

VILLAGE OF DWIGHT, ILLINOIS
ANNUAL FINANCIAL REPORT
MARCH 31, 2019



CERTIFIED PUBLIC ACCOUNTANTS

Prepared by:

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

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

We have audited the accompanying 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, 2019, 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, 2019, 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 37-47, including notes to other information on page 48, and the supplementary information on pages 49-68 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Dwight, Illinois, for the year ended March 31, 2018, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated June 25, 2018, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, 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 24, 2019

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
March 31, 2019

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2019	2018
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 2,439,065	649,138	3,088,203	4,041,928
Accounts receivable	-	107,001	107,001	104,512
Land held for sale	48,210	-	48,210	48,210
Total current assets	2,487,275	756,139	3,243,414	4,194,650
Non-current assets:				
Capital Assets				
Land	171,366	45,500	216,866	216,866
Equipment	1,574,732	1,160,785	2,735,517	2,789,723
Buildings and improvements	6,985,483	128,914	7,114,397	7,077,190
Infrastructure	2,970,758	18,154,477	21,125,235	20,979,006
Accumulated Depreciation	(4,612,192)	(10,420,654)	(15,032,846)	(14,316,430)
Total non-current assets	7,090,147	9,069,022	16,159,169	16,746,355
Total assets	9,577,422	9,825,161	19,402,583	20,941,005
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	-	2,224	2,224	10,808
Customer deposits	-	12,650	12,650	13,230
Accrued interest payable	-	12,518	12,518	15,305
Due within one year:				
Bonds payable	475,000	285,000	760,000	750,000
EPA loan payable	-	327,527	327,527	319,455
Total current liabilities	475,000	639,919	1,114,919	1,108,798
Long-term Liabilities:				
Due in more than one year:				
Bonds payable	5,465,000	1,195,000	6,660,000	7,420,000
EPA loan payable	-	2,069,401	2,069,401	2,396,939
Total long-term liabilities	5,465,000	3,264,401	8,729,401	9,816,939
Total liabilities	5,940,000	3,904,320	9,844,320	10,925,737
<u>Net Position</u>				
Net investment in capital assets	7,090,147	6,672,094	13,762,241	14,029,961
Restricted	2,261,537	75,602	2,337,139	3,313,842
Unrestricted	(5,714,262)	(826,855)	(6,541,117)	(7,328,535)
Total net position	\$ 3,637,422	5,920,841	9,558,263	10,015,268

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, 2019

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Position			
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
							2019	2018
Governmental activities:								
General government	\$ 1,022,869	131,464	-	-	(891,405)	-	(891,405)	(1,010,583)
Garbage services	320,822	318,612	-	-	(2,210)	-	(2,210)	(4,858)
Public safety	1,655,590	168,722	2,023	-	(1,486,868)	-	(1,486,868)	(1,431,265)
Streets and lighting	1,394,236	-	-	-	(1,392,213)	-	(1,392,213)	(4,036,233)
Culture and recreation	144,160	35,000	-	-	(109,160)	-	(109,160)	(214,679)
Unallocated interest - expense	172,525	-	-	-	(172,525)	-	(172,525)	(212,201)
Total governmental activities	4,710,202	653,798	2,023	-	(4,054,381)	-	(4,054,381)	(6,909,819)
Business-type activities:								
Waterworks	854,854	850,597	-	-	-	(4,257)	(4,257)	(1,343,899)
Sewer	828,385	1,085,349	-	-	-	256,964	256,964	118,870
Total business-type activities	1,683,239	1,935,946	-	-	-	252,707	252,707	(1,225,029)
Total primary government	\$ 6,393,441	2,589,744	2,023	-	(4,054,381)	252,707	(3,801,674)	(8,134,848)
General revenues:								
Taxes:								
Property taxes					812,819	-	812,819	662,836
Utility tax					330,957	-	330,957	329,457
Sales tax					1,126,055	-	1,126,055	1,069,206
Income tax					408,646	-	408,646	415,069
Replacement tax					36,922	-	36,922	40,309
Local use tax					125,140	-	125,140	110,191
TIF revenue					159,291	-	159,291	166,690
Motor fuel tax					108,699	-	108,699	107,878
Hotel/Motel tax					36,257	-	36,257	39,846
Video gaming tax					95,387	-	95,387	93,881
Interest on investments					36,512	9,171	45,683	30,149
Donations					7,927	-	7,927	58,552
Reimbursements					28,228	-	28,228	16,706
Miscellaneous					17,825	4,833	22,658	38,676
Total general revenues					3,330,665	14,004	3,344,669	3,179,446
Change in net position					(723,716)	266,711	(457,005)	(4,955,402)
Net position, beginning of year					4,361,138	5,654,130	10,015,268	14,970,670
Net position, end of year					\$ 3,637,422	5,920,841	9,558,263	10,015,268

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, 2019

	Major Funds					Total	
	General Fund	Referendum Fund	TIF Fund	Referendum Bond Fund	Non-major Governmental Funds	Governmental Funds 2019	Funds 2018
<u>Assets</u>							
Cash	\$ 284,363	409,179	1,459,824	-	285,699	2,439,065	3,443,308
Total assets	<u>\$ 284,363</u>	<u>409,179</u>	<u>1,459,824</u>	<u>-</u>	<u>285,699</u>	<u>2,439,065</u>	<u>3,443,308</u>
<u>Fund Balances</u>							
Unassigned	\$ 252,655	-	-	-	(212,293)	40,362	(3,444)
Assigned	-	-	-	-	18,577	18,577	115,982
Committed	-	-	-	-	166,799	166,799	199,527
Restricted	31,708	409,179	1,459,824	-	312,616	2,213,327	3,131,243
Total fund balances	\$ 284,363	409,179	1,459,824	-	285,699	2,439,065	3,443,308

Reconciliation to Statement of Net Position:

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

Land held for sale	48,210	48,210
Capital assets used in governmental activities of \$11,702,339 (net of accumulated depreciation of \$4,612,192) are not financial resources and, therefore, are not reported in the funds.	7,090,147	7,279,620
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(5,940,000)	(6,410,000)
Net position of governmental activities	<u>\$ 3,637,422</u>	<u>4,361,138</u>

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

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2019

	Major Funds					Total	
	General Fund	Referendum Fund	TIF Fund	Referendum Bond Fund	Non-major Governmental Funds	Governmental Funds 2019	2018
Revenues received:							
Property taxes	\$ 540,329	-	-	-	272,490	812,819	662,836
Utility tax	330,957	-	-	-	-	330,957	329,457
Sales tax	678,235	447,820	-	-	-	1,126,055	1,069,206
Income tax	408,646	-	-	-	-	408,646	415,069
Replacement tax	36,922	-	-	-	-	36,922	40,309
Local use tax	125,140	-	-	-	-	125,140	110,191
Hotel/Motel tax	36,257	-	-	-	-	36,257	39,846
Video gaming tax	95,387	-	-	-	-	95,387	93,881
Interest income	4,707	7,648	18,722	-	5,435	36,512	26,020
Motor Fuel Tax	-	-	-	-	108,699	108,699	107,878
TIF Revenue	-	-	159,291	-	-	159,291	166,690
Charges for Services	523,432	-	-	-	-	523,432	517,071
Fines, fees, and forfeitures	93,102	-	-	-	-	93,102	88,505
Grants	2,023	-	-	-	-	2,023	451,451
Licenses and permits	37,264	-	-	-	-	37,264	37,082
Donations	7,927	-	-	-	-	7,927	58,552
Reimbursements	15,807	-	-	-	12,421	28,228	16,706
Miscellaneous	17,825	-	-	-	-	17,825	28,381
Total revenues received	2,953,960	455,468	178,013	-	399,045	3,986,486	4,259,131
Expenditures disbursed:							
Current:							
General government	453,385	-	-	475	361,439	815,299	741,336
Garbage services	320,822	-	-	-	-	320,822	311,155
Public safety	1,655,590	-	-	-	-	1,655,590	1,613,351
Streets and lighting	362,464	427,308	244,545	-	359,919	1,394,236	4,487,684
Culture and recreation	144,160	-	-	-	-	144,160	242,323
Capital Outlay	-	-	-	-	18,097	18,097	113,545
Debt Service	-	-	-	-	-	-	-
Principal	-	-	100,000	370,000	-	470,000	425,000
Interest	-	-	53,660	118,865	-	172,525	212,201
Total expenditures disbursed	2,936,421	427,308	398,205	489,340	739,455	4,990,729	8,146,595
Excess (deficiency) of revenues received over (under) expenditures disbursed	17,539	28,160	(220,192)	(489,340)	(340,410)	(1,004,243)	(3,887,464)

