

CITY OF WILMINGTON, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
APRIL 30, 2014



*Prepared by:*

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

*116 E. Washington Street, Suite One  
Morris, IL 60450  
Telephone: (815) 942-2206*

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*INDEPENDENT AUDITORS' REPORT*



116 E. Washington Street  
Suite One  
Morris, Illinois 60450

Phone: (815) 942-3308  
Fax: (815) 942-8430  
www.mackcpas.com

TAWNYA R. MACK, CPA  
LAURI POPE, CPA  
ERICA L. BLUMBERG, CPA  
MATT MELVIN  
CHRIS CHRISTENSEN  
ANDREA PETERSON  
STEPHANIE HEISNER

### Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Wilmington, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion 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. 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 opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of April 30, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.



### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The governmental activities, each major fund, and the aggregate remaining fund information 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 opinion is not modified with respect to that matter. The business-type activities are presented in accordance with accounting principles generally accepted in the United States of America.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilmington, Illinois' basic financial statements. The budgetary comparison and other information on pages 33-37, the schedules of funding progress on page 38, the notes to other information on page 39, and the supplemental information on pages 52-57, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The budgetary comparison and other information, schedules of funding progress, notes to other information, and supplemental information 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.

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

Morris, Illinois  
September 16, 2014

*FINANCIAL STATEMENTS*

Government-wide Financial Statement  
 Statement of Net Position - Modified Cash Basis  
 April 30, 2014

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			April 30,	
			2014	2013
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,822,037	1,260,972	3,083,009	2,484,811
Receivables	-	327,190	327,190	301,929
Capital Assets				
Land	6,914,950	1,512,200	8,427,150	8,350,850
Vehicles	812,028	408,428	1,220,456	1,073,970
Equipment	1,408,327	472,219	1,880,546	1,609,872
Buildings	5,325,530	17,278,738	22,500,308	20,862,298
Improvements	1,023,081	4,555,383	5,578,264	5,213,976
Infrastructure	2,751,653	-	2,751,653	2,751,653
Accumulated Depreciation	(3,195,185)	(4,009,433)	(7,204,628)	(6,207,923)
<b>Total assets</b>	<b>\$ 16,562,451</b>	<b>21,801,408</b>	<b>28,563,949</b>	<b>36,441,436</b>
<b>Liabilities and Net Position</b>				
Liabilities due within one year	\$ 301,270	646,989	948,259	858,381
Liabilities due in more than one year	1,908,730	11,038,039	12,146,769	12,421,055
Accounts Payable/Reserves	32,003	-	32,003	31,984
<b>Total liabilities</b>	<b>1,442,003</b>	<b>11,685,028</b>	<b>13,127,031</b>	<b>13,311,420</b>
Invested in capital assets, net of related debt	13,530,414	8,528,308	22,058,722	20,375,200
Unrestricted net position	1,491,772	1,214,541	2,666,313	1,566,897
Restricted net position	518,262	373,622	711,884	1,187,863
<b>Total net position</b>	<b>\$ 15,320,448</b>	<b>10,116,470</b>	<b>25,436,918</b>	<b>23,130,016</b>

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

CITY OF WILMINGTON, ILLINOIS

Government-wide Financial Statement  
Statement of Activities - Modified Cash Basis  
For the Year Ended April 30, 2014

Program Activities	Expenses	Program Revenue		Net (Expense)/Revenue And Changes in Net Position		Years April 30,	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2014	2013
<b>Governmental activities</b>							
General government	\$ 1,358,209	317,448	7,812	(1,033,969)	-	(1,033,069)	1,427,535
Public safety	351,889	-	-	(311,149)	-	(311,149)	(1,074,071)
Street & highway	1,300,403	-	2,111,925	(588,488)	-	(588,488)	11,268,394
Unallocated interest expense	51,724	-	-	(53,794)	-	(53,794)	(29,298)
Total governmental activities	4,462,225	317,448	2,119,737	(1,955,898)	-	(1,736,448)	(1,873,539)
<b>Business-type activities</b>							
Water	1,801,468	556,645	-	-	(48,823)	(48,823)	(343,333)
Sewer	1,248,890	1,511,654	-	-	486,764	486,764	259,284
Garbage	423,308	428,658	-	-	3,349	3,349	2,311
Unallocated depreciation	324,830	-	-	-	(199,510)	(199,510)	(603,884)
Total business-type activities	3,798,496	2,996,957	-	-	(178,640)	(178,640)	(684,722)
<b>Total primary government</b>	<b>\$ 8,260,721</b>	<b>3,314,405</b>	<b>2,119,737</b>	<b>(1,955,898)</b>	<b>(178,640)</b>	<b>(1,915,087)</b>	<b>(2,558,261)</b>
<b>General revenues</b>							
<b>Taxes</b>							
Property taxes	\$	1,161,098	-	1,161,098	-	1,161,098	1,081,480
TP revenue		2,332	-	2,332	-	2,332	2,515
State sales tax		904,134	-	904,134	-	904,134	864,205
Road & bridge tax		5,674	-	5,674	-	5,674	5,237
Utility tax		391,954	-	391,954	-	391,954	386,227
Personal property replacement tax		62,701	-	62,701	-	62,701	54,856
State income tax		513,483	-	513,483	-	513,483	603,209
Local use tax		93,714	-	93,714	-	93,714	91,275
Full obligation tax		2,290	-	2,290	-	2,290	2,000
Video gaming tax		33,764	-	33,764	-	33,764	1,890
Motor fuel tax		568,029	-	568,029	-	568,029	583,792
Interest on investments		617	12,363	12,680	-	12,680	7,467
Association agreement - Ridgmont		-	-	-	-	-	381,870
Reimbursements		559,614	-	559,614	-	559,614	344,762
Fees & forfeitures		179,371	-	179,371	-	179,371	(158,743)
Licenses and permits		52,678	-	52,678	-	52,678	77,093
Miscellaneous		41,289	38,306	79,595	-	79,595	214,853
Transfers between funds		12,980	(12,000)	980	-	980	-
Forgiveness of debt		-	162,500	162,500	-	162,500	-
Special use capital contributions		-	(148,383)	(148,383)	-	(148,383)	2,460,923
Total general revenues		4,436,712	51,367	4,507,999	-	4,507,999	6,988,622
Change in net position				2,450,294	(120,382)	2,308,900	4,427,394
Net position at beginning of year				11,896,344	16,236,815	23,139,314	18,703,212
Net position at end of year	\$			\$ 14,346,638	16,116,433	25,448,214	23,130,606

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

## CITY OF WILMINGTON, ILLINOIS

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis  
Governmental Funds  
April 30, 2014

	Major Funds					Total Governmental Funds	
	General Fund	Mobile Equipment Fund	Capital Projects Fund	Bond & Interest Fund	Non-Major Funds	April 30,	
						2014	2013
<b>Assets</b>							
Cash and Cash Equivalents	\$ 275,819	180,415	1,103,384	143,915	118,484	1,822,017	1,340,180
<b>Total Assets</b>	<b>\$ 275,819</b>	<b>180,415</b>	<b>1,103,384</b>	<b>143,915</b>	<b>118,484</b>	<b>1,822,017</b>	<b>1,340,180</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts Payable/Reserves	\$ -	-	-	32,003	-	32,003	31,984
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,003</b>	<b>-</b>	<b>32,003</b>	<b>31,984</b>
<b>Fund Balances:</b>							
Non-spendable	-	-	-	-	-	-	-
Unassigned	200,996	-	-	-	-	200,996	448,272
Assigned	-	-	-	-	-	-	84,609
Committed	-	147,392	1,103,384	-	-	1,250,776	107,909
Restricted	74,821	33,043	-	111,912	118,484	338,260	467,406
<b>Total Fund Balances</b>	<b>275,819</b>	<b>180,415</b>	<b>1,103,384</b>	<b>111,912</b>	<b>118,484</b>	<b>1,790,034</b>	<b>1,308,196</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 275,819</b>	<b>180,415</b>	<b>1,103,384</b>	<b>143,915</b>	<b>118,484</b>	<b>1,822,037</b>	<b>1,340,180</b>

**Reconciliation to Statement of Net Position:**

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

Capital assets used in governmental activities of \$18,135,609 (net of accumulated depreciation of \$3,195,195), are not financial resources and, therefore, are not reported in the funds.

\$ 14,940,414 12,910,968

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(1,810,000) (1,320,000)

Net position of governmental activities

\$ 15,320,418 12,890,164

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

CITY OF WILMINGTON, ILLINOIS

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances  
 Modified Cash Basis  
 Governmental Funds  
 For the Year Ended April 30, 2014

