
Fund balance:								
Restricted	171,610	113,038	-	108,936	94,342	-	487,926	255,865
Assigned	-	-	8,665	-	-	-	8,665	9,896
Unassigned	-	-	-	-	-	-	-	(7,350)
Total fund balance (deficit)	171,610	113,038	8,665	108,936	94,342	-	496,591	258,411
Total liabilities and fund balance	$ 171,610	113,038	8,665	108,936	94,342	-	496,591	272,411

Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances For the Year Ended March 31, 2016

	Special Revenue Funds					Debt Service Fund	Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	TIF Fund	CDAP Economic Development Fund	Public Service Bond Fund	March 31, 2016	March 31, 2015
Revenues received:								
Property taxes	$ -	255,943	-	-	-	-	255,943	260,567
Interest income	217	84	3	31	44	-	379	263
Motor fuel tax	105,056	-	-	-	-	-	105,056	143,116
TIF revenue	-	-	-	119,455	-	-	119,455	122,676
Revolving loan	-	-	-	-	11,000	-	11,000	3,000
Miscellaneous	-	-	278	-	-	-	278	-
Total revenues received	105,273	256,027	281	119,486	11,044	-	492,111	529,622
Expenditures disbursed:								
General Government	-	249,219	1,512	3,200	-	500	254,431	451,899
Debt Service:								
Principal	-	-	-	-	-	65,000	65,000	225,000
Interest	-	-	-	-	-	1,853	1,853	10,964
Total expenditures disbursed	-	249,219	1,512	3,200	-	67,353	321,284	687,863
Excess (deficiency) of revenues received over (under) expenditures disbursed	105,273	6,808	(1,231)	116,286	11,044	(67,353)	170,827	(158,241)
Other financing sources (uses):								
Transfers In	-	-	-	-	-	67,353	67,353	236,960
Transfers Out	-	-	-	-	-	-	-	(105,216)
Total other financing sources (uses)	-	-	-	-	-	67,353	67,353	131,744
Net change in fund balance	105,273	6,808	(1,231)	116,286	11,044	-	238,180	(26,497)
Fund balance (deficit), beginning of year	66,337	106,230	9,896	(7,350)	83,298	-	258,411	284,908
Fund balance (deficit), end of year	$ 171,610	113,038	8,665	108,936	94,342	-	496,591	258,411

VILLAGE OF DWIGHT, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE C-3

Statement of Assets, Liabilities and
Fund Balance - Arising from Cash Transactions
March 31, 2016

Assets	
Cash	$ 171,610
Total assets	$ 171,610
Fund Balance	
Fund balance	$ 171,610
Total fund balance	$ 171,610

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

SCHEDULE C-4

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Motor fuel tax allotments	$ 102,292	105,056	105,222
Interest income	25	217	23
Supplemental allotments	-	-	37,894
Total revenues received	102,317	105,273	143,139
Expenditures disbursed:			
Construction projects	-	-	184,403
Engineering service	-	-	15,597
Total expenditures disbursed	-	-	200,000
Excess (deficiency) of revenues received over (under) expenditures disbursed	102,317	105,273	(56,861)
Other financing sources (uses):			
Transfers in	-	-	667
Transfers out	-	-	(65,000)
Total other financing sources (uses)	-	-	(64,333)
Net change in fund balance	$ 102,317	105,273	(121,194)
Fund balance, beginning of year		66,337	187,531
Fund balance, end of year		171,610	66,337

VILLAGE OF DWIGHT, ILLINOIS
FICA & IMRF FUND

SCHEDULE C-5

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions March 31, 2016

Assets		
Cash	$	113,038
Total assets	$	113,038
Fund Balance		
Fund balance		
Restricted - IMRF	$	73,152
Restricted - FICA		39,886
Total fund balance	$	113,038

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual For the Year Ended March 31, 2016 (With Comparative Figures for 2015)

SCHEDULE C-6

	Original and Final Budget	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenues received:			
Property taxes - IMRF	$ 150,000	149,966	160,348
Property taxes - FICA	111,000	105,977	100,219
Interest income	50	84	104
Total revenues received	261,050	256,027	260,671
Expenditures disbursed:			
FICA contribution	111,000	109,716	105,214
IMRF contribution	150,000	139,503	142,485
Total expenditures disbursed	261,000	249,219	247,699
Excess (deficiency) of revenues received over (under) expenditures disbursed	$ 50	6,808	12,972
Fund balance, beginning of year		106,230	93,258
Fund balance, end of year		113,038	106,230

VILLAGE OF DWIGHT, ILLINOIS
COMMERICAL RENT SUBSIDY FUND

SCHEDULE C-7

Statement of Assets, Liabilities and
Fund Balance - Arising from Cash Transactions
March 31, 2016

Assets	
Cash	$ 8,665
Total assets	$ 8,665
Fund Balance	
Fund balance	$ 8,665
Total fund balance	$ 8,665

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

SCHEDULE C-8

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Gross receipts repayment	$ -	278	-
Interest	5	3	5
Total revenues received	5	281	5
Expenditures disbursed:			
Rent subsidy	-	1,512	-
Total expenditures disbursed	-	1,512	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	$ 5	(1,231)	5
Fund balance, beginning of year		9,896	9,891
Fund balance, end of year		8,665	9,896

VILLAGE OF DWIGHT, ILLINOIS
COMMERCIAL REHAB FUND

SCHEDULE C-9

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions March 31, 2016

Assets	
Cash	$ -
Total assets	$ -
Fund Balance	
Fund balance	$ -
Total fund balance	$ -

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual For the Year Ended March 31, 2016 (With Comparative Figures for 2015)

SCHEDULE C-10

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Interest income	$ -	-	19
Total revenues received	-	-	19
Expenditures disbursed:	-	-	-
Total expenditures disbursed	-	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	-	19
Other financing sources (uses):			
Transfers out	-	-	(40,216)
Total other financing sources (uses)	-	-	(40,216)
Net change in fund balance	$ -	-	(40,197)
Fund balance, beginning of year		-	40,197
Fund balance, end of year		-	-

VILLAGE OF DWIGHT, ILLINOIS
TIF FUND

SCHEDULE C-11

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions March 31, 2016

Assets		
Cash	$	108,936
Total assets	$	108,936
Fund Balance		
Fund balance	$	108,936
Total fund balance	$	108,936

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual For the Year Ended March 31, 2016 (With Comparative Figures for 2015)

SCHEDULE C-12

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
TIF revenue	$ 124,000	119,455	122,676
Interest income	30	31	72
Total revenues received	124,030	119,486	122,748
Expenditures disbursed:			
Other professional services	2,750	2,650	2,650
Façade grants	30,000	-	-
Dues	600	550	550
Total expenditures disbursed	33,350	3,200	3,200
Excess (deficiency) of revenues received over (under) expenditures disbursed	90,680	116,286	119,548
Other financing sources (uses):			
Transfers in (out)	(14,000)	-	-
Total other financing sources (uses)	(14,000)	-	-
Net change in fund balance	$ 76,680	116,286	119,548
Fund balance (deficit), beginning of year		(7,350)	(126,898)
Fund balance (deficit), end of year		108,936	(7,350)