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, 2019

	Major Funds				Non-major Governmental Funds	Total	
	General	Referendum	TIF	Referendum		2019	2018
	Fund	Fund	Fund	Bond Fund			
Other financing sources (uses):							
Transfers in	\$ 60,000	-	-	489,340	64,998	614,338	815,370
Transfers out	(64,998)	(489,340)	-	-	(60,000)	(614,338)	(796,976)
Total other financing sources (uses)	(4,998)	(489,340)	-	489,340	4,998	-	18,394
Net change in fund balance	12,541	(461,180)	(220,192)	-	(335,412)	(1,004,243)	(3,869,070)
Fund balances - beginning	271,822	870,359	1,680,016	-	621,111	3,443,308	7,312,378
Fund balances - ending	\$ 284,363	409,179	1,459,824	-	285,699	2,439,065	3,443,308

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - total governmental funds \$ (1,004,243) (3,869,070)

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	470,000	425,000
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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	145,855	50,545
Depreciation	(335,328)	(332,878)
Change in net position of governmental activities (Statement B)	\$ (723,716)	(3,726,403)

Statement of Fund Net Position
Proprietary Funds
March 31, 2019

	Major Funds					March 31,	
	Waterworks	Water Capital	Sewer	Sewer	Water Bond	2019	2018
	Fund	Project Fund	Fund	Replacement Reserve Fund	Fund		
<u>Assets</u>							
Current assets:							
Cash	\$ 134,143	85,551	170,758	258,686	-	649,138	598,620
Accounts receivable	46,339	-	50,351	10,311	-	107,001	104,512
Total current assets	180,482	85,551	221,109	268,997	-	756,139	703,132
Non-current assets:							
Land	10,500	-	35,000	-	-	45,500	45,500
Buildings & improvements	128,914	-	-	-	-	128,914	198,826
Equipment	702,833	-	457,952	-	-	1,160,785	1,160,785
Infrastructure	6,955,957	-	11,198,520	-	-	18,154,477	18,008,248
Accumulated depreciation	(4,348,692)	-	(6,071,962)	-	-	(10,420,654)	(9,946,624)
Total non-current assets	3,449,512	-	5,619,510	-	-	9,069,022	9,466,735
Total assets	3,629,994	85,551	5,840,619	268,997	-	9,825,161	10,169,867
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	1,205	-	1,019	-	-	2,224	10,808
Customer deposits	12,650	-	-	-	-	12,650	13,230
Accrued interest payable	-	-	-	2,569	9,949	12,518	15,305
Bonds payable - current portion	285,000	-	-	-	-	285,000	280,000
EPA loan payable - current portion	-	-	97,733	229,794	-	327,527	319,455
Total current liabilities	298,855	-	98,752	232,363	9,949	639,919	638,798
Long-term liabilities:							
Bonds payable - long term portion	1,195,000	-	-	-	-	1,195,000	1,480,000
EPA Loan Payable - long term portion	-	-	151,293	1,918,108	-	2,069,401	2,396,939
Total long-term liabilities	1,195,000	-	151,293	1,918,108	-	3,264,401	3,876,939
Total liabilities	1,493,855	-	250,045	2,150,471	9,949	3,904,320	4,515,737
<u>Net Position</u>							
Invested in capital assets, net of related debt	3,449,512	-	5,370,484	(2,147,902)	-	6,672,094	6,750,341
Restricted	-	85,551	-	-	(9,949)	75,602	134,389
Unrestricted	(1,313,373)	-	220,090	266,428	-	(826,855)	(1,230,600)
Total net position (deficit)	\$ 2,136,139	85,551	5,590,574	(1,881,474)	(9,949)	5,920,841	5,654,130

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, 2019

	Major Funds					Year Ended March 31,	
	Waterworks Fund	Water Capital Project Fund	Sewer Fund	Replacement Reserve Fund	Water Bond Fund	2019	2018
Operating revenues:							
Sewer charges	\$ -	-	878,884	206,465	-	1,085,349	1,072,775
Water charges	849,097	1,500	-	-	-	850,597	833,259
Other	2,120	-	2,713	-	-	4,833	10,295
Total operating revenues	851,217	1,500	881,597	206,465	-	1,940,779	1,916,329
Operating expenses:							
Water and sewer operations	503,764	115,340	443,879	46,484	-	1,109,467	2,538,563
Depreciation	201,132	-	272,899	-	-	474,031	475,928
Total operating expenses	704,896	115,340	716,778	46,484	-	1,583,498	3,014,491
Operating income (loss)	146,321	(113,840)	164,819	159,981	-	357,281	(1,098,162)
Non-operating revenues (expenses):							
Agent fees	-	-	-	-	(475)	(475)	(475)
Interest income	2,117	2,257	2,397	2,400	-	9,171	4,129
Interest expense	(825)	-	-	(65,123)	(33,318)	(99,266)	(116,097)
Total non-operating revenues (expenses)	1,292	2,257	2,397	(62,723)	(33,793)	(90,570)	(112,443)
Income (loss) before contributions and transfers	147,613	(111,583)	167,216	97,258	(33,793)	266,711	(1,210,605)
Transfers in	310,144	50,914	95,311	313,430	315,675	1,085,474	563,448
Transfers out	(366,589)	-	(343,574)	(95,311)	(280,000)	(1,085,474)	(581,842)
Total	(56,445)	50,914	(248,263)	218,119	35,675	-	(18,394)
Change in net position	91,168	(60,669)	(81,047)	315,377	1,882	266,711	(1,228,999)
Total net position (deficit) - beginning	2,044,971	146,220	5,671,621	(2,196,851)	(11,831)	5,654,130	6,883,129
Total net position (deficit) - ending	\$ 2,136,139	85,551	5,590,574	(1,881,474)	(9,949)	5,920,841	5,654,130

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, 2019

	Year Ended March 31,	
	2019	2018
Cash flows from operating activities:		
Receipts from customers	\$ 1,937,710	1,865,367
Payments for goods and services	(715,086)	(2,189,193)
Payments to employees	(402,965)	(351,734)
Net cash provided by operating activities	819,659	(675,560)
Cash flows from noncapital financing activities:		
Increase/(decrease) in accrued interest payable	(2,787)	(7,670)
Transfers (to) from other funds	-	(18,394)
Net cash provided by (used in) noncapital financing activities	(2,787)	(26,064)
Cash flows from capital financing activities:		
Capital purchases	(76,317)	(86,787)
Principal paid on capital debt	(599,467)	(646,370)
Interest paid on loan payable	(99,741)	(116,572)
Net cash provided by (used in) capital financing activities	(775,525)	(849,729)
Cash flows from investing activities:		
Interest received	9,171	4,129
Net cash provided by investing activities	9,171	4,129
Net increase (decrease) in cash and cash equivalents	50,518	(1,547,224)
Cash balance - beginning of the year	598,620	2,145,844
Cash Balance - end of the year	\$ 649,138	598,620
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 357,281	(1,098,162)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	474,031	475,928
(Increase) decrease in accounts receivable	(2,489)	(50,842)
Increase (decrease) in accounts payable	(8,584)	(2,604)
Increase (decrease) in customer deposits	(580)	120
Net cash provided by operating activities	\$ 819,659	(675,560)

Statement of Fiduciary Net Position
Agency Funds
March 31, 2019

		March 31,	
		2019	2018
<u>Assets</u>			
Cash		\$ 4,694	4,694
Total assets		<u>\$ 4,694</u>	<u>4,694</u>
<u>Liabilities</u>			
Payable to others		\$ 4,694	4,694
Total liabilities		<u>\$ 4,694</u>	<u>4,694</u>

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements:

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

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

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

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

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

Fund Financial Statements:

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

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

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

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

Referendum Fund – accounts for funds restricted for capital projects to be financed by revenues received from the non-home rule sales tax.

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

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

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

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

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

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

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

Debt Service Funds - Debt Service Funds are used to account for the payment on bonds. The Village had no non-major debt service funds.

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's Capital Project Funds are:

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

C. Measurement Focus and Basis of Accounting

Measurement Focus

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

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

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

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

Basis of Accounting

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

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

C. Measurement Focus and Basis of Accounting – (Continued)

Basis of Accounting – (Continued)

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

D. Assets, Liabilities, and Net Position

Cash and Investments

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

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.

Capital Assets and Long-term Liabilities

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

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

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

Buildings & Infrastructure	40 years
Improvements	10 years
Equipment	7 years

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

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

Capital Assets and Long-term Liabilities – (Continued)

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

Net Position

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

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2019, net investment in capital assets consists of the following:

	Governmental Activities	Business-Type Activities
Capital assets, at cost	\$ 11,702,339	19,489,676
Less: Accumulated depreciation	(4,612,192)	(10,420,654)
Less: EPA loan payable	-	(2,396,928)
Net investment in capital assets	<u>\$ 7,090,147</u>	<u>6,672,094</u>

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

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

Reclassifications

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

E. Property Taxes

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

The 2017 property tax levy, in the amount of \$749,790, reduced by statutory limitations to \$747,291, was received by the Village in the current fiscal year. The 2018 tax levy in the amount of \$820,400, reduced by statutory limitations to \$812,041, was adopted on December 10, 2018 and will be received by the Village in the subsequent fiscal year.