	Major Funds					Total Governmental Funds	
	General Fund	Mobile Equipment Fund	Capital Projects Fund	Bond & Interest Fund	New Major Funds	April 30	
						2014	2013
<b>Revenues Received</b>							
Property taxes	\$ 943,797	-	-	144,348	48,823	1,201,008	1,082,480
TIF revenue	-	-	-	-	2,332	2,332	1,035
State sales tax	994,134	-	-	-	-	994,134	864,215
Road & bridge tax	5,674	-	-	-	-	5,674	5,037
Utility tax	891,008	-	-	-	-	891,008	586,277
Personal property replacement tax	42,731	-	-	-	-	42,731	34,816
State income tax	553,480	-	-	-	-	553,480	605,219
Local use tax	97,734	-	-	-	-	97,734	81,375
Full tobacco tax	2,358	-	-	-	-	2,358	2,038
Video gaming tax	32,364	-	-	-	-	32,364	1,937
Motor fuel tax	-	-	-	-	164,029	164,029	164,792
Licenses & permits	32,678	-	-	-	-	32,678	77,193
Miscellaneous	82,792	1,000	-	-	1,797	42,049	108,304
Grants & contributions	4,741	-	2,211,805	-	3,300	2,119,727	3,031,857
Amortization agreement - Ridgmont	-	-	-	-	-	-	261,873
Reimbursements	279,761	31,443	230,000	15,541	1,887	589,414	344,702
Taps & fees	173,843	1,526	-	-	-	175,371	158,743
Fees & services	82,884	-	234,563	-	-	317,448	132,218
Interest income	123	-	187	35	62	417	1,395
<b>Total Revenues</b>	<b>3,931,841</b>	<b>44,471</b>	<b>2,396,677</b>	<b>183,968</b>	<b>323,799</b>	<b>6,842,767</b>	<b>7,589,334</b>
<b>Expenditures Disbursed</b>							
General government	1,311,071	159,340	-	3,965	-	1,474,376	1,193,683
Public safety	1,313,078	-	-	-	25,817	1,338,895	1,326,796
Street & highways	870,438	-	1,846,307	-	505,868	2,894,608	1,107,372
Capital outlay	254	-	-	-	12,482	12,228	2,898,750
Debt service	-	-	-	313,734	-	313,734	307,882
<b>Total Expenditures</b>	<b>4,285,236</b>	<b>159,340</b>	<b>1,846,307</b>	<b>318,729</b>	<b>344,167</b>	<b>6,732,079</b>	<b>7,524,384</b>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(451,411)	(115,069)	450,370	(134,765)	(118,367)	(130,688)	76,810
<b>Other financing sources/(uses)</b>							
Operating transfers	-	-	-	-	-	-	-
Transfers in	-	120,689	14,879	-	(114,009)	16,879	40,071
Transfers out	-	-	(823)	(14,000)	-	(14,823)	(60,075)
Bond issuance costs	(823)	-	-	-	-	(823)	-
Bond proceeds	180,000	-	-	150,000	-	340,000	149,000
<b>Net change in fund balances</b>	<b>(262,581)</b>	<b>5,320</b>	<b>964,326</b>	<b>1,235</b>	<b>(232,086)</b>	<b>481,838</b>	<b>219,810</b>
Fund balances - beginning	114,130	148,493	129,214	110,677	361,690	1,808,194	1,685,386
Fund balances - ending	\$ 275,819	163,813	1,103,540	111,912	129,604	1,790,034	1,285,196
<b>Reconciliation to the Statement of Activities:</b>							
Net change in fund balances - governmental activities						\$ 481,838	219,810
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						236,000	(44,724)
Principal on debt						(340,000)	(340,000)
Loan proceeds							
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these 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.						2,456,721	2,509,227
Capital asset purchases (deposits)						(422,273)	(380,000)
Depreciation							
<b>Change in net position of governmental activities (Statement 10)</b>						<b>\$ 2,439,286</b>	<b>2,155,313</b>

Statement of Fund Net Position  
 Proprietary Funds  
 April 30, 2014

	Major Funds				Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	April 30,	
					2014	2013
<b>Assets</b>						
Cash and cash equivalents	\$ 18,186	458,958	426,206	373,622	1,260,972	1,144,631
Receivables	136,260	25,426	165,504	-	327,190	301,929
Capital assets						
Land	600,500	-	911,700	-	1,512,200	1,512,200
Vehicles	204,214	-	204,214	-	408,428	408,428
Equipment	236,110	-	236,110	-	472,219	436,662
Buildings	3,173,976	-	14,160,762	-	17,274,738	17,274,738
Improvements	2,499,129	-	2,056,054	-	4,555,183	4,525,203
Accumulated depreciation	(1,539,354)	-	(2,470,079)	-	(4,009,433)	(3,413,503)
<b>Total assets</b>	<b>\$ 5,321,021</b>	<b>476,384</b>	<b>15,630,471</b>	<b>373,622</b>	<b>21,801,498</b>	<b>22,190,288</b>
<b>Liabilities</b>						
Liabilities due within one year	\$ 21,649	-	625,340	-	646,989	599,381
Liabilities due in more than one year	437,067	-	10,600,972	-	11,038,039	11,351,055
<b>Total liabilities</b>	<b>458,716</b>	<b>-</b>	<b>11,226,312</b>	<b>-</b>	<b>11,685,028</b>	<b>11,950,436</b>
<b>Net Position</b>						
Invested in capital assets, Net of related debt	4,713,859	-	3,812,449	-	8,526,308	8,793,292
Unrestricted	146,447	476,384	591,710	-	1,214,541	726,103
Restricted	-	-	-	373,622	373,622	720,457
<b>Total net position</b>	<b>\$ 4,860,305</b>	<b>476,384</b>	<b>4,404,159</b>	<b>373,622</b>	<b>10,116,470</b>	<b>10,239,852</b>

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

CITY OF WILMINGTON, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended April 30, 2014

	Major Funds				Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	April 30,	
	2014	2013	2014	2013	2014	2013
<b>Operating Revenues:</b>						
Water and Sewer charges	\$ 80,712	74,303	1,511,094	4,500	2,072,209	2,215,090
Garbage charges	428,658	-	-	-	428,658	407,208
Miscellaneous	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>1,219,370</b>	<b>74,303</b>	<b>1,511,094</b>	<b>4,500</b>	<b>2,800,957</b>	<b>2,622,298</b>
<b>Operating Expenses:</b>						
Personnel services	402,673	-	429,280	-	832,953	801,914
Contractual services	712,796	126,209	311,813	19,535	1,170,353	953,290
Commodities	103,103	-	-	-	103,103	128,119
Depreciation	169,619	-	407,311	-	576,930	602,844
Other expenses	181	-	-	-	181	80
<b>Total Operating Expenses</b>	<b>1,468,674</b>	<b>126,209</b>	<b>1,148,314</b>	<b>19,535</b>	<b>3,775,754</b>	<b>2,550,046</b>
<b>Operating Income (Loss)</b>	<b>(151,504)</b>	<b>(11,276)</b>	<b>362,780</b>	<b>(14,995)</b>	<b>(223,201)</b>	<b>72,152</b>
<b>Non-Operating Revenues (Expenses):</b>						
Interest income	25	62	40	12,310	12,340	6,252
Other income	16,431	6,000	6,275	6,830	35,536	106,249
Capital surplus	-	-	-	-	-	(459,218)
Debt service	(9,522)	-	(288,200)	-	(297,722)	(302,137)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>6,934</b>	<b>6,112</b>	<b>(281,985)</b>	<b>18,940</b>	<b>(259,906)</b>	<b>(648,852)</b>
<b>Income (Loss) before contributions and transfers</b>	<b>(144,570)</b>	<b>(15,164)</b>	<b>81,805</b>	<b>3,105</b>	<b>(127,561)</b>	<b>(171,960)</b>
Capital Contributions	81,239	-	(191,811)	-	(110,572)	2,480,903
Forgiveness of debt	162,500	-	-	-	162,500	-
Transfer in/out	(73,549)	69,744	9	-	(3,805)	-
<b>Change in Net Position</b>	<b>(11,180)</b>	<b>15,280</b>	<b>(130,747)</b>	<b>3,105</b>	<b>(129,342)</b>	<b>1,869,003</b>
<b>Total Net Position - beginning</b>	<b>4,871,485</b>	<b>461,304</b>	<b>4,534,565</b>	<b>371,437</b>	<b>10,218,812</b>	<b>8,370,840</b>
<b>Total Net Position - ending</b>	<b>\$ 4,860,305</b>	<b>476,584</b>	<b>4,403,818</b>	<b>374,542</b>	<b>10,089,470</b>	<b>10,239,843</b>



## CITY OF WILMINGTON, ILLINOIS

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended April 30, 2014

	Major Funds				Total Proprietary Funds April 30, 2014
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers	\$ 1,310,376	74,903	1,111,086	4,369	2,500,734
Change in accounts receivable	(10,021)	4,696	(23,418)	4,382	(25,201)
Payments to employees	(462,672)	-	(428,395)	-	(891,067)
Payments to suppliers	(852,889)	(126,299)	(713,611)	(19,555)	(1,709,568)
Other receipts (payments)	16,218	6,090	6,571	6,090	36,912
<b>Net Cash Provided by Operating Activities</b>	<b>21,822</b>	<b>(48,300)</b>	<b>73,244</b>	<b>(8,568)</b>	<b>78,978</b>
<b>Cash Flows From Noncapital Financing Activities:</b>					
Transfers (to) from other funds	(72,589)	60,544	3	-	(12,092)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>(72,589)</b>	<b>60,544</b>	<b>3</b>	<b>-</b>	<b>(12,092)</b>
<b>Cash Flows From Capital Financing Activities:</b>					
Acquisition and construction of capital assets	(45,388)	-	(20,286)	-	(65,674)
Contributed capital	43,239	-	(79,820)	-	(14,581)
Loan proceeds	13,245	-	212,128	-	225,373
Payment of long term debt	(21,341)	-	(304,840)	-	(326,181)
Interest expense	(9,372)	-	(248,330)	-	(257,702)
<b>Net Cash Provided by (used in) Capital Financing Activities</b>	<b>(17,658)</b>	<b>-</b>	<b>(195,222)</b>	<b>-</b>	<b>(613,882)</b>
<b>Cash Flows From Investing Activities:</b>					
Interest	25	62	46	12,118	12,241
<b>Net Cash Provided by Investing Activities</b>	<b>25</b>	<b>62</b>	<b>46</b>	<b>12,118</b>	<b>12,241</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(69,317)</b>	<b>20,076</b>	<b>108,071</b>	<b>7,347</b>	<b>116,341</b>
Cash balance - beginning of the year	79,343	430,882	708,131	346,071	1,444,427
<b>Cash balance - end of the year</b>	<b>\$ 10,026</b>	<b>450,958</b>	<b>816,202</b>	<b>353,418</b>	<b>1,560,372</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)					\$ 120,260
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation					895,890
(Increase)/decrease in accounts receivable					(25,201)
Other items					70,180
<b>Net Cash provided by operating activities</b>					<b>\$ 78,978</b>