VILLAGE OF DWIGHT, ILLINOIS
CDAP ECONOMIC DEVELOPMENT FUND

SCHEDULE C-13

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions March 31, 2016

Assets	
Cash	$ 94,342
Total assets	$ 94,342
Fund Balance	
Fund balance	$ 94,342
Total fund balance	$ 94,342

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual For the Year Ended March 31, 2016 (With Comparative Figures for 2015)

SCHEDULE C-14

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Principal	$ 10,237	9,372	2,345
Interest	1,763	1,628	655
Interest Income	35	44	40
Total revenues received	12,035	11,044	3,040
Expenditures disbursed:			
Development	-	-	-
Total expenditures disbursed	-	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	$ 12,035	11,044	3,040
Fund balance, beginning of year		83,298	80,258
Fund balance, end of year		94,342	83,298

VILLAGE OF DWIGHT, ILLINOIS
2005 MFT BOND FUND

SCHEDULE D-1

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions
March 31, 2016

Assets	
Cash	$ -
Total assets	$ -
Fund Balance	
Fund balance	$ -
Total fund balance	$ -

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

SCHEDULE D-2

	Original and Final Budget	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenues received:			
Interest Income	$ -	-	-
Total revenues received	-	-	-
Expenditures disbursed:			
Debt Service:			
Fees	-	-	500
Principal	-	-	120,000
Interest	-	-	6,120
Total expenditures disbursed	-	-	126,620
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	-	(126,620)
Other financing sources (uses):			
Transfer in	-	-	125,953
Net change in fund balance	$ -	-	(667)
Fund balance, beginning of year		-	667
Fund balance, end of year		-	-

VILLAGE OF DWIGHT, ILLINOIS
PUBLIC SERVICE BOND FUND

SCHEDULE D-3

Statement of Assets, Liabilities and Fund Balance - Arising from Cash Transactions
March 31, 2016

Assets	
Cash	$ -
Total assets	$ -
Fund Balance	
Fund balance	$ -
Total fund balance	$ -

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

SCHEDULE D-4

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues received:			
Interest	$ -	-	-
Total revenues received	-	-	-
Expenditures disbursed:			
Debt Service:			
Fees	500	500	500
Principal	65,000	65,000	105,000
Interest	1,853	1,853	4,845
Total expenditures disbursed	67,353	67,353	110,345
Excess (deficiency) of revenues received over (under) expenditures disbursed	(67,353)	(67,353)	(110,345)
Other financing sources (uses):			
Transfers in	67,353	67,353	110,341
Net change in fund balance	$ -	-	(4)
Fund balance, beginning of year		-	4
Fund balance, end of year		-	-

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE E-1

Major Proprietary Fund
Statement of Fund Net Position
March 31, 2016

Assets		
Current assets:		
Cash	$	316,801
Accounts receivable		25,363
Total current assets		342,164
Non-current assets:		
Capital assets		7,658,608
Accumulated depreciation		(3,746,574)
Total non-current assets		3,912,034
Total assets	$	4,254,198
Liabilities and Net Position		
Current liabilities:		
Accounts payable	$	387
Water deposits		13,110
Current portion of long-term debt:		
Bonds payable		295,000
Total liabilities		308,497
Net position		3,945,701
Total liabilities and net position	$	4,254,198

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE E-2

Major Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues:			
Water	$ 815,000	801,600	786,627
Water meters	500	1,580	400
Water penalties	7,500	7,504	7,756
Interest	200	142	213
Miscellaneous	1,500	1,413	26,952
Total revenues	824,700	812,239	821,948
Expenses:			
Current:			
Salaries	188,200	193,424	189,510
Salaries - OT	7,500	5,792	5,315
Employee benefits	35,970	33,963	35,139
Unemployment insurance	400	443	373
Worker's compensation	2,800	1,810	4,990
Uniform allowance	1,167	856	798
Contractual services	7,000	5,342	6,335
Maintenance - equipment	24,000	5,217	4,536
Maintenance - system	50,000	32,911	34,119
Engineering service	2,000	772	-
Postage	1,750	1,786	1,699
Telephone	1,100	1,351	1,105
Printing and publishing	1,000	510	394
Dues	500	649	448
Travel	300	-	-
Training	1,000	534	265
Utilities	45,000	44,616	43,185
Lease/rentals	3,200	3,179	3,221
Operating supplies	2,600	838	904
Small tools	500	813	329
Fuel/oil	8,000	2,351	6,935
Chemicals	12,500	8,544	8,807
Principal	4,577	4,577	4,624
Interest	1,256	1,256	1,209
Miscellaneous expense	1,500	136	1,880
Capital outlay	215,500	3,137	3,537
Depreciation	219,000	209,476	198,463
Total expenses	838,320	564,283	558,120
Excess of revenues over (under) expenses	(13,620)	247,956	263,828
Other financing sources (uses):			
Transfers out	(372,930)	(21,335)	(82,927)
Change in net position	$ (386,550)	226,621	180,901
Net position, beginning of year		3,719,080	3,538,179
Net position, end of year		3,945,701	3,719,080

VILLAGE OF DWIGHT, ILLINOIS
WATER CAPITAL PROJECT FUND

SCHEDULE E-3

Major Proprietary Fund
Statement of Fund Net Position
March 31, 2016

Assets	
Cash	$ 76,676
Total assets	$ 76,676
Net Position	
Net position	$ 76,676
Total net position	$ 76,676

SCHEDULE E-4

Statement of Revenues, Expenses, & Changes in Fund Net Position
Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues:			
Tap-on fees	$ -	2,094	750
Interest Income	30	71	75
Total revenues	30	2,165	825
Expenses:			
Current:			
Engineering service	-	7,491	14,429
Miscellaneous	100	-	-
Repair and maintenance system	-	-	-
Total expenses	100	7,491	14,429
Excess of revenues over (under) expenses	(70)	(5,326)	(13,604)
Other financing sources (uses):			
Transfer in	-	3,430	57,541
Net change in net position	$ (70)	(1,896)	43,937
Net position, beginning of year		78,572	34,635
Net position, end of year		76,676	78,572

VILLAGE OF DWIGHT, ILLINOIS
SEWER FUND

SCHEDULE E-5

Major Proprietary Fund
Statement of Fund Net Position
March 31, 2016

Assets	
Current assets:	
Cash	$ 245,389
Accounts receivable	31,681
Total current assets	277,070
Non-current assets:	
Capital assets	11,550,100
Accumulated depreciation	(5,255,806)
Total non-current assets	6,294,294
Total assets	$ 6,571,364
Liabilities and Net Position	
Current Liabilities:	
Accounts payable	$ 2,402
Current portion of long-term debt:	
EPA loan payable	227,223
Total current liabilities	229,625
Long-term liabilities:	
Due in more than one year:	
EPA loan payable	507,054
Total long-term liabilities	507,054
Total liabilities	736,679
Net position	5,834,685
Total liabilities and net position	$ 6,571,364