NOTE 2: CASH AND CASH EQUIVALENTS

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

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

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

The Village's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Village's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At March 31, 2019, the bank balance of the Village's deposits was \$3,186,276 and the carrying amount was \$3,088,003 (excluding petty cash of \$200). All of the Village's uninsured deposits (\$2,186,276) were collateralized with securities held by the pledging financial institution.

Custodial Credit Risk:

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Village receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services. The Village received Personal Property Replacement Tax totaling \$36,922 for the year ended March 31, 2019.

NOTE 4: LAND HELD FOR SALE

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

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

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

As the Village intends to sell the properties in the future rather than developing the properties for Village purposes, the properties are classified as investments on the Statement of Net Position and are reported at fair value, which approximates cost. The fair value of the land held for sale is estimated to be \$48,210 at March 31, 2019. The fair value was evaluated by using Level 2 inputs; quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 171,366	-	-	171,366
Total capital assets not being depreciated:	171,366	-	-	171,366
Capital assets being depreciated				
Machinery & equipment	1,628,938	38,736	(92,942)	1,574,732
Infrastructure	2,970,758	-	-	2,970,758
Buildings	6,878,364	107,119	-	6,985,483
Total capital assets being depreciated	11,478,060	145,855	(92,942)	11,530,973
Less accumulated depreciation for:				
Machinery & equipment	(1,415,818)	(109,336)	92,942	(1,432,212)
Infrastructure	(754,076)	(74,269)	-	(828,345)
Buildings	(2,199,912)	(151,723)	-	(2,351,635)
Total accumulated depreciation	(4,369,806)	(335,328)	92,942	(4,612,192)
Total capital assets being depreciated, net	7,108,254	(189,473)	-	6,918,781
Governmental activities capital assets, net	<u>\$ 7,279,620</u>	<u>(189,473)</u>	<u>-</u>	<u>7,090,147</u>
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	6,945,040	10,917	-	6,955,957
Equipment - Water Fund	702,833	-	-	702,833
Utility Systems - Sewer Fund	11,133,120	65,400	-	11,198,520
Equipment - Sewer Fund	457,952	-	-	457,952
Total capital assets being depreciated	19,367,859	76,317	-	19,444,176
Less accumulated depreciation for:				
Buildings/infrastructure - Water Fund	(130,662)	(1,748)	-	(132,410)
Utility Systems - Water Fund	(3,551,507)	(163,401)	-	(3,714,908)
Equipment - Water Fund	(465,391)	(35,983)	-	(501,374)
Utility Systems - Sewer Fund	(5,364,725)	(266,237)	-	(5,630,962)
Equipment - Sewer Fund	(434,339)	(6,661)	-	(441,000)
Total accumulated depreciation	(9,946,624)	(474,030)	-	(10,420,654)
Total capital assets being depreciated, net	9,421,235	(397,713)	-	9,023,522
Business-type activities capital assets, net	<u>\$ 9,466,735</u>	<u>(397,713)</u>	<u>-</u>	<u>9,069,022</u>

VILLAGE OF DWIGHT, ILLINOIS**Notes to Basic Financial Statements
For the Year Ended March 31, 2019****NOTE 5: CAPITAL ASSETS – (Continued)**

Significant additions for the year ended March 31, 2019 included the following:

Governmental Activities:

High Speed Rail Additions	\$	82,474
2019 Ford F-250		38,736
Electrical System		24,645

Business-Type Activities:

Generator	\$	65,400
New Well		10,920

Depreciation allocation is as follows:

Governmental activities	\$	335,328
Business-type activities		
Waterworks		201,132
Sewer		272,898
Total Business-type activities		474,030
Total Depreciation	\$	809,358

NOTE 6: CHANGE IN LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt transactions of the Village for the year ended March 31, 2019:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Governmental Activities:					
Bonds Payable - Series 2016B	\$ 1,885,000	-	100,000	1,785,000	100,000
Bonds Payable - Series 2016C	4,525,000	-	370,000	4,155,000	375,000
Total Governmental Activities	\$ 6,410,000	-	470,000	5,940,000	475,000
Business-type Activities:					
Bonds Payable - Series 2016A	\$ 1,760,000	-	280,000	1,480,000	285,000
IEPA Loan Payable	2,372,057	-	224,155	2,147,902	229,794
IEPA Loan Payable	344,337	-	95,311	249,026	97,733
Total IEPA Loans Payable	2,716,394	-	319,466	2,396,928	327,527
Total Business-type Activities	\$ 4,476,394	-	599,466	3,876,928	612,527

VILLAGE OF DWIGHT, ILLINOIS**Notes to Basic Financial Statements
For the Year Ended March 31, 2019****NOTE 6: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)**

At March 31, 2019, bonds and notes payable consisted of the following:

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

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2020	\$ 100,000	25,830	25,830	151,660
2021	100,000	25,030	25,030	150,060
2022	105,000	24,230	24,230	153,460
2023	105,000	23,390	23,390	151,780
2024	105,000	22,288	22,288	149,576
2025-2029	580,000	90,840	90,840	761,680
2030-2034	690,000	33,575	33,575	757,150
	<u>\$ 1,785,000</u>	<u>245,183</u>	<u>245,183</u>	<u>2,275,366</u>

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

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2020	\$ 375,000	55,733	55,733	486,466
2021	385,000	51,983	51,983	488,966
2022	390,000	48,133	48,133	486,266
2023	400,000	44,233	44,233	488,466
2024	410,000	40,233	40,233	490,466
2025-2029	2,195,000	122,808	122,808	2,440,616
	<u>\$ 4,155,000</u>	<u>363,123</u>	<u>363,123</u>	<u>4,881,246</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2019

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

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

Due During Year Ended March 31,	Principal	Interest		Total
		June 1	December 1	
2020	\$ 285,000	14,800	14,800	314,600
2021	290,000	11,950	11,950	313,900
2022	295,000	9,050	9,050	313,100
2023	300,000	6,100	6,100	312,200
2024	310,000	3,100	3,100	316,200
	<u>\$ 1,480,000</u>	<u>45,000</u>	<u>45,000</u>	<u>1,570,000</u>

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

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2020	\$ 97,733	3,156	2,541	103,430
2021	100,226	1,918	1,286	103,430
2022	51,067	648	-	51,715
	<u>\$ 249,026</u>	<u>5,722</u>	<u>3,827</u>	<u>258,575</u>

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

Due During Year Ended March 31,	Principal	Interest		Total
		September 27	March 27	
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
2025-2028	939,653	27,139	20,428	987,220
	<u>\$ 2,147,902</u>	<u>131,928</u>	<u>117,711</u>	<u>2,397,540</u>

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 7: INDIVIDUAL FUND DISCLOSURES

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

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

Fund	Transfers to Other Funds	Transfers From Other Funds
Governmental Funds:		
General Fund	\$ 64,998	60,000
Referendum	489,340	-
Referendum Bond Fund	-	489,340
Reserve for Capital Expenditures (non-major)	-	64,998
CDAP Economic Develop. Fund (non-major)	60,000	-
Total Governmental Funds	614,338	614,338
Enterprise Funds:		
Sewer	343,574	95,311
Sewer Replacement Reserve	95,311	313,430
Water Fund	366,589	310,144
Water Bond	280,000	315,675
Water Capital Project	-	50,914
Total Enterprise Funds	1,085,474	1,085,474
	<u>\$ 1,699,812</u>	<u>1,699,812</u>

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, 2019.

During the year ended March 31, 2019, there were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 9: CONTINGENCIES

Litigation

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

Grant Revenues

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

NOTE 10: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

Benefits Provided – (continued)

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

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

Employees Covered by Benefit Terms – As of December 31, 2018, the following Village employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	28
Inactive Plan Members entitled to but not yet receiving benefits	9
Active Plan Members	<u>20</u>
Total	<u><u>57</u></u>

Contributions – As set by statute, the Village's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate and actual Village contributions for calendar year 2018 and the fiscal year ended March 31, 2019 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 2018	11.05%
Village required contribution rate for 2019	9.03%
Village actual contributions for 2018	\$ 157,238
Village actual contributions for fiscal year 2019	\$ 152,685

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

Net Pension Liability – The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2018, the Village had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 9,577,254
Plan Fiduciary Net Position	8,244,270
Net Pension Liability	<u><u>\$ 1,332,984</u></u>

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.5%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

Actuarial Assumptions – (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	<u>1%</u>	2.50%
Total	100%	

Single Discount Rate - A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

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 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

Single Discount Rate – (Continued)

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 7.25%, 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 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 10,765,976	9,577,254	8,595,378
Plan Fiduciary Net Position	8,244,270	8,244,270	8,244,270
Net Pension Liability (Asset)	<u>\$ 2,521,706</u>	<u>1,332,984</u>	<u>351,108</u>

NOTE 11: COMPENSATED ABSENCES

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

Vacation pay is awarded, based on years of service, annually at the beginning of each employee's employment anniversary date. Vacation must be taken during the year and may only be carried over if approved by the employee's immediate supervisor. Unused vacation days are paid to all employees upon separation of service. The Village's obligation for unused vacation at March 31, 2019 was \$68,786.