Statement of Fiduciary Net Position  
April 30, 2014

	Agency Funds	Police Pension Trust	Total April 30,	
			2014	2013
<b>Assets</b>				
Cash	\$ 81,351	106,800	188,151	120,451
Certificates of deposit	-	2,230,230	2,230,230	1,868,948
U.S. government obligations	-	154,942	154,942	163,069
Mutual funds	-	1,554,365	1,554,365	1,725,164
Accrued interest	-	12,605	12,605	10,171
Prepaid insurance	-	517	517	-
<b>Total assets</b>	<b>\$ 81,351</b>	<b>4,059,459</b>	<b>4,140,810</b>	<b>3,887,803</b>
<b>Liabilities and Net Position</b>				
Payable to others	\$ 81,351	1,000	82,351	82,727
<b>Total liabilities</b>	<b>\$ 81,351</b>	<b>1,000</b>	<b>82,351</b>	<b>82,727</b>
Assets held in trust for pension benefits		4,058,459	4,058,459	3,805,076
<b>Total net position</b>		<b>4,058,459</b>	<b>4,058,459</b>	<b>3,805,076</b>

## CITY OF WILMINGTON, ILLINOIS

Statement 1

Statement of Changes in Fiduciary Net Position  
For the Year Ended April 30, 2014

	Police Pension Trust Fund	
	Total	
	April 30,	
	2014	2013
<b>Additions</b>		
Agency Revenues	\$ -	-
Contributions		
Employer	274,264	224,141
Employee	82,386	82,311
Total contributions	356,650	306,452
Investment income		
Interest received	97,544	84,876
Other income	-	196
Unrealized gain (loss)	68,689	127,695
Net investment income	166,233	212,767
Total additions	522,883	519,219
<b>Deductions</b>		
Accounting & bookkeeping	4,160	15,625
Audit fee	2,040	2,040
Actuarial fee	1,650	1,600
State compliance fee	695	650
Office expense	162	123
Legal expense	19,592	4,400
Training	-	1,842
Pension & disability benefits	158,954	129,170
Professional fees	9,366	-
Telecommunications	75	230
Travel/conferences	362	2,031
Refund of contributions	72,086	31,137
Supplies	100	-
Dues	258	775
Total deductions	269,500	189,623
Net increase (decrease)	253,383	329,596
Net position, beginning of year	3,805,076	3,475,480
Net position, end of year	\$ 4,058,459	3,805,076

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

***NOTES TO FINANCIAL STATEMENTS***

## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2014

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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

#### *A. Reporting Entity*

The City's financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has a potential to impose a financial benefit/burden on the City
- there is a fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Wilmington does not include any organizations as a component unit.

#### *B. Fund Accounting*

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

## CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

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

#### *B. Fund Accounting – (Continued)*

Governmental Fund Types - Governmental funds are those through which general governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The City's governmental fund types include:

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Mobile Equipment Fund is considered a major special revenue fund used for the purchase of vehicles and other mobile equipment.

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

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

#### Proprietary Fund Types

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

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

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

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

*B. Fund Accounting - (Continued)*

Major Enterprise Funds are:

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

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

Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds are not included in the government-wide financial statements.

Trust and Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City of Wilmington's Police Pension Fund provides retirement benefits to police officers of the City. The Pension Plan Committee serves as the governing body and is comprised of three active members and two appointed members elected by the active officers. Currently there are three members receiving benefits. An audit of the City of Wilmington's Police Pension Fund can be obtained by contacting the City Clerk of the City of Wilmington.

# CITY OF WILMINGTON, ILLINOIS

## Notes to Financial Statements For the Year Ended April 30, 2014

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

#### C. *Basis of Accounting*

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

All governmental funds are accounted for using the cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recognized when checks are written. Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when expenses are incurred.

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

#### D. *Capital Assets and Long-Term Liabilities*

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

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

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

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

#### 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.



## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2014

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

##### *E. Property Taxes (Continued)*

The 2012 property tax levy, in the amount of \$1,110,190, reduced by statutory limitations to \$1,105,274, was approved by the board on December 18, 2012 and was received by the City in the current fiscal year. The 2013 property tax levy in the amount of \$1,192,554, reduced by statutory limitations to \$1,186,673 was approved by the board on December 17, 2013. The 2013 property tax levy will be received in the subsequent fiscal year.

##### *F. Compensated Absences*

Accumulated unpaid vacations and other employee benefit amounts are not accrued in governmental funds. Permanent full-time employees are eligible for vacation after one year of service. Permanent full-time employees are granted 12 sick days and 3 personal days (2 for employees not covered by union contract) each year. Upon termination, any earned but unused vacation shall be liquidated in a cash payment to the terminating employee. Employees shall be compensated in cash for any accumulated unused sick leave up to 120 days when they are permanently separated from employment.

##### *G. Comparative Data*

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

#### **NOTE 2: CASH AND INVESTMENTS**

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

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

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

## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2014

#### NOTE 2: CASH AND INVESTMENTS – (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. As of April 30, 2014, the carrying amount of the City's deposits was \$110,770 (including \$800 petty cash) and the bank balance was \$302,489.

Investments include United States government obligations valued at cost, adjusted for amortization of premium and discounts, which approximates market. Also, investments include basic fixed coupon repurchase agreements which are stated at cost which approximates market.

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

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Illinois Funds	\$ 2,660,146	2,627,227
IIT Funds	312,093	312,093
Total	<u>\$ 2,972,239</u>	<u>2,939,320</u>

#### NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The Personal Property Replacement Tax 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.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements

For the Year Ended April 30, 2014

**NOTE 4: RISK MANAGEMENT**

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

The City is exposed to various risks related to torts; theft of, damage to and destruction of assets, errors and omissions and natural disasters. The City is a member of the Illinois Public Risk Fund (IPRF) to provide workers' compensation coverage. The IPRF was created to establish an intergovernmental joint insurance pool providing for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation Act and the Illinois Workers' Occupational Diseases Act, on behalf of public agency members, and other units of local government and public entities within the State of Illinois which may become eligible for membership from time to time according to the bylaws. During the year ended April 30, 2014, the City contributed \$78,012 to the fund for this insurance coverage. The City participates in a municipal insurance cooperative called Illinois Municipal Insurance Co-Op (IMIC) with 13 municipal members. IMIC covers all of the City's property and liability insurance. Arthur J. Gallagher (RMS Inc.) provides insurance brokerage services to the City. During the year ended April 30, 2014, the City paid \$160,800 for general liability insurance. There have been no significant reductions in coverage from the prior year. Since there have been no settlements, they have not exceeded coverage in the past three years. The City also made payments totaling \$45,000 to the Illinois Municipal League Risk Management Association, the City's previous insurance provider.

**NOTE 5: CAPITAL ASSETS**

Depreciation expense is allocated as follows:

Governmental Activities		Business-Type Activities	
General Government	\$ 237,908	Water	\$ 168,619
Public Safety	120,575	Sewer	427,311
Streets & Highway	68,791		
Total Governmental	\$ 427,274	Total Business-Type	\$ 595,930

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

Governmental Activities			
Police Station & Land	\$ 1,714,310	John Deer Cab Tractor	99,500
North Island Parking Lot/Deer Creek	321,104	DynaPack Vibratory Roller	41,900
Vehicle Purchases	172,986		

## CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

## NOTE 5: CAPITAL ASSETS – (Continued)

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,838,650	76,300	-	6,914,950
Other capital assets:				
Vehicles	665,542	172,986	(26,500)	812,028
Equipment	1,173,210	235,117	-	1,408,327
Improvements	688,773	334,308	-	1,023,081
Infrastructure	2,751,653	-	-	2,751,653
Buildings	3,587,560	1,638,010	-	5,225,570
Total other capital assets	8,866,738	2,380,421	(26,500)	11,220,659
Less accumulated depreciation:				
Vehicles	590,995	79,625	(26,500)	644,118
Equipment	988,647	182,639	-	1,091,286
Improvements	83,943	41,758	-	125,701
Infrastructure	90,573	48,791	-	139,364
Buildings	1,040,264	134,462	-	1,174,726
Total accumulated depreciation	2,794,429	427,275	(26,500)	3,195,199
Other capital assets, net	6,072,318	1,953,146	-	8,025,464
Total governmental activities, net	\$ 12,910,968	2,029,446	-	14,940,414
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,512,209	-	-	1,512,209
Other capital assets:				
Vehicles	408,428	-	-	408,428
Equipment	436,662	35,557	-	472,219
Buildings	17,274,738	-	-	17,274,738
Improvements	4,525,203	29,980	-	4,555,183
Total other capital assets	22,645,031	65,537	-	22,710,568
Less accumulated depreciation:				
Vehicles	274,486	18,251	-	292,737
Equipment	274,625	39,973	-	314,597
Buildings	2,274,898	431,868	-	2,706,767
Improvements	589,494	185,837	-	695,332
Total accumulated depreciation	3,413,503	595,929	-	4,009,432
Total business-type activities, net	\$ 20,743,729	(530,393)	-	20,213,335

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

**NOTE 6: CHANGE IN LONG-TERM DEBT OBLIGATIONS**

The following is a summary of general long-term debt transactions of the City for the year ended April 30, 2014:

	Payable at May 1, 2013	Bonds Issued	Bonds Retired	Payable at April 30, 2014	Due in One Year
<b>Governmental Funds:</b>					
General Obligation Bonds					
SSA Dear Ridge Park					
Special Tax Bonds:					
Dated May 6, 2008					
Payable 1/15 at 6.5%					
Original Issue \$ 315,000					
	\$ 245,000	-	20,000	225,000	20,000
General Obligation					
Alternative Revenue Source					
Dated January 15, 2006					
Payable 12/1 at 3.5% to 4.0%					
	935,000	-	90,000	845,000	95,000
Equipment Loan - Standard Bank					
Dated July 31, 2013					
Payable 6/1 at 3.5%					
	-	190,000	-	190,000	36,270
General Obligation Limited					
Rollover Bond, Series 2012					
Dated November 15, 2012					
Payable 12/15 at 1.5%					
	149,000	-	149,000	-	-
General Obligation Limited					
Rollover Bond, Series 2013					
Dated December 1, 2013					
Payable 12/1 at 1.9%					
	-	150,000	-	150,000	150,000
Total Governmental Funds					
	1,329,000	340,000	259,000	1,410,000	301,270
<b>Business-Type Funds:</b>					
IEPA Loan Refunding Water Treatment					
Dated May 24, 2007					
Payable 7/1 & 1/1 at 2.5%					
	11,321,084	212,120	306,892	11,226,312	625,340
Dated February 2, 2012					
Payable 2/6 & 8/6 at 1.25%					
	629,352	13,245	183,881	458,716	21,649
Total Business-Type Funds					
	11,950,436	225,365	490,773	11,685,028	646,989
Total Long-term Obligations					
	\$ 13,279,436	565,365	749,773	13,095,028	948,259