VILLAGE OF DWIGHT, ILLINOIS SCHEDULE E-6
SEWER FUND

Major Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenues:			
Sewer	$ 813,500	854,476	750,575
Surcharge	50	39	6
Industrial cost recovery	700	845	592
Interest	40	70	44
Miscellaneous	200	113	245
Total revenues	814,490	855,543	751,462
Expenses:			
Current:			
Salaries	166,500	159,360	188,633
Salaries - OT	5,000	5,348	6,254
Employee benefits	35,970	29,977	35,140
Unemployment insurance	400	482	741
Worker's compensation	2,500	1,161	4,275
Uniform allowance	1,167	787	1,063
Contractual services	20,000	15,300	16,855
Maintenance - equipment	20,000	24,146	3,792
Maintenance - vehicle	1,500	401	942
Maintenance - system	25,000	43,824	28,177
Engineering service	1,500	-	265
Postage	1,900	1,816	1,835
Telephone	5,100	6,526	5,177
Printing & publishing	700	-	-
Dues	10,000	10,192	10,000
Travel	250	-	-
Training	500	-	-
Utilities	85,000	95,862	89,658
Insurance	2,650	3,001	2,205
Lease / rentals	500	-	-
Operating supplies	5,500	6,301	4,081
Small tools	1,000	1,118	256
Fuel/oil	5,000	2,629	3,745
Chemicals	650	1,138	540
Principal	4,577	4,577	4,624
Interest	1,256	1,256	1,209
Miscellaneous expense	1,500	982	1,611
Capital outlay			
Equipment	9,500	1,926	-
Improvements	2,000	1,650	-
Depreciation	299,776	273,425	274,301
Total expenses	716,896	693,185	685,379
Excess of revenues over (under) expenses	97,594	162,358	66,083
Other financing sources (uses):			
Transfers out	(327,088)	(63,914)	(120,731)
Change in net position	$ (229,494)	98,444	(54,648)
Net position, beginning of year		5,736,241	5,790,889
Net position, end of year		5,834,685	5,736,241

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

Major Proprietary Fund
Statement of Fund Net Position
March 31, 2016

Assets		
Cash	$	65,826
Total assets	$	65,826
Liabilities & Net Position		
Current Liabilities		
Current Portion of EPA Loan Payable	$	213,288
Total current liabilities		213,288
Non-current Liabilities:		
EPA Loan Payable		2,590,711
Total non-current liabilities		2,590,711
Total liabilities		2,803,999
Net position (deficit)		(2,738,173)
Total liabilities & net position	$	65,826

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

SCHEDULE E-8

Major Proprietary Fund
Statement of Revenues, Expenses & Changes in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenues:			
Tap-on fees	$ -	1,500	1,500
Debt service revenue for 2005 sewer loan	200,000	207,341	199,154
Interest Income	50	60	66
Total revenues	200,050	208,901	200,720
Expenses:			
Debt service:			
Principal	429,160	-	-
Interest	97,923	97,923	108,981
Total expenses	527,083	97,923	108,981
Excess of revenues over (under) expenses	(327,033)	110,978	91,739
Other financing sources (uses):			
Transfer in	327,083	63,914	120,731
Total other financing sources (uses)	327,083	63,914	120,731
Net change in net position	$ 50	174,892	212,470
Net position (deficit), beginning of year		(2,913,065)	(3,125,535)
Net position (deficit), end of year		(2,738,173)	(2,913,065)

SCHEDULE E-9

VILLAGE OF DWIGHT, ILLINOIS
WATER BOND FUND

Major Proprietary Fund
Statement of Fund Net Position
March 31, 2016

Assets	
Cash	$ -
Total assets	$ -
Net Position	
Net position	$ -
Total net position	$ -

SCHEDULE E-10

Statement of Revenues, Expenses & Changes in Fund Net Position
Budget & Actual
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Original and Final Budget	Year Ended March 31, 2016	2015
Revenues:			
Total revenues	$ -	-	-
Expenses:			
Debt Service:			
Fees	500	475	495
Principal	330,000	-	-
Interest	17,430	17,430	24,905
Total expenses	347,930	17,905	25,400
Excess of revenues over (under) expenses	(347,930)	(17,905)	(25,400)
Other financing sources (uses):			
Transfer in (out)	347,930	17,905	25,386
Total other financing sources (uses)	347,930	17,905	25,386
Net change in net position	$ -	-	(14)
Net position, beginning of year		-	14
Net position, end of year		-	-

VILLAGE OF DWIGHT, ILLINOIS
FIDUCIARY FUNDS

SCHEDULE F

Statement of Changes in Fiduciary Net Position
For the Year Ended March 31, 2016
(With Comparative Figures for 2015)

	Police Donations Fund	Disaster Relief Fund	Totals Year Ended March 31, 2016	Totals Year Ended March 31, 2015
Additions:				
Revenues	$ -	4	4	354
Deductions:				
Expenditures	-	199	199	5
Net increase (decrease)	-	(195)	(195)	349
Cash balance, beginning of year	350	4,533	4,883	4,534
Cash balance, end of year	$ 350	4,338	4,688	4,883

VILLAGE OF DWIGHT, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

	Maximum Rate	2011	2012	2013	2014	2015
		Tax Year				
Assessed valuations		$ 72,707,997	69,188,903	65,247,172	62,894,275	58,730,529
Tax Rates:						
General	0.2500	0.2166	0.2276	0.2500	0.2500	0.2500
Audit	N/A	0.0151	0.0072	0.0023	0.0065	0.0152
IMRF	N/A	0.2269	0.2385	0.2452	0.2429	0.2554
Social Security	N/A	0.1314	0.1380	0.1533	0.1716	0.1890
Liability Insurance	N/A	0.1417	0.1503	0.1456	0.1700	0.1975
Street Lighting	0.0500	0.0500	0.0434	0.0500	0.0500	0.0500
Parks	0.0750	0.0750	0.0650	0.0750	0.0750	0.0750
Recreation	0.0900	-	0.0434	0.0146	0.0194	0.0409
Totals		0.8567	0.9134	0.9360	0.9854	1.0730
Tax extensions:						
General		$ 157,500	157502	163,118	157,220	146,826
Audit		11,001	5002	1,501	4,075	8,927
IMRF		165,004	165002	160,006	152,747	150,004
Social Security		95,502	95501	100,004	107,942	111,001
Liability Insurance		103,005	104005	95,000	106,923	116,005
Street Lighting		36,354	30000	32,624	31,444	29,365
Parks		54,531	45000	48,935	47,166	44,048
Recreation		-	30000	9,500	12,220	24,003
Totals		$ 622,897	632,012	610,688	619,737	630,179
Road & Bridge (from townships)		$ 64,229	64,147	65,349	66,427	-
Tax collections		$ 687,758	693,900	677,344	674,884	-

VILLAGE OF DWIGHT, ILLINOIS

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Dwight, Illinois, as of and for the year ended March 31, 2016, 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 27, 2016.