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 \$296,459.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 12: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2019:

Assessed valuation - 2018		<u>\$ 66,569,485</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 5,741,618
Debt outstanding at March 31, 2019:		
General obligation bonds payable	\$ 7,420,000	
EPA loans payable	<u>2,396,928</u>	
	9,816,928	
Less debt not funded by tax revenue:		
EPA loan and other debt not included for purposes of debt limitation statute	<u>(9,816,928)</u>	<u>-</u>
Legal debt margin		<u>\$ 5,741,618</u>

NOTE 13: SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Retirement Fund are considered as "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Village paid \$95,725, the total required contribution for the year ended March 31, 2019.

NOTE 14: RESTRICTED FUND BALANCE

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

Restricted tax levies:

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

	Beginning Balance	Levy	Expenditure	Restricted Balance
Audit	\$ -	9,095	9,100	-
Street Lighting	-	30,807	38,955	-
Parks	-	44,967	84,718	-
Road and Bridge	-	66,099	84,784	-
Liability Insurance *	-	149,893	118,185	31,708
Total	<u>\$ -</u>	<u>300,861</u>	<u>335,742</u>	<u>31,708</u>

* Expenditures included \$88,755 for liability insurance, and \$29,430 for worker's compensation insurance.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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 \$243,520 from the TIF Fund for construction projects and related engineering and professional fees during the current fiscal year, per an approved agreement.

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 18: FUND BALANCE – GASB 54 PRESENTATION

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

A. Non-spendable Fund Balance

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

B. Restricted Fund Balance

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

1. Social Security - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the FICA & IMRF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$28,211.
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 \$81,493.
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 \$142,832 See Note 15 for additional information.
4. Capital Expenditures – Restricted fund balances in the Reserve for Capital Expenditures fund included \$60,080 for Village parks as a result of restricted contributions and donations.
5. Sales Tax Referendum – The Village passed a sales tax referendum in the current year by which the Village of Dwight imposed a Non-Home Rule Municipal Retailers' Occupation Tax and Non-Home Rule Municipal Service Occupation Tax at a rate of 1.0% for expenditure on public infrastructure, and municipal operations. The Village intends to use these funds for mainly for roadway improvements. Cash disbursed and the related cash receipts of this restricted income source are accounted for in the Referendum Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$409,179.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

B. Restricted Fund Balance – (Continued)

6. TIF – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the TIF Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,459,824.
7. Liability Insurance – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the General Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$31,708.

C. Committed Fund Balance

1. The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. Committed fund balances in the Reserve for Capital Expenditures fund include the following:

Pool Renovations	\$ 28,667
Brewster Run	108,132
Ambulance	<u>30,000</u>
Total	<u>\$ 166,799</u>

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village Board has delegated the authority to assign amounts to be used for specific purposes. The Village has the following assigned fund balances as of March 31, 2019:

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 \$8,935 as of March 31, 2019.
2. CDAP Loans - Cash disbursed and the related cash receipts of this income source are accounted for in the CDAP Economic Development Fund. Activity during the current year resulted in a fund balance of \$9,642. The State of Illinois has released these funds for the Village to use as needed. As such, the balance is reported as assigned at March 31, 2019. See Note 20 for additional information.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Additionally, the deficit of \$212,293 (net of restricted balances) is reported as unassigned in the Reserve for Capital Expenditures fund at March 31, 2019.

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

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

F. Expenditures of Fund Balance

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

NOTE 19: LEASES

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

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, 2019.

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

Year Ending			
March 31,	McGrath	Merchants	Total
2020	\$ 1,555	2,916	4,471

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

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

VILLAGE OF DWIGHT, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2019

NOTE 20: CDAP LOANS

The Village has a loan agreement with Dwight Restaurant Group, LLC. The Dwight Restaurant Group, LLC., has an outstanding loan balance of \$36,248 as of March 31, 2019. On January 31, 2019 this loan was refinanced with the borrower. Under the new agreement, a payment of \$6,500 was required on February 1, 2019. Beginning March 1, 2019, the borrower will pay \$200 monthly through September 1, 2019, with interest accruing at 3%. A payment of \$3,500 shall be made on or before May 1, 2019. This payment shall be in addition to the scheduled \$200 payment on May 1, 2019. A final balloon payment, including all unpaid principal, together with any unpaid interest, shall be due and payable on October 1, 2019.

On July 16, 2018, the Village entered a loan agreement with Van Vessen's Auto Expo, Inc. (the Company). The Village loaned the company \$50,000, payable in monthly installments of \$1,106.72 with an interest rate of 3%. Van Vessen's Auto Expo, Inc. has an outstanding loan balance of \$47,047 as of March 31, 2019. Future minimum payments are as follows:

Due During Year Ended				
March 31,	Principal	Interest	Total	
2020	\$ 12,033	1,248	13,281	
2021	12,400	881	13,281	
2022	12,777	504	13,281	
2023	9,837	123	9,960	
	<u>\$ 47,047</u>	<u>2,756</u>	<u>49,803</u>	

NOTE 21: SUBSEQUENT EVENTS

Management evaluated subsequent events through June 24, 2019, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of March 31, 2019.

OTHER INFORMATION

VILLAGE OF DWIGHT, ILLINOIS
GENERAL FUND

SCHEDULE A-1

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019

		<u>Assets</u>	
Cash		\$	284,363
Total assets		\$	284,363
		<u>Fund Balance</u>	
Unassigned		\$	252,655
Restricted for liability insurance			31,708
Total fund balance		\$	284,363

**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, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues received:			
Property taxes	\$ 543,375	540,329	406,849
Utility tax	215,000	230,485	226,236
Telecommunications taxes	105,000	100,472	103,221
Hotel/Motel taxes	40,000	36,257	39,846
State sales tax	650,000	678,235	640,238
State income taxes	408,108	408,646	415,069
Local use taxes	112,038	125,140	110,191
Replacement taxes	45,378	36,922	40,309
Gas tax refund	1,500	1,971	-
Garbage/refuse	320,200	318,612	306,297
Ambulance receipts	360,000	138,227	155,958
Community training receipts	1,250	1,098	1,044
Police compensation	28,000	30,495	26,128
Grants	2,023	2,023	20,727
Interest income	3,500	4,009	3,416
Video gaming revenue	91,000	95,387	93,881
Miscellaneous	15,000	13,144	20,382
Permits	19,200	19,654	15,567
Licenses	19,900	17,610	21,515
Franchise fees	12,000	31,309	12,933
Keeley trust income	300	698	403
County fines	66,500	46,168	57,652
Livingston County drug fund	-	-	2,500
Village fines	2,000	4,075	5,170
Impoundment fees	9,000	11,550	10,250
Donations	4,800	7,927	58,552
Park/Pool charges for service	31,800	35,000	27,644
Tourism revenue	5,000	4,681	5,320
Canine Receipts	20,000	-	-
Retiree insurance reimbursement	15,300	13,836	11,065
Total revenues received	3,147,172	2,953,960	2,838,363

**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, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31, 2019	2018
Expenditures disbursed:			
General Government:			
Current:			
Salaries - Employees	\$ 97,215	95,294	93,886
Salaries - Elected	25,000	23,040	23,925
Employee benefits	40,436	36,788	30,153
Unemployment insurance	250	170	195
Worker's compensation	2,000	2,033	2,023
Transportation services	4,800	4,400	4,800
Building maintenance	17,500	23,920	19,044
Equipment maintenance	8,000	8,077	11,669
Engineering services	5,000	-	6,715
Legal & professional services	39,600	59,393	42,347
Dues and fees	2,000	2,005	1,691
Printing and publications	3,000	2,287	2,082
Postage	4,000	2,518	3,637
Telephone	5,000	3,036	5,054
Travel	2,000	4,516	1,479
Training	1,000	1,477	511
Economic development	57,500	29,000	54,682
Hotel/Motel expenditures	40,000	29,593	28,764
Utilities	7,000	7,859	5,068
Insurance	91,500	88,755	89,436
Equipment rental	5,250	5,171	5,089
Other contractual services	1,500	3,195	1,260
Maintenance supply - building	1,500	488	-
Maintenance supply - equipment	1,000	-	180
Office supplies	6,000	5,274	4,923
Sales tax paid	400	345	353
Miscellaneous expense	12,000	7,697	15,683
Total General Government	480,451	446,331	454,649
Garbage Disposal:			
Current:			
Disposal services	316,176	320,035	309,627
Postage	1,000	787	828
Supplies	200	-	-
Miscellaneous expense	1,000	-	700
Total Garbage Disposal	318,376	320,822	311,155