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
 For the Year Ended April 30, 2014

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

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

Paying agent	First DuPage Bank, Westmont, Illinois
Interest rate	6.5 %
Interest payable	On January 15 of each year
Bond maturity dates	Serially on January 15
Bonds outstanding:	
Original issue	\$ 315,000
Bonds retired to April 30, 2014	<u>90,000</u>
Bonds outstanding April 30, 2014	<u>\$ 225,000</u>

The annual requirements to amortize bonded debt as of April 30, 2014 are as follows:

Bond Debt Service, Series 2008 SSA Pay Options  
 Schedule of Maturities

Year Ended April 30	Principal	Interest
2015	\$ 20,000	14,625
2016	20,000	13,325
2017	20,000	12,025
2018	25,000	10,725
2019	25,000	9,100
2020	25,000	7,475
2021	30,000	5,850
2022	30,000	3,900
2023	<u>30,000</u>	<u>1,950</u>
Total	<u>\$ 225,000</u>	<u>78,975</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

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

General Obligation Refunding (Alternative Revenue Sources) Bonds,  
Series 2006A, dated January 15, 2006

Paying agent	Amalgamated Bank of Chicago, Illinois
Interest rate	3.5 % to 4.0%
Interest payable	December 1 of each year
Bond maturity dates	Serially on December 1
Bonds outstanding:	
Original issue	\$ 1,345,000
Bonds retired to April 30, 2014	<u>500,000</u>
Bonds outstanding April 30, 2014	<u>\$ 845,000</u>

The annual requirements to amortize bonded debt as of April 30, 2014 are as follows:

General Obligation Bonds (Alternative Revenue Source)-Series  
2006A

Year Ended April 30,	Schedule of Maturities	
	Principal	Interest
2015	\$ 95,000	32,325
2016	100,000	29,000
2017	100,000	25,500
2018	105,000	22,000
2019	110,000	17,800
2020	115,000	13,400
2021	120,000	8,800
2022	<u>100,000</u>	<u>4,000</u>
Total	<u>\$ 845,000</u>	<u>152,825</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

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

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

Fiscal Year Ended April 30,	Schedule of Maturities	
	Principal	Interest
2015	\$ 36,270	5,634
2016	36,449	5,455
2017	37,731	4,173
2018	19,081	2,823
2019	40,668	1,436
<b>Total</b>	<b>\$ 190,000</b>	<b>19,522</b>

On November 15, 2012, the City of Wilmington issued \$149,000 of General Obligation Limited Bonds, Series 2012 at an interest rate of 1.5%. The bonds were paid in full during the 2014 fiscal year.

On December 1, 2013, the City of Wilmington issued \$150,000 of General Obligation Limited Bonds, Series 2013 at an interest rate of 1.25%. The entire balance, including interest, is due on December 1, 2014.

IEPA Loan

On May 24, 2007, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$13,597,663, payable over twenty (20) years at a 2.5% simple annual interest rate, with semi-annual repayments with the first repayment due July 1, 2009 and the final repayment due January 1, 2029, is to be used for construction of a waste water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2014, the loan had an outstanding balance of \$11,226,312.

On February 2, 2012, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$650,000 (with 25% forgiveness, for a net payback of \$487,500), payable over twenty (20) years at a 1.25% simple annual interest rate, with semi-annual repayments with the first repayment due August 6, 2012 and the final repayment due August 6, 2032, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2014, the loan had an outstanding balance of \$458,716.



CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

**NOTE 7: INDIVIDUAL FUND DISCLOSURES**

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resource primarily to provide services. The governmental and proprietary type funds financial statements generally reflect such transactions as transfers if interfund. The internal service funds record charges for service to City departments as operating revenue.

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

At April 30, 2014, there were no individual interfund receivable or payable balances.

The transfers represent both routine and non-routine items. A transfer of \$60,544 was made from the Water Operations Fund to the Water Capital Projects Fund for improvements. A transfer of \$12,000 was made from the Water Operations Fund and \$114,609 from the General Fund to the Mobile Equipment Fund for the purchase of vehicles/equipment. A transfer of \$14,000 was made from the Debt Service Fund to the Capital Projects Fund to record bond proceeds.

<u>Fund</u>	<u>Transfer to Other Funds</u>	<u>Transfer From Other Funds</u>
Governmental Funds:		
General Fund	\$ 114,609	-
Mobile Equipment	-	126,609
Capital Projects Funds:		
Capital Projects	-	14,000
Debt Service Funds:		
Bond & Interest	14,000	-
Enterprise Funds:		
Water Operations Fund	72,549	-
Sewer Capital Projects	-	5
Water Capital Projects	-	60,544
Total	<u>\$ 201,158</u>	<u>201,158</u>

**NOTE 8: CONTINGENCIES - LITIGATION**

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

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

**NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)**

*Plan Description* - The employer'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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy* - As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 13.04 percent. The employer 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost* - The required contribution for calendar year 2013 was \$170,043.

**Three-Year Trend Information for the Regular Plan**

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2013	\$ 170,044	100%	\$0
12/31/2012	158,723	100%	0
12/31/2011	155,601	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2014

#### NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) – (Continued)

*Funded Status and Funding Progress* - As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 87.18 percent funded. The actuarial accrued liability for benefits was \$2,989,938 and the actuarial value of assets was \$2,606,725, resulting in an under funded actuarial accrued liability (UAAL) of \$383,213. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,304,015 and the ratio of the UAAL to the covered payroll was 29 percent.

The Schedule of Funding Progress, presented as Other Information (OI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### NOTE 10: POLICE PENSION

##### Plan Description

The Police Pension Plan is a defined-benefit, single employer pension plan, that covers all sworn police personnel of the City. Although this is a single employer plan, the defined benefits and employee and employer contribution levels are governed by "Article 3, Police Pension Fund- Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). This fund is accounted for and reported as a pension trust fund.

At April 30, 2014 and 2013, membership in this plan consisted of the following:

	April 30,	
	2014	2013
Retirees and Beneficiaries Receiving Benefits	3	3
Disabled employees	1	1
Active vested plan members	9	8
Active non-vested plan members	2	5
Total	<u>15</u>	<u>17</u>

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

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

Employees that are hired prior to January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to a maximum of 75% of such salary. Employees with at least 8 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60.

## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2014

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#### NOTE 10: POLICE PENSION – (Continued)

##### Plan Description – (Continued)

The monthly pension of a police officer who retired after January 1, 1999 with at least 20 years of service, shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 1/12 of 3% of the original pension times the number of months the employee has been retired since age 50 (up to a maximum of 15%), and 3% annually thereafter of the pension payable at the time of the increase. Officers that retire with less than 20 years of service receive an annual 3% increase.

Employees that are hired after January 1, 2011 attaining the age of 55 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the average salary for the last 8 years of service (maximum average salary is \$106,800 if the employee retires in calendar year 2011). The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to a maximum of 75% of such salary. Employees with at least 10 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. Employees that have attained the age of 50 with at least 10 years of service may retire but their pension is reduced by 1/3% per year for each year the employee is under age 55. The monthly pension shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 60 years, by the lesser of 1/12 of 3% of the original pension times the number of months the employee has been retired since age 60 (up to a maximum of 15%) or by a factor of the CPI-U, whichever is less. Dependents receive a pension of 2/3 of the officer's pension at date of death. Dependents receive an annual increase under the same formula as the retired officer.

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

##### Funding Policy and Annual Pension Cost

The net pension obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is an accrued liability and is a component of the funding method used to determine contributions to the system. Administrative costs are paid by the plan except for in-kind donated financial services provided by the City.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

NOTE 10: POLICE PENSION – (Continued)

Funding Policy and Annual Pension Cost – (Continued)

The funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee group as a whole has tended to remain level as a percentage of annual covered payrolls. The contribution rate for normal cost is determined using a level percent amount method to amortize the unfunded liability over a 40-year period. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligation:

Actuarial Valuation Date	May 1, 2013	May 1, 2012
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market
<i>Actuarial Assumptions:</i>		
Investment Rate of Return	6.50%	7.00%
Projected Salary Increases	5.0-8.5%	5.50%
Post Retirement Benefit Increases	3.00%	3.00%
Inflation Rate Included	3.00%	3.00%
Mortality Rates	L&A Assumption Study for Police 2012	
Withdrawal Rates	100% of L&A Assumption Study for Police 2012	
Disability	100% of L&A Assumption Study for Police 2012	
Retirement	110% of L&A Assumption Study for Police 2012	
Marital Status	80% married, spouse same age	

Contributions are expected to increase at the rate of expected pay increases under the funding policy for the Fund.

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Contributions Made	Percentage Contributed
2014	\$ 314,088	274,264	87.3%
2013	230,523	224,141	97.2%
2012	229,727	265,528	115.6%

**CITY OF WILMINGTON, ILLINOIS**

**Notes to Financial Statements  
For the Year Ended April 30, 2014**

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**NOTE 10: POLICE PENSION – (Continued)**

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position presents pension activities using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recorded in the accounting period when they become susceptible to accrual (i.e., when they are measurable and available). Expenditures are recorded when the related fund liability is incurred, if measurable.