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 (2016-01).

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

Morris, Illinois
June 27, 2016

SINGLE AUDIT SECTION

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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, 2016. 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, 2016.

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 27, 2016

VILLAGE OF DWIGHT, ILLINOIS

Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2016

Federal Grantor/Program or Cluster Title	*Federal CFDA Number*	*Pass-through Grantor and Number*	*Federal Expenditures*
Department of Commerce			
Economic Adjustment Assistance Grant	11.307		$ 3,527
Total Department of Commerce			3,527
Department of Transportation			
Passed through Illinois Department of Transportation			
High-Speed Rail Corridors and Intercity Passenger Rail Service Capital Assistance Grants	20.319*	HSR14082	1,832,822
Total Department of Transportation			1,832,822
Total Expenditures of Federal Awards			$ 1,836,349

See accompanying Notes to Schedule of Expenditures of Federal Awards

* Denotes major program

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2016

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Village of Dwight, Illinois and is presented on the cash basis of accounting. Accordingly, 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 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, 2016

SECTION I: SUMMARY OF AUDITORS' RESULTS

a. The Independent Auditors' Report expresses an unqualified 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 unqualified opinion on all major federal programs.

f. No 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 $300,000.

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, 2016

SECTION II: FINANCIAL STATEMENT FINDINGS AND RESPONSES

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.

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, 2016

There were no prior audit findings that affected federally funded programs.

APPENDIX C

Forms of Bond Counsel Opinions

September 29, 2016

Village of Dwight
Livingston and Grundy Counties, Illinois

Bernardi Securities, Inc.
Chicago, Illinois

Re: Village of Dwight, Livingston and Grundy Counties, Illinois
General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2016A
Total Issue: $2,025,000
Original Date: September 29, 2016

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village") of $2,025,000 of its General Obligation Bonds (Waterworks Alternate Revenue Source), Series 2016A, dated September 29, 2016 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Village relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Village's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the Village.

2. The Bonds are payable as to principal and interest from (i) net revenues of the Village's Waterworks System (i.e., generally gross revenues minus operations and maintenance expenses) and (ii) ad valorem taxes of the Village for which its full faith and credit have been irrevocably pledged, unlimited as to rate or amount.

3. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as in effect on the date hereof (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the Village with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

4. The Bonds have been designated as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code, as amended to this date, relating to the exception from the 100% disallowance for the deduction for interest expense allocable to interest on tax exempt obligations acquired by financial institutions. The designation is conditioned upon continuing compliance with the Tax Representations.

The opinion set forth herein express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed herein. By rendering such opinion, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering that of opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

We express no opinion as to (a) the ability or the likelihood of the Village to make such payments when due or (b) the validity or feasibility of any future financings that the Village may undertake in order to provide funds to make such payments.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the valid exercise of the constitutional powers of the Village, the State and the United States of America.

Very truly yours,

September 29, 2016

Village of Dwight
Livingston and Grundy Counties, Illinois

Bernardi Securities, Inc.
Chicago, Illinois

Re: Village of Dwight, Livingston and Grundy Counties, Illinois
General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B
Total Issue: $1,970,000
Original Date: September 29, 2016

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village") of $1,970,000 of its General Obligation Bonds (Tax Increment Alternate Revenue Source), Series 2016B, dated September 29, 2016 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Village relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Village's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the Village.

2. The Bonds are payable as to principal and interest from (i) the distributive share of incremental taxes derived from the Downtown TIF Redevelopment Project Area, (ii) certain distributions to the Village by the State of Illinois of Motor Fuel Taxes and (iii) ad valorem taxes of the Village for which its full faith and credit have been irrevocably pledged, unlimited as to rate or amount.

3. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as in effect on the date hereof (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the Village with the Tax Representations. Failure to comply with the Tax Representations could cause interest on

the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

4. The Bonds have been designated as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code, as amended to this date, relating to the exception from the 100% disallowance for the deduction for interest expense allocable to interest on tax exempt obligations acquired by financial institutions. The designation is conditioned upon continuing compliance with the Tax Representations.

The opinion set forth herein express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed herein. By rendering such opinion, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering that of opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

We express no opinion as to (a) the ability or the likelihood of the Village to make such payments when due or (b) the validity or feasibility of any future financings that the Village may undertake in order to provide funds to make such payments.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the valid exercise of the constitutional powers of the Village, the State and the United States of America.

Very truly yours,

September 29, 2016

Village of Dwight
Livingston and Grundy Counties, Illinois

Bernardi Securities, Inc.
Chicago, Illinois

Re: Village of Dwight, Livingston and Grundy Counties, Illinois
General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C
Total Issue: $1,970,000
Original Date: September 29, 2016

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Village of Dwight, Livingston and Grundy Counties, Illinois (the "Village") of $1,970,000 of its General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2016C, dated September 29, 2016 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Village relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Village's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the Village.

2. The Bonds are payable as to principal and interest from (i) receipts of the Retailer's Occupation Taxes, Service Occupation Taxes, Use taxes and Service Use Taxes (collectively, including non-home rule infrastructure municipal retailers' occupation and service occupation taxes) and (ii) ad valorem taxes of the Village for which its full faith and credit have been irrevocably pledged, unlimited as to rate or amount.

3. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as in effect on the date hereof (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the Village with the Tax Representations. Failure to comply with the Tax Representations could cause interest on

the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

4. The Bonds have been designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code, as amended to this date, relating to the exception from the 100% disallowance for the deduction for interest expense allocable to interest on tax exempt obligations acquired by financial institutions. The designation is conditioned upon continuing compliance with the Tax Representations.

The opinion set forth herein express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed herein. By rendering such opinion, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering that of opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

We express no opinion as to (a) the ability or the likelihood of the Village to make such payments when due or (b) the validity or feasibility of any future financings that the Village may undertake in order to provide funds to make such payments.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the valid exercise of the constitutional powers of the Village, the State and the United States of America.