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, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31, 2019	2018
Expenditures disbursed (Continued):			
Public Safety:			
Current:			
Salaries - Employees	\$ 723,659	754,004	713,162
Employee benefits	97,413	87,056	75,148
Unemployment insurance	750	667	726
Worker's compensation	13,000	12,057	12,139
Uniform allowance	7,000	3,578	4,855
Contractual services	47,410	35,333	35,834
Maintenance - equipment	3,000	811	2,555
Maintenance - vehicles	12,500	9,596	10,805
Telephone	15,500	5,570	9,602
Printing & advertising	3,500	1,260	246
Dues and fees	2,000	578	354
Travel expense	4,500	3,691	4,641
Training expense	8,000	3,683	6,324
Supplies	4,000	2,371	2,326
Fuel/oil	25,000	22,611	20,018
DUI expense	2,000	-	-
Drug enforcement expense	14,500	5,771	7,074
Canine unit	5,000	2,803	12,468
Safe passage expenditure	-	-	5,156
Officer friendly expenditures	10,000	9,805	10,586
Range expense	5,000	2,123	400
Humane officer & animal control	150	109	75
Miscellaneous	6,000	8,061	7,116
Total Public Safety	1,009,882	971,538	941,610
ESDA:			
Current:			
Salaries	1,000	297	736
Unemployment insurance	10	1	4
Worker's compensation	350	178	276
Contractual services	7,500	5,295	6,745
Repair & maintenance	1,500	207	-
Telephone	1,100	531	1,191
Training	200	-	-
Other	200	545	-
Total ESDA	11,860	7,054	8,952

**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, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31, 2019	2018
Expenditures disbursed (Continued):			
Ambulance Services:			
Current:			
Salaries	\$ 83,042	83,042	80,623
Employee benefits	9,416	9,153	7,481
Unemployment insurance	75	62	68
Worker's compensation	4,800	4,583	4,732
Uniform allowance	6,000	6,426	3,385
Contractual services	490,822	490,635	488,494
Ambulance - OT	12,000	11,703	11,002
Ambulance - other	26,240	23,504	24,527
Maintenance - equipment	4,500	4,585	4,048
Maintenance - vehicles	11,000	13,874	9,452
Technology services	1,500	2,086	-
Postage	500	88	-
Telephone	5,500	3,142	5,526
Dues and fees	100	-	40
Travel expense	1,200	670	973
Training expense	3,500	1,777	3,438
Office supplies	1,800	2,235	1,979
Other supplies	1,200	1,596	1,195
Medical supplies	12,000	11,859	10,914
Fuel/oil	12,000	10,468	10,507
Donations	1,000	1,744	2,243
Community training	500	-	-
Miscellaneous expense	1,500	820	1,114
Total Ambulance Services	690,195	684,052	671,741
Street Lighting:			
Current:			
Maintenance - lighting	3,500	1,251	5,977
Utilities	35,000	37,704	33,137
Total Street Lighting	38,500	38,955	39,114
Street & Alley			
Current:			
Salaries	104,678	90,054	80,159
Salaries - OT	4,000	14,627	9,414
Employee Benefits	22,110	17,905	17,500
Unemployment insurance	175	128	140
Worker's compensation	8,100	8,350	7,527
Uniform allowance	1,116	1,772	1,862
Maintenance - equipment	20,000	5,279	1,692
Maintenance - vehicle	7,500	22,216	12,823
Maintenance - streets & alleys	35,000	17,295	19,935
Maintenance - sidewalks	7,500	266	3,431
Maintenance - trees	30,000	39,728	44,615

**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, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31, 2019	2018
Expenditures disbursed (Continued):			
Street & Alley (Continued):			
Current (Continued):			
Utilities	\$ 500	-	-
Snow removal	26,000	27,322	15,214
Creek maintenance	30,000	55,217	53,778
Engineering services	10,000	-	-
Telephone	2,300	1,643	2,115
Training expense	500	200	60
Operating supplies	5,000	2,444	1,594
Small tools	500	552	144
Fuel/oil	19,000	18,511	17,521
Miscellaneous expense	2,500	-	250
Total Street & Alley	336,479	323,509	289,774
Parks and Recreation:			
Current:			
Salaries	73,500	48,297	98,665
Salaries - OT	1,000	120	2,391
Employee benefits	7,991	5,688	14,246
Unemployment insurance	250	194	338
Worker's compensation	2,200	1,695	1,788
Uniform allowance	500	-	-
Repair & maintenance	23,000	7,698	8,864
Repair & maintenance - parks	15,000	16,556	56,788
Utilities	2,000	1,349	347
Operating supplies	1,500	2,248	484
Fuel/oil	2,000	873	689
Miscellaneous	250	-	-
Total Parks and Recreation	129,191	84,718	184,600
Pool:			
Current:			
Salaries	40,000	37,874	37,748
Unemployment insurance	250	201	208
Worker's compensation	1,250	534	807
Maintenance - pool	10,000	7,540	6,561
Telephone	1,200	871	1,204
Printing	500	-	360

**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, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31, 2019	2018
Expenditures disbursed (Continued):			
Pool (Continued):			
Current (Continued):			
Utilities	\$ 8,000	4,877	6,146
Supplies	2,000	2,549	1,078
Concession stand supplies	2,500	2,890	2,198
Sales tax paid	500	633	383
Swim team expense	500	468	234
Miscellaneous expense	1,000	1,005	796
Total Pool	67,700	59,442	57,723
Total expenditures disbursed	3,082,634	2,936,421	2,959,318
Excess (deficiency) of revenues received over (under) expenditures disbursed	64,538	17,539	(120,955)
Other financing sources (uses):			
Transfers in	35,000	60,000	-
Transfers out	(93,840)	(64,998)	-
Total other financing sources (uses)	(58,840)	(4,998)	-
Net change in fund balance	\$ 5,698	12,541	(120,955)
Fund balance, beginning of year		271,822	392,777
Fund balance, end of year		284,363	271,822

**VILLAGE OF DWIGHT, ILLINOIS
REFERENDUM FUND**

SCHEDULE B-1

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash	\$ 409,179
Total assets	<u>\$ 409,179</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 409,179
Total fund balance	<u>\$ 409,179</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE B-2

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues received:			
Non-home rule sales tax	\$ 430,000	447,820	428,968
Grants	-	-	24,119
Interest	500	7,648	10,779
Total revenues received	<u>430,500</u>	<u>455,468</u>	<u>463,866</u>
Expenditures disbursed:			
Current:			
Construction projects	870,000	356,029	3,100,808
Engineering service	93,359	71,279	403,647
Total expenditures disbursed	<u>963,359</u>	<u>427,308</u>	<u>3,504,455</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(532,859)</u>	<u>28,160</u>	<u>(3,040,589)</u>
Other financing sources (uses):			
Transfer in	93,000	-	98,541
Transfer out	(430,500)	(489,340)	(487,782)
Net change in fund balance	<u>\$ (870,359)</u>	<u>(461,180)</u>	<u>(3,429,830)</u>
Fund balance, beginning of year		<u>870,359</u>	<u>4,300,189</u>
Fund balance, end of year		<u>409,179</u>	<u>870,359</u>

VILLAGE OF DWIGHT, ILLINOIS
TIF FUND

SCHEDULE B-3

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash	\$ 1,459,824
Total assets	<u>\$ 1,459,824</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 1,459,824
Total fund balance	<u>\$ 1,459,824</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE B-4

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues received:			
TIF revenue	\$ 170,000	159,291	166,690
Grants	-	-	176,000
Interest income	4,000	18,722	6,669
Total revenues received	<u>174,000</u>	<u>178,013</u>	<u>349,359</u>
Expenditures disbursed:			
Construction projects	1,543,315	233,281	549,098
Engineering service	150,000	4,939	104,218
Other professional services	6,000	5,300	-
Dues	550	550	550
Debt service:			
Principal	100,000	100,000	85,000
Interest	53,660	53,660	64,894
Fees	475	475	475
Total expenditures disbursed	<u>1,854,000</u>	<u>398,205</u>	<u>804,235</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(1,680,000)</u>	<u>(220,192)</u>	<u>(454,876)</u>
Other financing sources (uses):			
Bond proceeds	-	-	2,679
Transfers in	-	-	210,653
Transfers out	-	-	(98,541)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>114,791</u>
Net change in fund balance	<u>\$ (1,680,000)</u>	<u>(220,192)</u>	<u>(340,085)</u>
Fund balance (deficit), beginning of year		<u>1,680,016</u>	<u>2,020,101</u>
Fund balance (deficit), end of year		<u>1,459,824</u>	<u>1,680,016</u>