**NOTE 11: MOTOR FUEL TAX ALLOTMENTS**

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

**NOTE 12: DEFERRED COMPENSATION PLAN**

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

**NOTE 13: TOWER AND LAND LEASE REVENUE**

The City entered into an agreement with the PrimeCo and American Tower, L.P. PrimeCo and American Tower, L.P. leases property (a portion of the Tower located at 511 North Ave.) from the City. The City entered into an agreement with T-Mobile Central LLC. T-Mobile leases property from the City. The City entered into a lease agreement with the Wilmington Junior Football and Cheerleading League to use the land located at 845 Widows Road for an annual payment of \$1.

CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements  
For the Year Ended April 30, 2014

**NOTE 14: LEASE OBLIGATIONS**

Company	Type	Term	Start Date	Amount
Newsport	Postage machine	62 months	3/18/2000	\$ 226 per month
Pitney Bowes	Postage machine	48 months	2/21/2012	83 per month
H. Payphone Systems	2 Payphones	36 months	7/13/2011	130 per month
Main Street Storage	Storage Unit Rental	Monthly	8/1/2009	115 per month
Konica Minolta	3 Copiers	60 months	3/19/2013	528 per month
Trust 741 Jeff Shell	Scissors	12 month	10/1/2013	350 per month
Dimension Funding, L	Fingerprint Machine	36 months	5/16/2014	1,020 per month

Future minimum lease obligations are shown below:

Year	Payment
2015	\$ 25,298
2016	19,327
2017	18,580
2018	5,284
2019	-

**NOTE 15: RESTRICTED TAX LEVIES**

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

	Beginning Restriction	Levy	Levy Spent	Restricted Balance
IMRF	\$ 56,331	69,320	78,647	47,004
Social Security	33,517	118,069	123,767	27,819
Audit	-	31,394	31,394	-
Police Pension	-	274,264	274,264	-
Road & Bridge	-	75,656	75,656	-
Workers' Comp.	-	96,888	96,888	-
Police Protection	-	96,925	96,925	-
Totals	\$ 89,848	762,516	777,541	74,823

## CITY OF WILMINGTON, ILLINOIS

### Notes to Financial Statements For the Year Ended April 30, 2014

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#### **NOTE 16: OTHER 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. As of April 30, 2014, the City has adopted a plan in which the City allows retired employees to participate in the City's health insurance plan. Retirees are allowed to participate in the plan until reaching the age of 65. The City agrees to provide this insurance coverage to retirees.

#### **NOTE 17: FUND BALANCE – GASB 54 PRESENTATION**

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences of how these balances are reported.

##### *A. Non-spendable Fund Balance*

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

##### *B. Restricted Fund Balance*

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The City has several different funds that also fall into these categories.

##### *C. Committed Fund Balance*

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the City 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.



CITY OF WILMINGTON, ILLINOIS

Notes to Financial Statements

For the Year Ended April 30, 2014

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**NOTE 17: FUND BALANCE – GASB 54 PRESENTATION – (Continued)**

*D. Assigned Fund Balance*

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

*E. Unassigned Fund Balance*

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

**NOTE 18: SUBSEQUENT EVENTS**

On March 4, 2014, the City passed an ordinance to borrow funds from the Public Water Supply Loan Program for a water main replacement project from First Street to West River Road to Meadowland Lane. The estimated cost of construction and installation of the project, including engineering, legal, financial and other related expenses is \$406,000. The project is on hold pending IEPA approval.

**NOTE 19: OPENLANDS LEASE/PURCHASE AGREEMENT**

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

*OTHER INFORMATION*

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Schedule A-1

Statement of Assets, Liabilities and Fund Balance  
Arising from Cash Transactions  
April 30, 2014

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Assets

Cash in bank	\$	<u>275,819</u>
	\$	<u>275,819</u>

Fund Balance

<u>Fund Balance</u>		
Restricted Fund Balance - EMRF	\$	47,004
Restricted Fund Balance - Social Security		27,819
Unassigned fund balance		<u>200,996</u>
Total Fund Balance	\$	<u>275,819</u>

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Schedule A-2

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended April 30, 2014	April 30, 2013
<b>Revenues Received:</b>			
Property Taxes	\$ 979,999	963,797	890,924
State Sales Tax	900,000	904,134	864,215
Township Road & Bridge Taxes	5,000	5,674	5,037
Utility Tax	610,000	591,934	586,227
Personal Property Replacement Tax	53,000	62,731	34,816
State Income Tax	565,000	553,483	603,259
Local Use Tax	102,789	97,714	91,175
Pull Tab/Games Tax	-	2,250	2,060
Video Gaming Tax	-	32,364	1,502
Grant Income	-	4,712	5,000
Miscellaneous	15,000	20,350	8,753
Insurance Claims	5,000	-	2,500
Rental of Property	12,442	12,442	12,442
Interest Income	500	133	471
Annexation Agreement - Ridgeport	-	-	250,000
Tags & Fines	161,000	173,845	152,809
Reimbursements	339,326	270,761	155,011
Licenses & Permits	383,900	52,678	77,193
Fees & Services	189,030	82,883	132,318
<b>Total Revenues Received</b>	<b>4,323,986</b>	<b>3,831,885</b>	<b>3,895,662</b>
<b>Expenditures Disbursed: (Schedule 1)</b>			
Finance and Administrative Department	876,683	681,807	541,385
Public grounds and buildings	121,950	98,879	60,625
Building Department	47,875	26,065	21,766
Planning and Zoning Department	511,250	253,438	123,255
Police Department	2,216,382	1,644,814	1,681,264
Streets & Alleys Department	814,991	852,433	499,998
FICA & IMRF	319,266	223,617	216,140
Audit	40,125	31,587	31,385
Police pension	382,490	274,264	224,138
Insurance	206,170	195,678	158,352
Capital Outlay	-	754	-
<b>Total Expenditures Disbursed</b>	<b>5,537,182</b>	<b>4,283,356</b>	<b>3,558,288</b>
Excess (Deficiency) of revenues received over (under) expenditures disbursed	(1,213,196)	(451,451)	337,374
<b>Other financing sources (uses):</b>			
Bond proceeds	-	190,000	-
Bond issuance costs	-	(850)	-
Operating transfer (to) from: Transfers out	-	-	(6,000)
<b>Net change in fund balance</b>	<b>\$ (1,213,196)</b>	<b>(262,301)</b>	<b>331,374</b>
Fund balance, beginning of year		538,120	206,746
Fund balance, end of year		275,819	538,120

CITY OF WILMINGTON, ILLINOIS  
MOBILE EQUIPMENT FUND

Schedule B-1

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2014

Assets	
Cash in bank	\$ 180,435
Fund Balance	
Committed Fund Balance	\$ 147,392
Restricted Fund Balance	33,043
Total Fund Balance	\$ 180,435

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

Schedule B-2

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
Revenues Received:			
Interest income	\$ -	-	44
Vehicle Replacement Funds	126,609	7,500	-
Police Vehicle/Equip Contribution	35,000	31,445	-
Police fine vehicle revenue	6,000	5,526	5,936
Ridgeport Annexation	-	-	31,872
Total revenues received	167,609	44,471	37,852
Expenditures Disbursed:			
WPD Vehicle Purchases	43,750	-	-
Public Works Vehicle Purchases	31,956	-	-
ESDA Vehicle Purchases	100,750	81,566	1,800
MEF mobile equip contribution	31,149	77,974	33,000
Total expenditures disbursed	207,605	159,540	34,800
Excess (deficiency) of revenues received over (under) expenditures disbursed	\$ (39,996)	(115,069)	3,052
Other financing sources:			
Operating Transfers in		126,609	50,000
Fund balance, beginning of year		168,895	115,843
Fund balance, end of year		180,435	168,895

CITY OF WILMINGTON, ILLINOIS  
CAPITAL PROJECTS FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2014

	Assets	
Cash in bank		\$ 1,103,384
	<u>Fund Balance</u>	
Committed for Capital Projects		\$ 1,103,384
Total Fund balance		\$ 1,103,384

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

Schedule B-3

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
Revenues Received:			
Other Reimbursements	\$ 250,000	250,000	155,863
Grants- Federal	-	-	500,039
Grants- IDOT KKK St/Fld C&B	82,550	-	-
Grants- IDOT Safe Rtes to school	97,701	97,701	-
USCS/IDOT Rte 53/Proton Rd	1,665,000	14,224	2,090,310
S. Arsenal Road Funding	1,620,000	234,565	-
Ridgeport - Water/Sewer Expansion	2,000,000	2,000,000	426,793
Bond Proceeds Annual Series	18,000	-	-
Interest Income	100	187	280
Total revenues received	<u>7,733,351</u>	<u>2,596,677</u>	<u>3,173,285</u>
Expenditures Disbursed:			
Ridgeport W/S Extension	-	-	792,360
South Arsenal Road Project	4,523,000	254,802	29,831
Landfill Closure	-	-	43,970
Economic Dev Exp-Openlands	62,000	-	-
NI Parking Lot Phase 1	156,250	135,829	-
Safe Routes Schools Project	135,053	100,339	-
WPD Facility-Ridge Bldg Proj	2,500,000	1,079,719	-
KKK St Sidewalk Project	-	-	172
KKK St / Forked Creek Bridge Proj	128,984	19,837	6,018
Kaller Rd DCEO IKE Project	-	-	482,444
USCS/IDOT Rte 53 & Proton Rd	2,081,250	-	2,090,310
N. Island Ped. Bridge Project	-	-	31,542
KKK River Data Survey Project	-	-	6,700
Miscellaneous Projects & Equipment	187,500	56,481	64,958
Total expenditures disbursed	<u>9,776,037</u>	<u>1,646,307</u>	<u>3,548,265</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(2,042,686)	950,370	(374,980)
Other financing sources (uses):			
Transfer in (out)	-	14,000	(5,125)
Net change in fund balance	<u>\$ (2,042,686)</u>	<u>964,370</u>	<u>(380,105)</u>
Fund balance, beginning of year		<u>139,014</u>	<u>519,119</u>
Fund balance, end of year		<u>1,103,384</u>	<u>139,014</u>