Very truly yours,

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY
MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

ATTACHMENT J: Financial Analysis of TIF Obligations

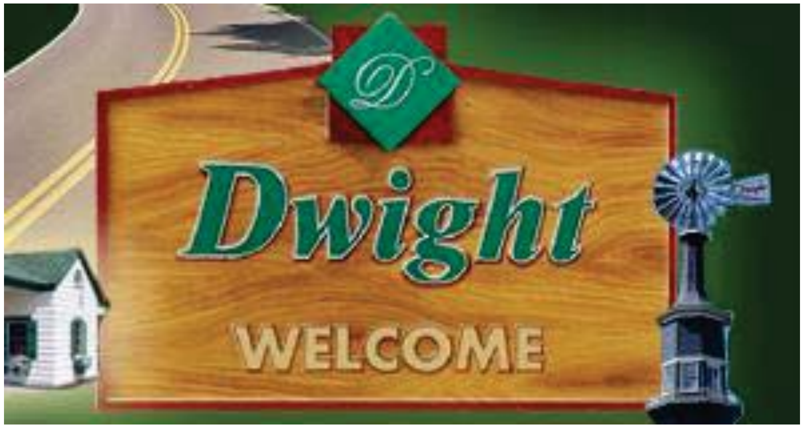
The Debt Service Coverage Projections for the $1,970,000 General Obligation (Tax Increment Alternate Revenue Source) Bonds, Series 2016B issue are contained within the Official Statement, attached in Attachment I.

The Financial Analysis Report, in connection with the issuance of the Village's $1,970,000 General Obligation (Tax Increment Alternate Revenue Source) Bonds, Series 2016B, prepared by Bernardi Securities, is included in this Attachment.

PRESENTED TO:

VILLAGE OF DWIGHT
LIVINGSTON AND GRUNDY COUNTIES, ILLINOIS

Jared Anderson, Village President
Kevin McNamara, Village Administrator
Austin Haacke, Finance Director



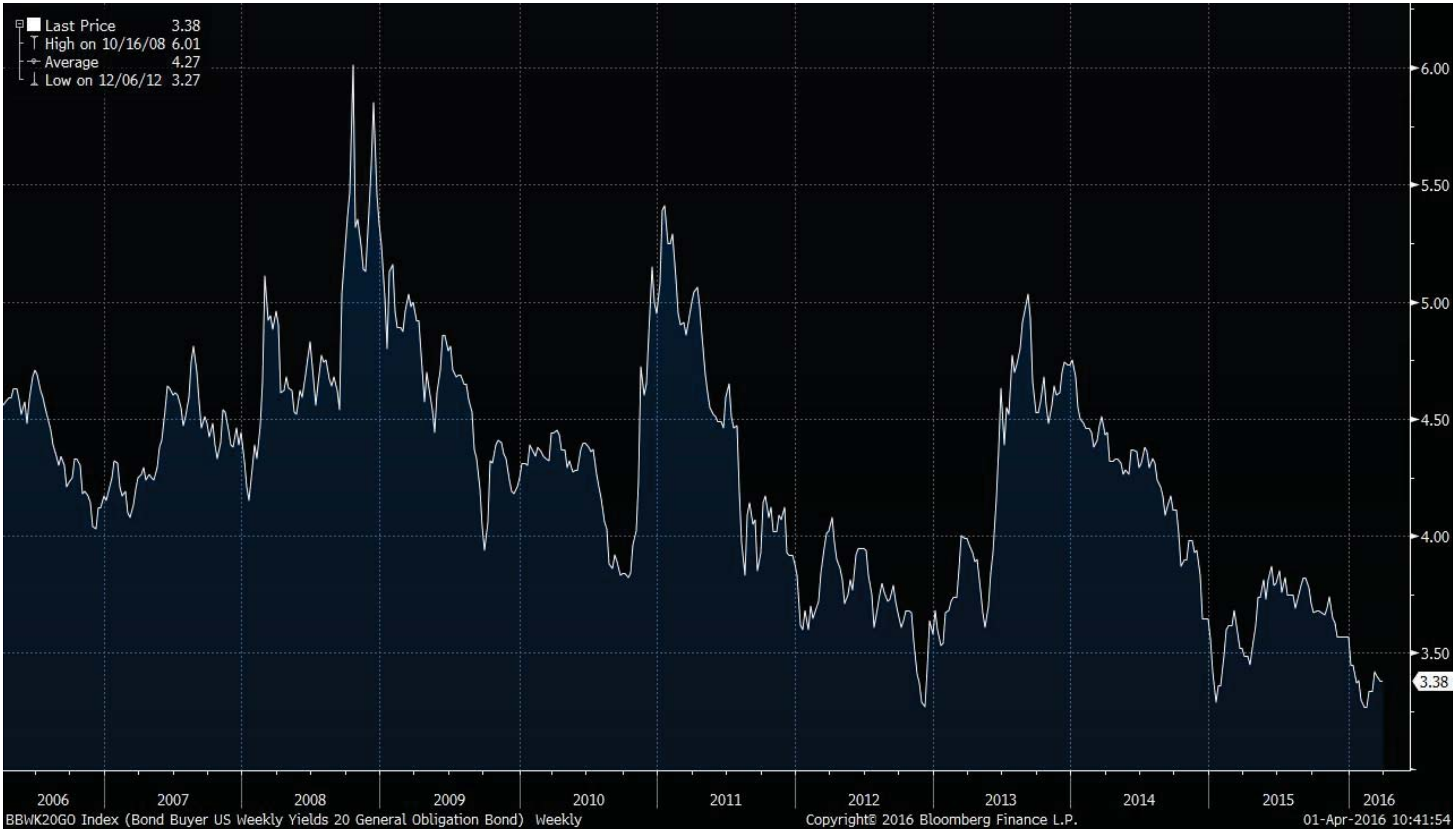
Presented by:
Robert P. Vail, Senior VP/ Managing Director
John E. Balzano, Investment Banking Representative