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

Calendar Year Ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service Cost	\$ 135,509	152,617	153,504	143,229	-	-	-	-	-	-
Interest on the Total Pension Liability	642,564	627,518	595,440	547,518	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	207,452	35,912	(23,828)	212,150	-	-	-	-	-	-
Assumption Changes	262,779	(279,361)	(20,273)	19,740	-	-	-	-	-	-
Benefit Payments and Refunds	(341,636)	(313,396)	(282,449)	(252,713)	-	-	-	-	-	-
Net Change in Total Pension Liability	906,668	223,290	422,394	669,924	-	-	-	-	-	-
Total Pension Liability - Beginning	8,670,586	8,447,296	8,024,902	7,354,978	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 9,577,254</u>	<u>8,670,586</u>	<u>8,447,296</u>	<u>8,024,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 157,238	153,538	146,019	133,480						
Employee Contributions	64,035	60,768	60,173	57,151	-	-	-	-	-	-
Net Investment Income	(422,232)	1,282,210	486,961	35,673	-	-	-	-	-	-
Benefit Payments and Refunds	(341,636)	(313,396)	(282,449)	(252,713)	-	-	-	-	-	-
Other (Net Transfer)	186,039	(100,828)	71,396	(102,705)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(356,556)	1,082,292	482,100	(129,114)	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	8,600,826	7,518,534	7,036,434	7,165,548	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 8,244,270</u>	<u>8,600,826</u>	<u>7,518,534</u>	<u>7,036,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pension Liability (Asset)	<u>\$ 1,332,984</u>	<u>69,760</u>	<u>928,762</u>	<u>988,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.08%	99.20%	89.01%	87.68%	N/A	N/A	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 1,406,511	1,350,387	1,337,176	1,270,033	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	94.77%	5.17%	69.46%	77.83%	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

This Schedule is presented to illustrate the requirement to report information for 10 years. However, until a full 10-year trend is compiled, information is only presented for years for which information is available.

**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
12/31/2018	\$ 155,419	157,238	(1,819)	1,406,511	11.18%
12/31/2017	153,539	153,538	1	1,350,387	11.37%
12/31/2016	146,020	146,019	1	1,337,176	10.92%
12/31/2015	133,734	133,480	254	1,270,033	10.51%

Notes to Schedule:
Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rate:

<i>Actuarial Cost Method</i>	Aggregate Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO Groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).
<i>Asset Valuation Method</i>	5-year smoothed market; 20% corridor
<i>Wage Growth</i>	3.50%
<i>Price Inflation</i>	2.75%
<i>Salary Increases</i>	3.75% to 14.50% including inflation
<i>Investment Rate of Return</i>	7.25%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
<i>Mortality</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

NOTES TO OTHER INFORMATION

VILLAGE OF DWIGHT, ILLINOIS

Notes to Other Information For the Year Ended March 31, 2019

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 26, 2018, the Village approved Ordinance No. 1403 adopting the annual budget for the fiscal year ending March 31, 2019.

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, 2019:

Description	Budget	Actual	Variance	Percent Variance
General Fund Expenditures Disbursed	\$ 3,082,634	2,936,421	146,213	4.98%
Referendum Bond Fund Expenditures Disbursed	489,340	489,340	-	0.00%
Referendum Fund Expenditures Disbursed	963,359	427,308	536,051	125.45%
TIF Fund Expenditures Disbursed	1,854,000	398,205	1,455,795	365.59%

SUPPLEMENTARY INFORMATION

**VILLAGE OF DWIGHT, ILLINOIS
MAJOR DEBT SERVICE FUND
REFERENDUM BOND FUND**

SCHEDULE C-1

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

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

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE C-2

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues received:			
Other income	\$ -	-	-
Expenditures disbursed:			
Debt service:			
Principal	370,000	370,000	340,000
Interest	118,865	118,865	147,307
Fees	475	475	475
Total expenditures disbursed	<u>489,340</u>	<u>489,340</u>	<u>487,782</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(489,340)</u>	<u>(489,340)</u>	<u>(487,782)</u>
Other financing sources (uses):			
Transfers in	<u>489,340</u>	<u>489,340</u>	<u>487,782</u>
Net change in fund balance	<u>\$ -</u>	-	-
Fund balance (deficit), beginning of year		-	-
Fund balance (deficit), end of year		<u>-</u>	<u>-</u>

VILLAGE OF DWIGHT, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE D-1

Combining Statement of Assets, Liabilities and
Fund Balances Arising from Cash Transactions
March 31, 2019

	Special Revenue Funds				Capital Projects Fund	Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	CDAP Economic Development Fund	Reserve Capital Expenditures Fund	March 31, 2019	2018
<u>Assets</u>							
Cash in bank	\$ 142,832	109,704	8,935	9,642	14,586	285,699	621,111
Total assets	<u>\$ 142,832</u>	<u>109,704</u>	<u>8,935</u>	<u>9,642</u>	<u>14,586</u>	<u>285,699</u>	<u>621,111</u>
<u>Fund Balance</u>							
Fund balance:							
Restricted	\$ 142,832	109,704	-	-	60,080	312,616	580,868
Committed	-	-	-	-	166,799	166,799	199,527
Assigned	-	-	8,935	9,642	-	18,577	115,982
Unassigned	-	-	-	-	(212,293)	(212,293)	(275,266)
Total fund balance	<u>\$ 142,832</u>	<u>109,704</u>	<u>8,935</u>	<u>9,642</u>	<u>14,586</u>	<u>285,699</u>	<u>621,111</u>

VILLAGE OF DWIGHT, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE D-2

Combining Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances
For the Year Ended March 31, 2019

	Special Revenue Funds				Capital Projects Fund	Total Non-major Governmental Funds	
	Motor Fuel Tax Fund	FICA & IMRF Fund	Commercial Rent Subsidy Fund	CDAP Economic Development Fund	Reserve Capital Expenditure Fund	March 31,	
						2019	2018
Revenues received:							
Property taxes	\$ -	272,490	-	-	-	272,490	255,987
Interest income	2,057	444	36	138	2,760	5,435	4,753
Motor fuel tax	108,699	-	-	-	-	108,699	107,878
Grants	-	-	-	-	-	-	230,605
Revolving loan	-	-	-	12,421	-	12,421	5,641
Total revenues received	110,756	272,934	36	12,559	2,760	399,045	604,864
Expenditures disbursed:							
General Government	-	269,915	-	50,000	41,524	361,439	277,260
Streets and lighting	359,919	-	-	-	-	359,919	-
Capital Outlay	-	-	-	-	18,097	18,097	113,545
Total expenditures disbursed	359,919	269,915	-	50,000	59,621	739,455	390,805
Excess (deficiency) of revenues received over (under) expenditures disbursed	(249,163)	3,019	36	(37,441)	(56,861)	(340,410)	214,059
Other financing sources (uses):							
Transfers In (Out)	-	-	-	(60,000)	64,998	4,998	(192,259)
Net change in fund balance	(249,163)	3,019	36	(97,441)	8,137	(335,412)	21,800
Fund balance beginning of year	391,995	106,685	8,899	107,083	6,449	621,111	599,311
Fund balance end of year	\$ 142,832	109,704	8,935	9,642	14,586	285,699	621,111

VILLAGE OF DWIGHT, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE D-3

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash	\$ 142,832
Total assets	<u>\$ 142,832</u>
<u>Fund Balance</u>	
Restricted fund balance	\$ 142,832
Total fund balance	<u>\$ 142,832</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE D-4

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues received:			
Motor fuel tax allotments	\$ 109,695	108,699	107,878
Interest income	500	2,057	2,447
Total revenues received	<u>110,195</u>	<u>110,756</u>	<u>110,325</u>
Expenditures disbursed:			
Construction projects	360,000	321,697	-
Engineering service	40,000	38,222	-
Total expenditures disbursed	<u>400,000</u>	<u>359,919</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (289,805)</u>	<u>(249,163)</u>	<u>110,325</u>
Fund balance, beginning of year		<u>391,995</u>	<u>281,670</u>
Fund balance, end of year		<u>142,832</u>	<u>391,995</u>

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash	\$ 109,704
Total assets	<u>\$ 109,704</u>
<u>Fund Balance</u>	
Fund balance	
Restricted - IMRF	\$ 82,375
Restricted - FICA	27,329
Total fund balance	<u>\$ 109,704</u>

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE D-6

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues received:			
Property taxes - IMRF	\$ 155,000	159,881	149,994
Property taxes - FICA	115,000	112,609	105,993
Interest income	50	444	56
Total revenues received	<u>270,050</u>	<u>272,934</u>	<u>256,043</u>
Expenditures disbursed:			
FICA contribution	115,000	118,112	113,743
IMRF contribution	155,000	151,803	152,183
Total expenditures disbursed	<u>270,000</u>	<u>269,915</u>	<u>265,926</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 50</u>	<u>3,019</u>	<u>(9,883)</u>
Fund balance, beginning of year		106,685	116,568
Fund balance, end of year		<u>109,704</u>	<u>106,685</u>