CITY OF WILMINGTON, ILLINOIS  
BOND AND INTEREST FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2014

Assets		
Cash in bank		\$ 143,915
Total Assets		<u>\$ 143,915</u>
Liabilities & Fund Balance		
Liabilities:		
SSA debt service restricted fund		\$ 32,003
Fund Balance:		
Restricted fund balance for debt service		<u>111,912</u>
Total Liabilities & Fund Balance		<u>\$ 143,915</u>

Schedule B-4

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
Revenues Received:			
Property taxes	\$ 151,505	148,388	145,892
SSA repayments	35,547	35,541	32,743
Interest income	100	35	174
Total revenues received	<u>187,152</u>	<u>183,964</u>	<u>178,809</u>
Expenditures Disbursed:			
Principal	317,500	259,000	248,724
Interest	48,263	53,734	59,258
Service fees	7,500	5,995	5,995
Miscellaneous & contingency	1,350	-	-
Total expenditures disbursed	<u>394,613</u>	<u>318,729</u>	<u>313,977</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(207,461)	(134,765)	(135,168)
Other financing sources (uses):			
Transfer out	(22,500)	(14,000)	(14,375)
Bond proceeds	148,000	153,000	149,000
Net change in fund balance	<u>\$ (80,861)</u>	<u>1,235</u>	<u>(1,043)</u>
Fund balance, beginning of year		<u>110,677</u>	<u>111,720</u>
Fund balance, end of year		<u>111,912</u>	<u>110,677</u>

## CITY OF WILMINGTON, ILLINOIS

Schedule of Funding Progress  
Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 2,606,725	2,989,918	383,213	87.18%	1,104,015	29.39%
12/31/12	2,013,960	2,716,818	702,888	74.13%	1,231,366	57.08%
12/31/11	1,551,854	2,628,076	1,076,222	59.05%	1,281,721	83.97%
12/31/10	1,468,349	2,487,387	1,019,038	59.03%	1,242,457	82.02%
12/31/09	1,597,839	2,592,069	994,230	61.64%	1,466,822	67.78%
12/31/08	2,014,593	3,043,814	1,029,221	66.19%	1,284,262	80.14%
12/31/07	2,972,644	2,721,086	(251,558)	109.24%	1,267,707	0.00%
12/31/06	3,254,809	2,928,955	(325,854)	111.13%	1,696,271	0.00%
12/31/05	3,018,725	2,719,772	(298,953)	110.99%	945,029	0.00%
12/31/04	2,998,841	2,764,442	(234,399)	108.48%	913,161	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$3,257,939.

On a market basis, the funded ratio would be 108.96%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the City. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

POLICE PENSION FUND  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/13	\$ 3,989,268	7,560,080	3,570,812	52.8%	793,384	450.1%
4/30/12	3,655,193	6,291,044	2,635,851	58.1%	852,062	309.3%
4/30/11	3,250,915	5,722,660	2,471,745	56.8%	927,890	266.4%
4/30/10	2,669,793	5,488,164	2,818,369	48.6%	908,288	310.3%
4/30/09	2,346,839	5,163,074	2,816,235	45.5%	866,782	324.9%
4/30/08	2,029,325	4,182,712	2,143,387	48.8%	808,302	265.2%
4/30/07	1,699,845	3,322,098	1,622,253	51.2%	714,154	227.2%
4/30/06	1,451,518	2,863,860	1,412,342	50.7%	684,437	206.4%
4/30/05	1,167,601	2,807,389	1,639,788	41.6%	622,343	263.5%
4/30/04	979,454	2,407,553	1,428,099	40.7%	561,215	254.5%



*NOTES TO OTHER INFORMATION*

# CITY OF WILMINGTON, ILLINOIS

## Notes to Other Information For the Year Ended April 30, 2014

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### *Budgets and Budgetary Accounting*

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

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

Prior to July 31, the appropriation ordinance is legally adopted through passage of an ordinance. The 2014 appropriation ordinance was adopted on June 4, 2013 and was not amended. Transfers between line items of the appropriation must be approved by the City officials. All annual appropriations lapse at fiscal year end.

### NOTE 2: BUDGETARY COMPARISON INFORMATION

<u>Fund</u>	<u>Original &amp; Final Appropriations</u>	<u>Actual Expenditures</u>	<u>Excess (Deficiency)</u>
General Fund	\$ 5,537,182	4,283,336	1,253,846
Mobile Equipment Fund	207,605	159,540	48,065
Capital Projects Fund	9,776,037	1,646,307	8,129,730
Bond & Interest Fund	394,513	318,729	75,784
ESDA Fund	63,875	38,299	25,576
Motor Fuel Tax Fund	340,000	305,868	34,132
Water Operations	1,672,624	1,473,196	199,428
Water Capital Projects Fund	526,470	126,209	400,261
Sewer Operations Fund	1,638,893	1,456,646	182,247
Sewer Capital Projects Fund	43,750	19,555	24,195

The City operated within the confines of the approved budget during the fiscal year ended April 30, 2014. On an individual basis, the City had no fund in which expenditures exceeded appropriations.

*SUPPLEMENTAL INFORMATION*

## CITY OF WILMINGTON, ILLINOIS

Combining Statement of Assets, Liabilities, and Fund Balances Arising  
 from Cash Transactions - Non-Major Special Revenue Funds  
 April 30, 2014

	ESDA Fund	Motor Fuel Tax Fund	Ridgeport TIF #2 Fund	Total April 30, 2014
<i>Assets</i>				
Cash in Bank	\$ 17,959	96,656	3,869	118,484
Total assets	<u>\$ 17,959</u>	<u>96,656</u>	<u>3,869</u>	<u>118,484</u>
<i>Fund Balance</i>				
Restricted fund balance	\$ 17,959	96,656	3,869	118,484
Total fund balance	<u>\$ 17,959</u>	<u>96,656</u>	<u>3,869</u>	<u>118,484</u>

## CITY OF WILMINGTON, ILLINOIS

**Combining Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balances - Non-Major Special Revenue Funds  
For the Year Ended April 30, 2014**

	ESDA Fund	Motor Fuel Tax Fund	Ridgeport TIF #2 Fund	Total April 30, 2014
Revenues Received:				
Property Tax	\$ 48,823	-	-	48,823
TIF Revenue	-	-	2,332	2,332
Miscellaneous	1,757	-	-	1,757
Grants	3,100	-	-	3,100
MFT Allotments	-	168,029	-	168,029
Interest Income	16	45	1	62
Reimbursements	1,667	-	-	1,667
Total revenues received	55,363	168,074	2,333	225,770
Expenditures Disbursed:				
General Government	-	-	-	-
Public Safety	25,817	-	-	25,817
Street and Highway	-	305,868	-	305,868
Capital Outlay	12,482	-	-	12,482
Total expenditures disbursed	38,299	305,868	-	344,167
Excess (deficiency) of revenues received over (under) expenditures disbursed	17,064	(137,794)	2,333	(118,397)
Other financing sources (uses):				
Operating transfer in (out)	(114,609)	-	-	(114,609)
Fund balance, beginning of year	115,504	234,450	1,536	351,490
Fund balance, end of year	\$ 17,959	96,656	3,869	118,484

CITY OF WILMINGTON, ILLINOIS  
ESDA FUNDStatement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2014

Assets	
Cash in bank	\$ 17,959
Fund Balance	
Restricted fund balance	\$ 17,959
Fund balance	\$ 17,959

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

Schedule D-1

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Revenues Received:</b>			
Property Taxes	\$ 49,771	48,823	48,664
Grants	6,600	3,100	9,815
Other Reimbursements	800	1,667	1,145
Other Income	-	1,757	84,609
Interest Income	50	16	83
Total revenues received	<u>57,221</u>	<u>55,363</u>	<u>144,316</u>
<b>Expenditures Disbursed:</b>			
Salaries	14,250	8,190	7,260
Dues and Subscriptions	687	250	330
Maintenance - Equipment	5,000	2,965	1,798
Maintenance - Radio & Pagers	1,875	497	220
Maintenance - Vehicles	5,000	1,719	3,679
Notices and publications	188	-	-
Telephone Service	5,000	4,407	4,245
Training Services	5,000	1,204	150
Subscription Weather Service	1,250	84	84
Gasoline & Oil	4,375	2,862	1,802
Office Supplies & Postage	1,250	1,351	750
Operating Supplies & Tools	2,500	1,798	829
Miscellaneous & Cont.	1,875	530	267
Equipment Purchases	12,500	11,244	15,058
Office Furniture & Equipment	3,125	1,238	1,022
Total Expenditures disbursed	<u>63,875</u>	<u>38,299</u>	<u>37,474</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(6,654)	17,064	106,842
<b>Other financing sources (uses):</b>			
Transfer out	(143,261)	(114,009)	(30,000)
Net change in fund balance	<u>\$ (149,915)</u>	<u>(97,245)</u>	<u>76,842</u>
Fund balance, beginning of year		<u>115,904</u>	<u>38,662</u>
Fund balance, end of year		<u>17,959</u>	<u>115,504</u>

CITY OF WILMINGTON, ILLINOIS  
MOTOR FUEL TAX FUND

Statement of Assets, Liabilities and Fund Balance Arising  
from Cash Transactions  
April 30, 2014