April 4, 2016

BERNARDI SECURITIES INC
MUNICIPAL BOND SPECIALISTS

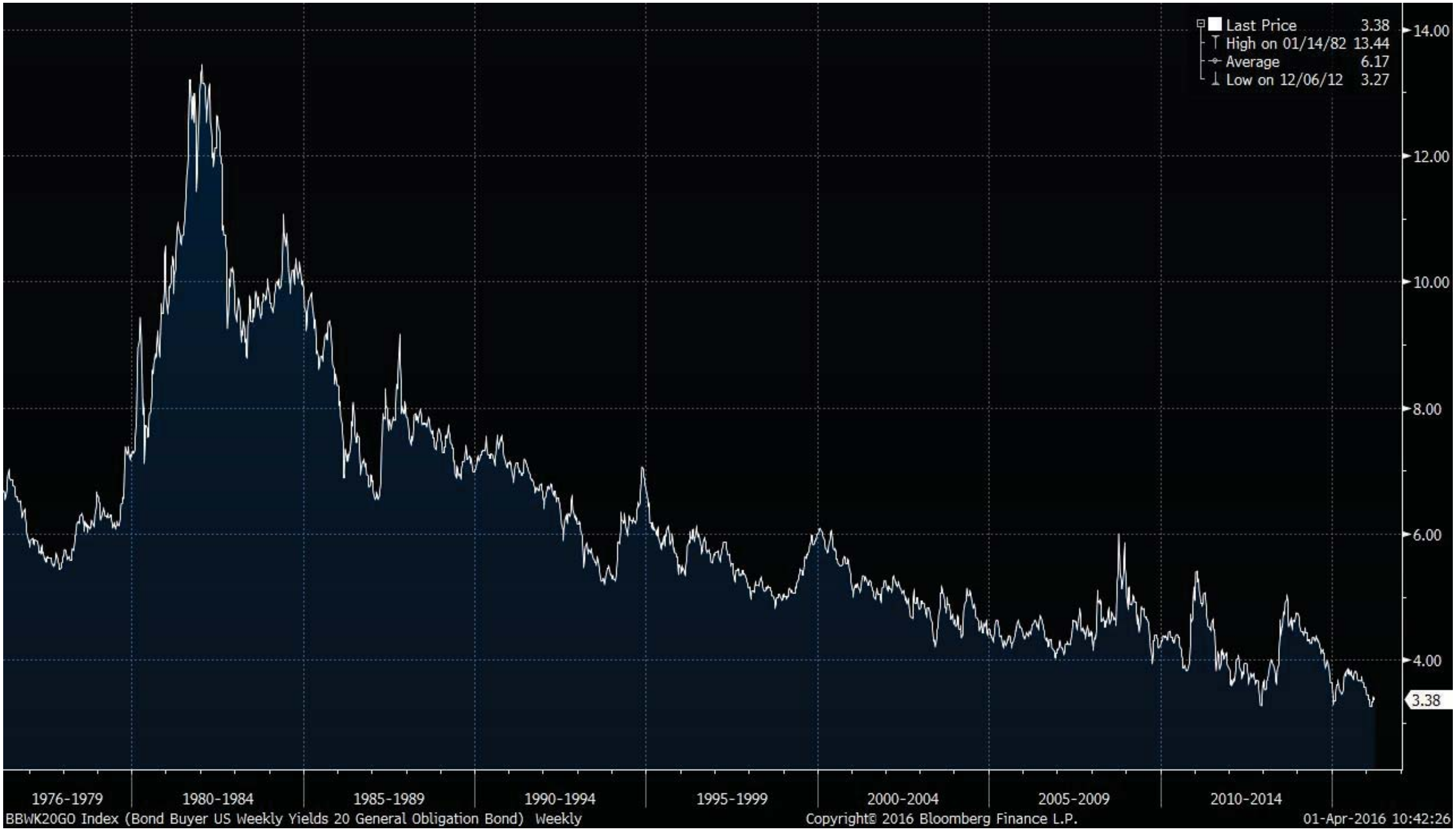
CURRENT MARKET CONDITIONS

- BOND BUYER WEEKLY 20 G.O. INDEX
- 10 YR. HISTORY, APRIL 2006 – APRIL 2016



1

- BOND BUYER WEEKLY 20 G.O. INDEX
- 40 YR. HISTORY, APRIL 1976 – APRIL 2016



Village of Dwight
Livingston and Grundy Counties, Illinois
Water & Sewer Projects
10 Year Amortization

December 1,	Principal (12/1)	Interest (6/1 & 12/1)	Total Debt Service
2016	$ -	$ 17,343	**$ 17,343**
2017	180,000	50,350	**230,350**
2018	185,000	46,750	**231,750**
2019	190,000	43,050	**233,050**
2020	190,000	39,250	**229,250**
2021	195,000	34,500	**229,500**
2022	200,000	29,625	**229,625**
2023	205,000	24,625	**229,625**
2024	210,000	19,500	**229,500**
2025	215,000	13,200	**228,200**
2026	225,000	6,750	**231,750**
Total	$ 1,995,000	$ 324,943	**$ 2,319,943**
Net Proceeds:			**$ 2,000,000**
Interest Cost:			**2.35%**
Avg. Payment:			**$ 230,260**

Assumes: Dated July 27, 2016, S&P "AA-" rated, Level Amortization, Bank-Qualified, Tax-Exempt, G.O. Alternate Revenue Source, NON-CALLABLE and all costs of issuance included.

Village of Dwight
Livingston and Grundy Counties, Illinois
Downtown TIF Projects
17 Year Amortization

December 1,	Principal (12/1)	Interest (6/1 & 12/1)	Total Debt Service
2016	$ -	$ 19,788	**$ 19,788**
2017	90,000	57,450	**147,450**
2018	95,000	55,650	**150,650**
2019	95,000	53,750	**148,750**
2020	100,000	51,850	**151,850**
2021	100,000	49,350	**149,350**
2022	105,000	46,850	**151,850**
2023	105,000	44,225	**149,225**
2024	110,000	41,600	**151,600**
2025	110,000	38,300	**148,300**
2026	115,000	35,000	**150,000**
2027	120,000	31,550	**151,550**
2028	120,000	27,950	**147,950**
2029	125,000	24,350	**149,350**
2030	130,000	19,975	**149,975**
2031	135,000	15,425	**150,425**
2032	140,000	10,700	**150,700**
2033	145,000	5,800	**150,800**
Total	$ 1,940,000	$ 629,563	**$ 2,569,563**

Net Proceeds:	**$ 1,950,000**
Interest Cost:	**2.98%**
Avg. Payment:	**$ 149,987**

Assumes: Dated July 27, 2016, S&P "AA-" rated, Level Amortization, Bank-Qualified, Tax-Exempt, G.O. Alternate Revenue Source, Callable December 1, 2026 and all costs of issuance included.

Village of Dwight

Livingston and Grundy Counties, Illinois

Road Improvement Projects - Sales Tax

10 Year Amortization

December 1,	$3,000,000 Total Debt Service	$4,000,000 Total Debt Service	$5,000,000 Total Debt Service
2016	$ 25,885	$ 34,410	$ 42,918
2017	340,150	454,900	569,600
2018	344,850	457,800	570,700
2019	344,350	455,500	571,600
2020	343,750	458,100	567,300
2021	341,625	458,600	570,550
2022	344,375	453,850	568,425
2023	341,875	453,975	571,050
2024	344,250	458,850	568,300
2025	344,800	456,250	567,700
2026	345,050	458,350	571,650
Total	$ 3,460,960	$ 4,600,585	$ 5,739,793
Net Proceeds:	$ 3,000,000	$ 4,000,000	$ 5,000,000
Interest Cost:	2.35%	2.35%	2.35%
Avg. Payment:	$ 343,508	$ 456,618	$ 569,688

Assumes: Dated July 27, 2016, S&P "AA-" rated, Level Amortization, Bank-Qualified, Tax-Exempt, G.O. Alternate Revenue Source, NON-CALLABLE and all costs of issuance included.