VILLAGE OF DWIGHT, ILLINOIS
COMMERICAL RENT SUBSIDY FUND

SCHEDULE D-7

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash	\$ 8,935
Total assets	<u>\$ 8,935</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 8,935
Total fund balance	<u>\$ 8,935</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE D-8

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues received:			
Interest	\$ -	36	4
Total revenues received	<u>-</u>	<u>36</u>	<u>4</u>
Expenditures disbursed:			
Rent subsidy	-	-	-
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	<u>36</u>	<u>4</u>
Fund balance, beginning of year		<u>8,899</u>	<u>8,895</u>
Fund balance, end of year		<u>8,935</u>	<u>8,899</u>

**Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019**

<u>Assets</u>	
Cash	\$ 9,642
Total assets	<u>\$ 9,642</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 9,642
Total fund balance	<u>\$ 9,642</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE D-10

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues received:			
Principal	\$ 47,000	11,596	3,534
Interest	-	825	2,107
Interest Income	40	138	51
Total revenues received	<u>47,040</u>	<u>12,559</u>	<u>5,692</u>
Expenditures disbursed:			
Development	<u>60,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures disbursed	<u>60,000</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(12,960)</u>	<u>(37,441)</u>	<u>5,692</u>
Other financing sources (uses):			
Transfers out	<u>(93,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (105,960)</u>	<u>(97,441)</u>	<u>5,692</u>
Fund balance, beginning of year		<u>107,083</u>	<u>101,391</u>
Fund balance, end of year		<u>9,642</u>	<u>107,083</u>

VILLAGE OF DWIGHT, ILLINOIS
RESERVE FOR CAPITAL EXPENDITURES FUND

SCHEDULE D-11

Statement of Assets, Liabilities and
Fund Balance Arising from Cash Transactions
March 31, 2019

<u>Assets</u>	
Cash	\$ 14,586
Total assets	<u>\$ 14,586</u>
<u>Fund Balance</u>	
Fund balance:	
Restricted fund balance	\$ 60,080
Committed fund balance	166,799
Unassigned fund balance (deficit)	<u>(212,293)</u>
Total fund balance	<u>\$ 14,586</u>

VILLAGE OF DWIGHT, ILLINOIS
RESERVE FOR CAPITAL EXPENDITURES FUND

SCHEDULE D-12

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues received:			
Interest income	\$ 1,000	2,760	2,195
Grant income	115,000	-	230,605
Total revenues received	116,000	2,760	232,800
Expenditures disbursed:			
Current:			
Engineering service	16,000	6,732	11,334
Capital outlay:			
Construction projects	90,000	34,792	-
Equipment purchases	-	-	10,876
Vehicles	-	-	52,521
Depot - ITEP	95,000	16,495	12,754
Improvements	-	-	37,394
Land/property	5,000	1,602	-
Total expenditures disbursed	206,000	59,621	124,879
Excess (deficiency) of revenues received over (under) expenditures disbursed	(90,000)	(56,861)	107,921
Other financing sources (uses):			
Transfers in	35,000	64,998	18,394
Transfers out	(35,000)	-	(210,653)
Total other financing sources (uses)	-	64,998	(192,259)
Net change in fund balance	\$ (90,000)	8,137	(84,338)
Fund balance (deficit), beginning of year		6,449	90,787
Fund balance (deficit), end of year		14,586	6,449

VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND

SCHEDULE E-1

Proprietary Fund
Statement of Net Position
March 31, 2019

<u>Assets</u>	
Current assets:	
Cash	\$ 134,143
Accounts receivable	46,339
Total current assets	<u>180,482</u>
Non-current assets:	
Capital assets	7,798,204
Accumulated depreciation	<u>(4,348,692)</u>
Total non-current assets	<u>3,449,512</u>
Total assets	<u>\$ 3,629,994</u>
<u>Liabilities and Net Position</u>	
Current liabilities:	
Accounts payable	\$ 1,205
Water deposits	12,650
Current portion of long-term debt:	
Bonds payable	<u>285,000</u>
Total current liabilities	<u>298,855</u>
Long-term liabilities:	
Bonds payable, net of current portion	<u>1,195,000</u>
Total long-term liabilities	<u>1,195,000</u>
Total liabilities	<u>1,493,855</u>
Net position	<u>2,136,139</u>
Total liabilities and net position	<u>\$ 3,629,994</u>

**VILLAGE OF DWIGHT, ILLINOIS
WATERWORKS FUND**

SCHEDULE E-2

Proprietary Fund

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

For the Year Ended March 31, 2019

(With Comparative Figures for 2018)

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues:			
Water	\$ 865,000	840,206	823,757
Water meters	500	750	900
Water penalties	7,500	8,141	7,102
Interest	250	2,117	844
Miscellaneous	1,500	2,120	10,140
Total revenues	874,750	853,334	842,743
Expenses:			
Current:			
Salaries	189,567	191,089	139,342
Salaries - OT	20,000	12,404	19,839
Employee benefits	31,820	30,511	20,141
Unemployment insurance	350	207	152
Worker's compensation	4,000	2,924	3,054
Uniform allowance	1,167	975	495
Contractual services	7,000	11,481	7,085
Maintenance - equipment	45,000	78,895	52,970
Maintenance - vehicle	1,200	5,248	593
Maintenance - system	80,000	49,794	130,005
Engineering service	10,000	-	-
Postage	2,000	1,688	1,656
Telephone	2,000	1,410	1,842
Printing and publishing	1,000	674	651
Dues	650	209	390
Travel	250	-	30
Training	500	777	7,122
Utilities	50,000	42,636	42,093
Lease/rentals	3,200	3,266	3,031
Operating supplies	10,500	5,677	9,229
Small tools	500	72	1,038
Fuel/oil	5,500	3,071	4,260
Chemicals	8,000	8,713	8,493
Principal	5,008	5,008	4,860
Interest	825	825	1,375
Miscellaneous expense	1,500	1,115	1,304
Capital outlay			
Equipment	36,500	45,920	140
Improvements	8,000	-	765
Construction projects	-	-	138,875
Depreciation	-	201,132	205,561
Total expenses	526,037	705,721	806,391
Excess of revenues over (under) expenses	348,713	147,613	36,352
Other financing sources (uses):			
Transfers in	-	310,144	-
Transfers out	(315,675)	(366,589)	(44,443)
Total other financing sources (uses)	(315,675)	(56,445)	(44,443)
Change in net position	\$ 33,038	91,168	(8,091)
Net position, beginning of year		2,044,971	2,053,062
Net position, end of year		2,136,139	2,044,971

**VILLAGE OF DWIGHT, ILLINOIS
WATER CAPITAL PROJECT FUND**

SCHEDULE E-3

**Proprietary Fund
Statement of Net Position
March 31, 2019**

<u>Assets</u>	
Cash	\$ 85,551
Total assets	<u>\$ 85,551</u>
<u>Net Position</u>	
Net position	\$ 85,551
Total net position	<u>\$ 85,551</u>

**Statement of Revenues, Expenses, & Changes in Fund Net Position -
Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

SCHEDULE E-4

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues:			
Tap-on fees	\$ 1,000	1,500	1,500
Interest Income	750	2,257	1,954
Total revenues	<u>1,750</u>	<u>3,757</u>	<u>3,454</u>
Expenses:			
Current:			
Construction projects	100,000	113,415	1,291,202
Engineering service	40,000	1,925	38,085
Total expenses	<u>140,000</u>	<u>115,340</u>	<u>1,329,287</u>
Excess of revenues over (under) expenses	<u>(138,250)</u>	<u>(111,583)</u>	<u>(1,325,833)</u>
Other financing sources (uses):			
Operating transfer in	-	50,914	200,000
Operating transfer out	-	-	(200,000)
Total other financing sources (uses)	<u>-</u>	<u>50,914</u>	<u>-</u>
Net change in net position	<u>\$ (138,250)</u>	<u>(60,669)</u>	<u>(1,325,833)</u>
Net position, beginning of year		<u>146,220</u>	<u>1,472,053</u>
Net position, end of year		<u>85,551</u>	<u>146,220</u>

VILLAGE OF DWIGHT, ILLINOIS
SEWER FUND

SCHEDULE E-5

Proprietary Fund
Statement of Net Position
March 31, 2019

<u>Assets</u>	
Current assets:	
Cash	\$ 170,758
Accounts receivable	50,351
Total current assets	<u>221,109</u>
Non-current assets:	
Capital assets	11,691,472
Accumulated depreciation	<u>(6,071,962)</u>
Total non-current assets	<u>5,619,510</u>
Total assets	<u>\$ 5,840,619</u>
<u>Liabilities and Net Position</u>	
Current Liabilities:	
Accounts payable	\$ 1,019
Current portion of long-term debt:	
EPA loan payable	<u>97,733</u>
Total current liabilities	<u>98,752</u>
Long-term liabilities:	
EPA loan payable, net of current portion	<u>151,293</u>
Total long-term liabilities	<u>151,293</u>
Total liabilities	<u>250,045</u>
Net position	<u>5,590,574</u>
Total liabilities and net position	<u>\$ 5,840,619</u>