Assets	
Cash in bank	\$ 96,656
<u>Fund Balance</u>	
Fund balance	\$ 96,656

Statement of Revenues Received, Expenditures Disbursed and  
Change in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Revenues Received:</b>			
MFT State Allotments	\$ 137,809	145,734	141,497
Interest Income	50	45	142
Capital Bill Program Allotment	22,295	22,295	22,295
Total revenues received	<u>160,154</u>	<u>168,074</u>	<u>163,934</u>
<b>Expenditures Disbursed:</b>			
Engineering Services	2,500	-	1,000
KKK St Sidewalk Repairs-ADA	25,000	-	-
Maintenance - Street	-	14,671	7,495
Maintenance - Traffic Signal	-	-	3,864
Street Projects	312,500	291,197	-
Road Repair Material	-	-	19,421
Total expenditures disbursed	<u>340,000</u>	<u>305,868</u>	<u>31,780</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	(179,846)	(137,794)	132,154
<b>Other financing sources (uses):</b>			
Transfers from (to) other funds	-	-	6,000
Net change in fund balance	<u>\$ (179,846)</u>	<u>(137,794)</u>	<u>138,154</u>
Fund balance, beginning of year		<u>234,450</u>	<u>96,296</u>
Fund balance, end of year		<u>96,656</u>	<u>234,450</u>

CITY OF WILMINGTON, ILLINOIS  
 RIDGEPORT TIF #2 FUND

Statement of Assets, Liabilities and Fund Balance Arising  
 from Cash Transactions  
 April 30, 2014

	Assets	
Cash in bank		<u>\$ 3,869</u>
Fund balance	Fund Balance	<u>\$ 3,869</u>

Statement of Revenues Received, Expenditures Disbursed and  
 Change in Fund Balance - Budget and Actual  
 For the Year Ended April 30, 2014  
 (With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
Revenues Received:			
Ridgeport TIF Revenue	\$ -	2,332	1,535
Interest Income	-	1	1
Total revenues received	<u>-</u>	<u>2,333</u>	<u>1,536</u>
Expenditures Disbursed:			
TIF Projects	-	-	-
Miscellaneous & Contingencies	-	-	-
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	<u>2,333</u>	<u>1,536</u>
Fund balance, beginning of year		<u>1,536</u>	<u>-</u>
Fund balance, end of year		<u>3,869</u>	<u>1,536</u>



CITY OF WILMINGTON, ILLINOIS  
WATER OPERATIONS FUND

Schedule E-1

Statement of Fund Net Position  
April 30, 2014

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<u>Assets</u>	
Cash in bank	\$ 10,186
Accounts receivable	136,260
Capital assets:	
Land	600,500
Vehicles	204,214
Equipment	236,110
Buildings	3,173,976
Improvements	2,499,129
Accumulated depreciation	<u>(1,539,354)</u>
Total assets	<u>\$ 5,321,021</u>
 <u>Liabilities &amp; Net Position</u>	
Liabilities:	
Due within one year	\$ 21,649
Due beyond one year	<u>437,067</u>
Total liabilities	<u>458,716</u>
Net position:	
Invested in capital assets, net of related debt	4,715,859
Restricted net position	-
Unrestricted net position	<u>146,447</u>
Total net position	<u>4,862,305</u>
Total liabilities & net position	<u>\$ 5,321,021</u>

CITY OF WILMINGTON, ILLINOIS  
WATER OPERATIONS FUNDStatement of Revenues, Expenses, and  
Change in Fund Net Position - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended April 30, 2014	April 30, 2013
<b>Revenues:</b>			
<b>Water:</b>			
Water Service	\$ 750,000	727,633	816,982
Water Meters	5,000	1,876	4,112
Water Base Fees	146,500	152,203	37,206
Other Reimbursement	7,500	6,307	7,941
Interest Income	50	25	76
Donations	-	4,000	-
Other Income	10,000	6,124	11,609
<b>Total Water Revenues</b>	<b>919,050</b>	<b>898,168</b>	<b>877,926</b>
<b>Garbage:</b>			
Garbage Services	430,378	428,658	407,208
<b>Total Water Operating &amp; Maintenance Fund Revenue</b>	<b>1,349,428</b>	<b>1,326,826</b>	<b>1,285,134</b>
<b>Expenses:</b>			
<b>Water:</b>			
Salaries	440,369	348,155	348,793
FICA	36,094	30,815	30,709
IMRF	61,525	51,415	52,712
SUTA	8,136	2,725	7,800
Department Overtime Pay	31,250	29,563	25,709
Computer Programming Fees	12,300	10,431	9,629
Dues & Subscriptions	750	252	249
Employee Hospital Insurance	68,375	59,937	60,148
Legal Fees	1,250	28,551	583
Water Portion Property & Equip Ints	688	-	-
Maintenance - Equipment	33,750	17,749	4,504
Maintenance - Fire Hydrants	5,125	1,012	2,178
Maintenance - Grounds & Buildings	4,375	5,551	2,410
Maintenance - Pumping Systems	3,253	2,618	8,299
Maintenance - Water Mains	15,000	14,259	7,450
Maintenance - Water Meters	8,750	3,828	4,903
Maintenance - Water Service Lines	11,250	8,412	1,117
Maintenance - Vehicles	2,500	1,056	1,498
Notices & Legal Publications	625	128	486
Other Professional Services	17,500	11,944	10,807
General Liability & Workers Comp	31,250	56,288	25,550

CITY OF WILMINGTON, ILLINOIS  
WATER OPERATIONS FUNDStatement of Revenues, Expenses, and  
Change in Fund Net Position - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
Expenses: (continued)			
Water: (continued)			
Rental of Equipment	25,000	1,567	-
Sludge Disposal	25,000	-	-
Telephone	8,750	7,199	6,922
Training	2,500	1,586	986
Utilities	56,250	55,110	41,740
Gasoline & Oil	8,750	8,987	6,042
Office Supplies & Postage	12,500	13,438	10,648
Operating Supplies & Tools	10,000	8,821	6,366
Purchase Backflow Preventers	4,375	3,500	-
Service Fees	6,250	5,293	3,000
Uniforms	4,125	3,344	2,836
Water Treatment Chemicals	107,500	68,895	79,967
Miscellaneous & Contingency	1,250	193	83
Equipment Purchases	15,000	5,757	1,459
Water Treatment Improvements	-	-	454,716
Fire Hydrants	12,875	-	2,151
EPA Loan Principle Pymt WTP Yr 1	26,726	-	-
EPA Loan Principle Int WTP Yr 1	7,035	9,522	2,913
New Meters	6,250	1,358	15,686
Total Water Expenses	1,134,651	879,259	1,240,249
Garbage:			
Garbage Collection & Disposal	537,973	425,318	405,107
Depreciation Expense	-	168,619	171,226
Total Water Operating & Maintenance Fund Expenses	1,672,624	1,473,196	1,816,582
Excess (deficiency) of revenues over (under) expenses	(215,601)	(146,370)	(531,448)
Other financing sources (uses):			
Contributed capital	-	45,239	1,220,451
Forgiveness of debt	-	162,500	-
Transfer in	-	-	15,479
Transfer out	(82,500)	(72,549)	(9,566)
Net Income (Loss)	\$ (298,101)	(11,180)	694,916
Net Position, beginning of year		4,873,485	4,178,569
Net Position, end of year		4,862,305	4,873,485

CITY OF WILMINGTON, ILLINOIS  
WATER CAPITAL PROJECTS FUND

Statement of Fund Net Position  
April 30, 2014

	<u>Assets</u>	
Cash in bank		\$ 450,958
Accounts receivable		25,426
Total assets		<u>\$ 476,384</u>
	<u>Net Position</u>	
Unrestricted Net Position		<u>\$ 476,384</u>
Total Net Assets		<u>\$ 476,384</u>

Schedule E-4

Statement of Revenues, Expenses, and  
Change in Fund Net Position - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	<u>Original and Final Appropriations</u>	<u>Year Ended April 30, 2014</u>	<u>April 30, 2013</u>
Revenues:			
City Engineer Services	\$ 39,930	243	12,557
Water Capacity User Fee	2,700	3,800	17,000
Water Dist. Sys Maint. Fee	5,500	2,200	3,530
Meter repl. program fees	72,336	68,690	57,984
Debt service fees	-	-	39,968
Rental of property	6,000	6,050	7,150
Other Income- Misc.	-	-	64,574
Interest Income	100	62	5,814
Total revenues	<u>126,566</u>	<u>81,645</u>	<u>208,577</u>
Expenses:			
Maintenance - equipment	156,250	87,105	54,023
City Engineer Services	50,000	39,104	38,419
IEPA Loan Principal	320,220	-	-
Total expenses	<u>526,470</u>	<u>126,209</u>	<u>92,442</u>
Excess (deficiency) of revenues over (under) expenses	(399,904)	(45,164)	116,135
Other financing sources (uses):			
Loan Proceeds	256,176	-	-
Transfer in:	66,000	60,544	9,566
Transfer out:	-	-	(315,479)
Net Income (Loss)	<u>\$ (77,728)</u>	<u>15,380</u>	<u>(189,778)</u>
Net Position, beginning of year		<u>461,004</u>	<u>650,782</u>
Net Position, end of year		<u>476,384</u>	<u>461,004</u>

CITY OF WILMINGTON, ILLINOIS  
SEWER OPERATIONS FUND

Statement of Fund Net Position  
April 30, 2014

<u>Assets</u>	
Cash in bank	\$ 426,206
Accounts receivable	165,504
Capital assets:	
Land	911,700
Vehicles	204,214
Equipment	236,110
Buildings	14,100,762
Improvements	2,056,054
Accumulated depreciation	<u>(2,470,079)</u>
 Total assets	 <u>\$ 15,630,471</u>
<u>Liabilities &amp; Net Position</u>	
Liabilities:	
Due within one year	\$ 625,340
Due beyond one year	<u>10,600,972</u>
Total liabilities	<u>11,226,312</u>
Net position:	
Invested in capital assets, net of related debt	3,812,449
Restricted net position	-
Unrestricted net position	<u>591,710</u>
Total net position	<u>4,404,159</u>
Total liabilities and net position	<u>\$ 15,630,471</u>