5

BERNARDI SECURITIES INC
MUNICIPAL BOND SPECIALISTS

Village of Dwight

Livingston and Grundy Counties, Illinois

Road Improvement Projects - Sales Tax

15 Year Amortization

December 1,	$3,000,000 Total Debt Service	$4,000,000 Total Debt Service	$5,000,000 Total Debt Service
2016	$ 28,882	$ 38,423	$ 47,912
2017	248,850	331,550	414,100
2018	250,550	332,150	413,600
2019	252,150	332,650	413,000
2020	248,650	333,050	412,300
2021	249,275	332,175	415,050
2022	249,775	331,175	412,550
2023	250,150	330,050	414,925
2024	250,400	333,800	417,050
2025	249,550	331,000	412,300
2026	248,550	333,050	412,400
2027	247,400	334,800	417,200
2028	251,100	331,250	416,550
2029	249,500	332,550	415,600
2030	251,625	332,050	412,475
2031	248,400	331,200	414,000
Total	$ 3,774,807	$ 5,020,923	$ 6,261,012
Net Proceeds:	$ 3,000,000	$ 4,000,000	$ 5,000,000
Interest Cost:	2.80%	2.80%	2.80%
Avg. Payment:	$ 249,728	$ 332,167	$ 414,207

Assumes: Dated July 27, 2016, S&P "AA-" rated, Level Amortization, Bank-Qualified, Tax-Exempt, G.O. Alternate Revenue Source, Callable December 1, 2026 and all costs of issuance included.

6

BERNARDI SECURITIES INC
MUNICIPAL BOND SPECIALISTS

Preliminary Financing Timeline
Village of Dwight
Livingston and Grundy Counties, Illinois

1	Monday, May 09, 2016	**INITIAL MEETING:** Board reviews Underwriter's presentation. Authorization of engagement letter is approved. Authorizing Bond Ordinances are passed.
2	Tuesday, May 10, 2016	Preparation of preliminary documents and Ordinance begins.
3	Wednesday, May 18, 2016	Bond Counsel assists the Issuer publish the Authorizing Ordinance and BINA Notification in the local newspaper. (30 day petition period begins when Ordinance is published)
4	Monday, June 13, 2016	**BOARD MEETING:** Issuer holds Bond Issuance Notification Act (BINA) hearing at a regularly scheduled board meeting.
5	Tuesday, June 14, 2016	First draft of the Preliminary Official Statement (POS) is released. Issuer Officials, Counsel and Underwriter review draft of POS. Once approved, Rating and Due Diligence conference call will be set up.
6	Friday, June 17, 2016	30 day petition period ends
7	Monday, June 27, 2016	**BOARD MEETING:** Issuer passes Parameters Bond Ordinances to set not to exceed parameters for the financing.
8	Tuesday, June 28, 2016	Issuer and Underwriter conduct a pre-rating call.
9	Wednesday, June 29, 2016	Issuer, Underwriter and Disclosure Counsel conduct Rating and Due Diligence conference call.
10	Wednesday, July 06, 2016	Issuer receives rating report.
11	Monday, July 11, 2016	Underwriter begins pre-marketing the Issuer's bonds to investors.
12	Wednesday, July 13, 2016	**Final Pricing. Bond Purchase Agreement is signed and interest rates are locked in.**
13	Wednesday, July 27, 2016	Closing. Underwriter coordinates with Bond Counsel & Paying Agent.

There are no criminal investigations or pertinent litigation pending against our firm. There have not been any orders, judgments or decrees of any federal or state authority barring, suspending or otherwise limiting the right of the firm, its management, any subsidiary engaging as a counterparty in derivative agreements, or any principal in the firm's municipal bond or public finance operations to engage in any business activity. We are in complete compliance with MSRB rule G-37 concerning political contributions. There are no prohibitions on municipal securities business imposed on our firm.

MSRB RULE G-23 DISCLOSURE, G-17 DISCLOSURE and SEC MUNICIPAL ADVISOR RULE

In recent years, Congress has enacted legislation seeking to reform financial markets in the wake of the 2008-2009 financial crisis. One of the most prominent pieces of legislation is the Dodd-Frank Wall Street Reform and Consumer Protection Act. The implementation of Dodd-Frank has led to a series of regulatory changes governing municipal securities.

Until the passage of the Dodd-Frank Act, the activities of municipal advisors (commonly referred to as "financial advisors") were largely unregulated, and municipal advisors were generally not required to register with the Securities Exchange Commission (SEC) or any other federal, state, or self-regulatory entity with respect to their municipal advisory activities.

The Dodd-Frank Act amended the Exchange Act to require municipal advisors to register with the Commission. In addition, the Exchange Act, as amended by the Dodd-Frank Act, grants the MSRB regulatory authority over municipal advisors when advising municipal entities.

The SEC Municipal Advisor Rule, the 2011 amendments to Rule G-23, and the 2012 amendments to Rule G-17, of the Municipal Securities Rulemaking Board (MSRB) require Bernardi Securities, Inc. to define its role at the earliest stages of our relationship with the potential issuer.

Bernardi Securities, Inc. is seeking to serve only as an underwriter. As an underwriter, we will be acting as a principal in a commercial, arms' length transaction, and not as a municipal advisor, financial advisor, or fiduciary. As an underwriter, our purchase of securities will be with a view to distribute these securities to investors. It is important for you to understand that in this role Bernardi Securities, Inc. has financial and other interests that may differ from yours.

MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors. Our duty to purchase securities from an issuer at fair and reasonable prices must be balanced with the duty to sell securities to investors at fair and reasonable prices.

Section 975 of the Dodd-Frank Act created a new class of regulated persons, "municipal advisors," and requires these advisors to register with the SEC. This new registration requirement, which became effective October 1, 2010, makes it unlawful for any municipal advisor to provide certain advice to or on behalf of, or to solicit, municipal entities or certain other persons without registering with the SEC. The new registration requirements and regulatory standards are intended to mitigate some of the problems observed with the conduct of some municipal advisors, including "pay to play" practices, undisclosed conflicts of interest, advice rendered by financial advisors without adequate training or qualifications, and failure to place the duty of loyalty to their clients ahead of their own interests.

Nothing in this document should be construed as advice, a suggestion to take action or a recommendation.

It is important for you to understand that under the new regulatory standards effective July 1, 2014 Bernardi Securities, Inc., once engaged as underwriter, is allowed to provide advice on these specific areas operating under the underwriter's exemption section of the rule:

- Advice regarding the structure, timing, terms, and other similar matters concerning a particular issuance of municipal securities (except as otherwise provided herein with respect to advice on investment strategies, municipal derivatives, or other activities identified by the Commission as outside the scope of an underwriting)
- Preparation of rating strategies and presentations related to the issuance being underwritten
- Preparations for and assistance with investor "road shows" and investor discussions related to the issuance being underwritten
- Advice regarding retail order periods and institutional marketing if the municipal entity has determined to engage in a negotiated sale
- Assistance in the preparation of the preliminary and final official statements for the municipal securities
- Assistance with the closing of the issuance of municipal securities, including negotiation and discussion with respect to all documents, certificates, and opinions needed for such closing
- Coordination with respect to obtaining CUSIP numbers and the registration of the issue of municipal securities with the book-entry only system of the Depository Trust Company
- Preparation of post-sale reports for such municipal securities
- Structuring of refunding escrow cash flow requirements necessary to provide for the refunding and defeasance of an issue of municipal securities. Subject to independent escrow verification.