VILLAGE OF DWIGHT, ILLINOIS
SEWER FUND

SCHEDULE E-6

Proprietary Fund

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

For the Year Ended March 31, 2019

(With Comparative Figures for 2018)

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues:			
Sewer	\$ 899,000	869,160	854,373
Sewer penalties	8,000	8,944	7,872
Surcharge	50	-	30
Industrial cost recovery	1,200	780	985
Interest	250	2,397	684
Miscellaneous	1,200	2,713	155
Total revenues	909,700	883,994	864,099
Expenses:			
Current:			
Salaries	193,055	195,119	184,830
Salaries - OT	7,500	4,353	7,723
Employee benefits	31,820	30,511	23,202
Unemployment insurance	370	211	240
Worker's compensation	2,750	2,551	2,439
Uniform allowance	1,167	734	1,006
Contractual services	20,000	16,354	16,058
Maintenance - equipment	40,000	25,052	41,730
Maintenance - vehicle	400	427	449
Maintenance - system	30,000	20,959	11,602
Engineering service	1,500	-	-
Postage	1,900	1,752	1,727
Telephone	6,000	4,797	6,283
Printing & publishing	450	110	195
Dues	10,000	12,699	10,000
Travel & training	550	278	188
Utilities	110,000	97,683	84,752
Insurance	4,500	5,156	4,263
Lease / rentals	250	-	-
Operating supplies	7,000	4,974	6,468
Small tools	600	223	690
Fuel/oil	3,500	3,756	2,839
Chemicals	11,000	9,112	10,493
Principal	5,008	5,072	4,458
Interest	825	761	973
Miscellaneous expense	1,250	1,055	1,130
Capital outlay:			
Equipment	60,000	180	1,426
Improvements	30,000	-	-
Depreciation	-	272,899	270,367
Total expenses	581,395	716,778	695,531
Excess of revenues over (under) expenses	328,305	167,216	168,568
Other financing sources (uses):			
Transfers in	-	95,311	-
Transfers out	(363,995)	(343,574)	(337,399)
Total other financing sources (uses)	(363,995)	(248,263)	(337,399)
Change in net position	\$ (35,690)	(81,047)	(168,831)
Net position, beginning of year		5,671,621	5,840,452
Net position, end of year		5,590,574	5,671,621

VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND

SCHEDULE E-7

Proprietary Fund
Statement of Net Position
March 31, 2019

<u>Assets</u>	
Cash	\$ 258,686
Accounts receivable	10,311
Total assets	<u>\$ 268,997</u>
<u>Liabilities & Net Position</u>	
Current Liabilities	
Interest payable	\$ 2,569
Current portion of EPA loan payable	229,794
Total current liabilities	<u>232,363</u>
Non-current Liabilities:	
EPA loan payable, net of current portion	1,918,108
Total non-current liabilities	<u>1,918,108</u>
Total liabilities	<u>2,150,471</u>
Net position	<u>(1,881,474)</u>
Total liabilities & net position	<u>\$ 268,997</u>

**VILLAGE OF DWIGHT, ILLINOIS
SEWER REPLACEMENT RESERVE FUND**

SCHEDULE E-8

Proprietary Fund

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

For the Year Ended March 31, 2019

(With Comparative Figures for 2018)

	Original and Final Budget	Year Ended March 31,	
		2019	2018
Revenues:			
Tap-on fees	\$ 1,000	1,500	3,300
Debt service revenue	221,500	204,965	206,215
Interest Income	200	2,400	647
Total revenues	222,700	208,865	210,162
Expenses:			
Current:			
Construction project	300,000	-	182,304
Engineering service	13,500	46,484	2,353
Debt service:			
Principal	319,456	-	-
Interest	66,038	65,123	73,717
Total expenses	698,994	111,607	258,374
Excess of revenues over (under) expenses	(476,294)	97,258	(48,212)
Other financing sources (uses):			
Transfer in	363,995	313,430	333,799
Transfers out	-	(95,311)	-
Total other financing sources (uses)	363,995	218,119	333,799
Net change in net position	\$ (112,299)	315,377	285,587
Net position, beginning of year		(2,196,851)	(2,482,438)
Net position, end of year		(1,881,474)	(2,196,851)

VILLAGE OF DWIGHT, ILLINOIS
WATER BOND FUND

SCHEDULE E-9

Proprietary Fund
Statement of Net Position
March 31, 2019

<u>Assets</u>	
Cash	\$ -
Total assets	<u>\$ -</u>
<u>Liabilities and Net Position</u>	
Liabilities	
Accrued interest payable	\$ 9,949
Total liabilities	<u>9,949</u>
Net position	<u>(9,949)</u>
Total net position	<u>(9,949)</u>
Total liabilities & net position	<u>\$ -</u>

Statement of Revenues, Expenses & Changes in Fund Net Position -
Budget & Actual
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)

SCHEDULE E-10

	Original and Final Budget	Year Ended March 31, 2019	2018
Revenues:			
Interest Income	\$ -	-	-
Expenses:			
Debt Service:			
Fees	475	475	475
Interest	35,200	33,318	41,005
Total expenses	<u>35,675</u>	<u>33,793</u>	<u>41,480</u>
Excess of revenues over (under) expenses	<u>(35,675)</u>	<u>(33,793)</u>	<u>(41,480)</u>
Other financing sources (uses):			
Transfer in	315,675	315,675	29,649
Transfer out	(280,000)	(280,000)	-
Total other financing sources (uses)	<u>35,675</u>	<u>35,675</u>	<u>29,649</u>
Net change in net position	<u>\$ -</u>	1,882	(11,831)
Net position (deficit), beginning of year		<u>(11,831)</u>	-
Net position (deficit), end of year		<u>(9,949)</u>	<u>(11,831)</u>

**Combining Statement of Changes in Fiduciary Net Position
For the Year Ended March 31, 2019
(With Comparative Figures for 2018)**

	Police Donations Fund	Disaster Relief Fund	Totals Year Ended March 31,	
			2019	2018
Additions:				
Revenues	\$ -	-	-	2
Deductions:				
Expenditures	-	-	-	195
Net increase (decrease)	-	-	-	(193)
Cash balance, beginning of year	350	4,344	4,694	4,887
Cash balance, end of year	<u>\$ 350</u>	<u>4,344</u>	<u>4,694</u>	<u>4,694</u>

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

		Tax Year				
		2014	2015	2016	2017	2018
Assessed valuations	Maximum Rate	\$ 62,894,275	58,730,529	58,758,609	61,662,245	66,569,485
Tax Rates:						
General	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
Audit	N/A	0.0065	0.0152	0.0068	0.0148	0.0141
IMRF	N/A	0.2429	0.2554	0.2553	0.2595	0.2568
Social Security	N/A	0.1716	0.1890	0.1804	0.1828	0.1744
Liability Insurance	N/A	0.1700	0.1975	0.1787	0.2433	0.2498
Garbage	N/A	-	-	-	0.0487	0.0598
Street Lighting	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Parks	0.0750	0.0750	0.0750	0.0750	0.0730	0.0750
Recreation	0.0900	0.0194	0.0409	0.0204	0.0900	0.0900
Totals		0.9854	1.0730	1.0166	1.2119	1.2198
Tax extensions:						
General		\$ 157,220	146,826	146,897	154,156	166,424
Audit		4,075	8,927	4,001	9,101	9,373
IMRF		152,747	150,004	150,005	160,001	170,917
Social Security		107,942	111,001	106,001	112,694	116,077
Liability Insurance		106,923	116,005	105,002	150,006	166,317
Garbage		-	-	-	30,005	39,809
Street Lighting		31,444	29,365	29,379	30,831	33,285
Parks		47,166	44,048	44,069	45,001	49,927
Recreation		12,220	24,003	12,004	55,496	59,913
Totals		\$ 619,737	630,179	597,358	747,291	812,041
Road & Bridge (from townships)		\$ 66,427	64,998	65,295	66,099	-
Tax collections		\$ 674,884	695,347	662,836	812,819	-

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

	Tax Year				
	2014	2015	2016	2017	2018
Assessed valuations	\$ 3,944,807	3,743,021	3,759,130	4,056,906	4,235,493
Tax Rates:					
General	0.0000	0.0000	0.0000	0.0000	0.0000
Tax extensions:					
General	\$ 119,571	138,285	166,667	159,264	207,833
Tax collections	\$ 119,455	138,079	166,690	159,291	-



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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, 2019, 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 24, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Village of Dwight, Illinois in a separate letter dated June 24, 2019.

Purpose of this Report

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
June 24, 2019