It is important for you to understand that under rules effective July 1, 2014 all broker-dealers without exception are prohibited from providing issuers with: advice on investment strategies; advice on municipal derivatives (including derivative valuation services); advice on what method of sale (competitive sale or negotiated sale) a municipal entity should use for an issuance of municipal securities; advice on whether a governing body of a municipal entity or obligated person should approve or authorize an issuance of municipal securities; advice on a bond election campaign; advice that is not specific to a particular issuance of municipal securities on which a person is serving as underwriter and that involves analysis or strategic services with respect to overall financing options, debt capacity constraints, debt portfolio impacts, analysis of effects of debt or expenditures under various economic assumptions, or other impacts of funding or financing capital projects or working capital; assisting issuers with competitive sales, including bid verification, true interest cost (TIC) calculations and reconciliations, verifications of bidding platform calculations, and preparation of notices of sale; preparation of financial feasibility analyses with respect to new projects; budget planning and analyses and budget implementation issues with respect to debt issuance and collateral budgetary impacts; advice on an overall rating strategy that is not related to a particular issuance of municipal securities on which a person is serving as an underwriter, including advice and actions taken on behalf of a municipal entity or obligated person between financing transactions; advice on overall financial controls that are not related to a particular issuance of municipal securities on which a person is serving as an underwriter; or advice regarding the terms of requests for proposals or requests for qualification for the selection of underwriters or other professionals for a project financing and advice regarding review of responses to such requests, including matters regarding compensation of such underwriters or other professionals.

Bernardi Securities, Inc. seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as underwriter. Bernardi Securities, Inc.'s primary role as an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction, in which we: (i) are acting solely for our own financial and other interests that may differ from yours; (ii) are not acting as your municipal advisor or financial advisor, and have no fiduciary duty to you with respect to this transaction; and (iii) are not recommending that you take an action with respect to this transaction. Before acting on this information, it should be discussed with the financial and/or municipal, legal, accounting, tax and other advisors you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

If the Issuer engages Bernardi Securities, Inc., the designation of Bernardi Securities, Inc. as underwriter applies solely to this issue.

Until Bernardi is engaged on a particular transaction, the discussions between the Issuer and Bernardi are based solely on general market issues, topics, and other publicly available information and are not to be construed as a recommendation or advice. Bernardi Securities, Inc. is not recommending an action to the municipal entity or obligated person. Bernardi Securities, Inc. is not acting as an advisor to the municipal entity or obligated person and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to the municipal entity or obligated person with respect to the information and material contained in this communication. Bernardi Securities, Inc. is acting for its own interests. The municipal entity or obligated person should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material.

The SEC believes that a person could rely on the general information exclusion from advice under the Final Rules when providing a municipal entity or obligated person with information that does not involve a recommendation, such as factual information that does not contain subjective assumptions, opinions, or views. Examples of this type of general information include: (a) information regarding a person's professional qualifications and prior experience (e.g., lists, descriptions, terms, or other information regarding prior experience on completed transactions involving municipal financial products or issuances of municipal securities); (b) general market and financial information (e.g., market statistics regarding issuance activity for municipal securities or current market interest rates or index rates for different types of bonds or categories of credits); (c) information regarding a financial institution's currently-available investments (e.g., the terms, maturities, and interest rates at which the financial institution offers these investments) or price quotes for investments available for purchase or sale in the market that meet criteria specified by a municipal entity or obligated person; (d) factual information describing various types of debt financing structures (e.g., fixed rate debt, variable rate debt, general obligation debt, debt secured by various types of revenues, or insured debt), including a comparison of the general characteristics, risks, advantages, and disadvantages of these debt financing structures; and (e) factual and educational information regarding various government financing programs and incentives (e.g., programs that promote energy conservation and the use of renewable energy).

CONTACT INFORMATION

Contact:

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VILLAGE OF DWIGHT, ILLINOIS STATEMENT C

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

	Major Funds						
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund	Non-major Governmental Funds	Total Governmental Funds 2017	Total Governmental Funds 2016
Assets							
Cash	$ 392,777	90,787	4,300,189	2,020,101	508,524	7,312,378	1,035,257
Total assets	$ 392,777	90,787	4,300,189	2,020,101	508,524	7,312,378	1,035,257
Liabilities and fund balances							
Liabilities:							
Overdrafts payable	$ -	-	-	-	-	-	112,876
Total liabilities	-	-	-	-	-	-	112,876
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	392,777	90,787	4,300,189	2,020,101	508,524	7,312,378	922,381
Total liabilities and fund balances	$ 392,777	90,787	4,300,189	2,020,101	508,524		

Reconciliation to Statement of Net Position:

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

	2017	2016
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	$ 8,087,541	6,881,423

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						
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund	Non-major Governmental Funds	Total Governmental Funds 2017	Total Governmental Funds 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						
	General Fund	Reserve Capital Expenditures Fund	Referendum Fund	TIF Fund	Non-major Governmental Funds	Total Governmental Funds 2017	Total Governmental Funds 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:

	2017	2016
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

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

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 June 1	Interest December 1	Total
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
	$ 1,970,000	309,227	299,693	2,578,920

$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 June 1	Interest December 1	Total
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
	$ 4,865,000	507,031	485,389	5,857,420

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.

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
TIF FUND

SCHEDULE B-5

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

Assets	
Cash	$ 2,020,101
Total assets	$ 2,020,101
Fund Balance	
Restricted fund balance	$ 2,020,101
Total fund balance	$ 2,020,101

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	120,030	125,500	142,580	119,486
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	230,105	236,250	252,199	3,200
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)	-	1,997,810	2,020,784	-
Net change in fund balance	$ (110,075)	1,887,060	1,911,165	116,286
Fund balance (deficit), beginning of year			108,936	(7,350)
Fund balance (deficit), end of year			2,020,101	108,936

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Independent Auditors' Report
On Compliance with Illinois Municipal Code
Subsection (q) Section 11-74.4-3 of Public Act 85-1142

To the Honorable Mayor and
Members of the Council
Village of Dwight, Illinois

Report on the Financial Statements

We have audited the 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 the Village's basic financial statements and have issued our report thereon dated June 26, 2017.

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; this includes determining that the modified cash basis of accountingb is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 *Governmental 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 integral control relevant to the Village'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 Village'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.

Opinions

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

Compliance with laws, regulations, contracts and grants applicable to the Village of Dwight, Illinois, is the responsibility of the Village of Dwight, Illinois' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement we performed tests on the Village of Dwight, Illinois' compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

However, the results of our tests disclosed no instances of noncompliance with Section 11-74.4-3 of Public Act 85-1142.

This report is intended solely for the information and use of the Village Council, management, State of Illinois, and others within the Village and is not intended to be and should not be used by anyone other than those specified parties.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 26, 2017