CITY OF WILMINGTON, ILLINOIS  
SEWER OPERATIONS FUND

Schedule 1-5

Statement of Revenues, Expenses, and  
Change in Fund Net Position - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Revenues:</b>			
Capacity user's fee	\$ 12,900	9,443	64,185
New sewer plant monies	711,032	799,274	407,759
Sewer service fees	741,950	702,377	735,367
Other reimbursements	4,000	-	-
Miscellaneous	2,000	6,575	8,125
Interest Income	100	46	113
<b>Total revenues</b>	<b>1,473,082</b>	<b>1,517,715</b>	<b>1,215,569</b>
<b>Expenses:</b>			
<b>Current:</b>			
Regular wages	329,985	287,453	271,799
Payroll tax expenses	26,362	25,655	22,077
INRF	44,864	59,318	34,043
State unemployment taxes	4,562	3,042	5,731
Overtime wages	15,000	17,302	9,819
Computer maintenance fees	15,000	11,986	11,016
Health & life insurance	58,147	58,040	52,231
Legal Fees	1,250	-	250
Property/equipment insurance	3,500	14,370	1,196
General liability/workers comp. insurance	53,250	46,101	41,000
Equipment rental	1,250	-	-
Sewer sludge disposal	36,500	22,929	17,831
Telephonic/cell phone service	2,500	6,273	5,655
Maintenance - equipment	26,663	11,780	24,915
Maintenance - buildings & grounds	13,373	18,219	9,268
Maintenance - sewers	16,250	2,212	12,322
Maintenance - vehicles	3,325	778	1,940
Notices/publications	313	15,278	-
Training expense	3,375	509	2,090
Utilities - electric/gas	87,500	80,819	66,632
Contractual	5,500	6,573	4,307
Office supplies/postage	15,000	10,361	10,598
Small tools and supplies	27,500	12,040	10,816
Chemicals	30,000	17,991	18,767
Utilities	3,394	2,814	2,221
Misc. & Contingency	1,350	848	880
Service Fees	7,500	-	-
Other professional services	19,375	4,715	17,342
<b>Capital Outlay:</b>			
Equipment Purchase	35,375	24,919	1,434
Depreciation expense	-	427,311	431,618
<b>Debt Service:</b>			
IEPA Loan Principal Payment	383,615	-	-
IEPA Loan Interest Payment	340,612	288,330	286,224
<b>Total expenses</b>	<b>1,638,892</b>	<b>1,456,646</b>	<b>1,784,662</b>
Excess (deficiency) of revenues over (under) expenses	(165,810)	61,069	(169,103)
<b>Other financing sources (uses):</b>			
Transfers from other funds	-	5	-
Contributed capital	-	(191,821)	1,220,852
<b>Change in net position</b>	<b>\$ (165,811)</b>	<b>(130,747)</b>	<b>1,051,749</b>
Net Position, beginning of year		4,534,906	3,483,157
Net Position, end of year		4,404,159	4,534,906

CITY OF WILMINGTON, ILLINOIS  
SEWER CAPITAL PROJECTS FUNDStatement of Fund Net Position  
April 30, 2014

<u>Assets</u>	
Cash in bank	\$ 373,622
Receivables	-
Total Assets	<u>\$ 373,622</u>
<u>Net Position</u>	
Net Position	<u>\$ 373,622</u>

Statement of Revenues, Expenses, and  
Change in Fund Net Position - Budget and Actual  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Revenues:</b>			
City Engineer Services	\$ 21,640	-	16,689
Sewer Collection System Fee	6,840	4,560	2,280
Property Rental	6,000	6,050	7,150
Interest Income	100	12,110	249
Total revenues	<u>34,580</u>	<u>22,720</u>	<u>25,768</u>
<b>Expenses:</b>			
Engineering Services	17,500	14,163	13,252
Misc. & contingency	1,250	-	-
Sewer Plant Construction	25,000	5,392	-
Total expenses	<u>43,750</u>	<u>19,555</u>	<u>13,252</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ (9,170)</u>	3,165	12,516
Other financing sources (uses):			
Transfer in		-	100,000
Change in net position		3,165	312,516
Net Position, beginning of year		<u>370,457</u>	<u>57,941</u>
Net Position, end of year		<u>373,622</u>	<u>370,457</u>

CITY OF WILMINGTON, ILLINOIS  
AGENCY FUNDS

Schedule F-1

Change in Net Position  
April 30, 2014  
(With Comparative Figures for 2013)

	Agency Funds						Totals		
	Police DUI Account	Caree School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	DIC Grant (Federal Grant) Account	Year Ended April 30, 2014	Year Ended April 30, 2013
<u>Assets</u>									
Cash in bank	\$ 2,184	4,087	11,919	14,642	4,845	43,674	-	81,351	78,577
<u>Liabilities</u>									
Payable to others	\$ 2,184	4,087	11,919	14,642	4,845	43,674	-	81,351	78,577

Schedule F-2

Statement of Change in Fiduciary Net Position  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Agency Funds						Totals		
	Police DUI Account	Caree School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	DIC Grant (Federal Grant) Account	Year Ended April 30, 2014	Year Ended April 30, 2013
<u>Additions -</u>									
Revenues	\$ -	-	2,736	2,811	2,419	-	147,021	154,987	121,099
<u>Deductions -</u>									
Expenditures	-	-	-	1,537	3,655	-	147,021	152,313	144,886
Change in Net Position	-	-	2,736	1,274	(1,236)	-	-	2,774	(33,787)
<u>Other financing sources (uses)</u>									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Cash balance, beginning of year	2,184	4,087	8,183	13,368	4,081	43,674	-	78,577	102,364
Cash balance, end of year	\$ 2,184	4,087	10,919	14,642	4,845	43,674	-	81,351	78,577



CITY OF WILMINGTON, ILLINOIS  
GENERAL FUND

Schedule 1

Comparison of Expenditures with Appropriations  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Finance and Administrative Department</b>			
Salaries	5 268,558	226,895	198,839
Salary - Aldermen	48,250	34,272	32,662
City Engineer Services	17,500	13,317	12,918
Computer programming fees	31,250	21,586	16,926
Dues and subscriptions	9,375	7,243	7,475
Employee health insurance	63,750	53,539	51,889
Retired employees health insurance	115,000	91,961	91,777
Engineering services	6,250	61	2,667
Legal services	37,500	36,883	30,028
Maintenance - equipment	1,250	1,322	791
Notices and legal publications	2,500	1,889	829
Other professional services	7,500	4,121	8,073
PACE bus service	30,000	20,898	9,963
Telephone services	17,500	11,345	12,016
Training expenses	10,000	7,606	7,715
Gasoline and oil	6,250	6,848	1,009
Office supplies and postage	10,000	9,143	6,712
Administration contingency	2,500	707	1,228
Economic Development	7,500	2,800	5,600
Service fees	6,250	322	1,000
Mayor's contingency	2,500	485	1,519
Community festivals	12,500	9,650	9,870
Miscellaneous and contingency	125,000	96,345	3,498
Police commission expenses	25,000	17,758	22,878
Office furniture and equipment	15,000	5,011	3,503
<b>Total Finance and Administrative Department</b>	<b>876,687</b>	<b>681,807</b>	<b>541,383</b>
<b>Public grounds and buildings</b>			
Maintenance - equipment	7,500	5,220	1,665
Maintenance - grounds and buildings	62,500	50,488	24,590
Maintenance - cleaning service	25,000	17,208	17,723
Other professional services	12,500	15,766	9,923
Pest control	1,875	2,312	1,329
Rental of Building/Storage Space	7,200	6,705	4,660
Telephone service	1,250	706	688
Utilities	-	440	-
Operating supplies and tools	625	34	45
Miscellaneous and contingency	375	-	-
Capital outlay - equipment purchase	1,125	754	-
<b>Total Public Grounds and Buildings</b>	<b>121,950</b>	<b>99,633</b>	<b>60,625</b>

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUNDComparison of Expenditures with Appropriations  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Building Department</b>			
Salaries	\$ 18,750	13,317	-
City Engineer Services	-	1,857	13,261
Computer programming fees	1,250	2,400	703
Consulting fee	6,250	97	1,980
Dues & subscriptions	250	-	-
Legal fees	625	167	333
Maintenance - vehicle	-	4,200	4,200
City Engineer Auto Allowance	5,250	-	-
Telephone services	1,250	900	710
Training expenses	1,250	649	48
Gasoline and oil	250	-	-
Office supplies and postage	625	3,549	467
Operating supplies and tools	625	229	-
Miscellaneous and contingency	2,500	-	90
Capital outlay - equipment	9,000	1,410	-
<b>Total Building Department</b>	<b>47,875</b>	<b>34,081</b>	<b>21,764</b>
<b>Planning &amp; Zoning Department</b>			
Salaries	6,250	2,185	3,285
City engineer wages	17,500	-	-
City engineering services	12,500	13,320	12,913
Consulting fees - Developers	340,750	169,629	47,443
Consulting fees	31,250	40,144	19,208
Engineering Fees - Developers	62,500	9,450	17,118
Legal services	12,500	5,334	12,090
Legal services - Developers	12,500	3,936	6,137
Will County Sheriff Services	9,375	8,438	7,000
Notice and legal publication	1,875	378	769
Office supplies and postage	625	428	300
Miscellaneous and contingency	625	-	141
<b>Total Planning Department</b>	<b>511,250</b>	<b>251,438</b>	<b>123,233</b>
<b>Police Department</b>			
Salaries	1,202,653	876,334	875,764
Overtime	125,000	122,394	125,544
Part-Time Officer	62,500	48,099	48,869
Part-Time Officer OT Wages	1,250	54	419
Crossing Guard	4,750	4,800	5,100
Vacation Buy-out	15,000	11,399	7,994
Annual Welfare	5,000	2,910	1,390
Community Service & Affairs	625	-	97
Weapons Disposing Services	227,921	182,326	184,232
Dues and Subscriptions	2,500	1,025	1,343
Employee Health Insurance	266,008	214,073	214,099
Legal Fees	30,000	40,183	87,028
Computer Maintenance & Program Fees	25,000	9,812	5,510
Maintenance:			
Equipment	25,000	7,039	8,280
Radio & Pagers	3,750	381	1,721
Vehicles	25,000	22,296	16,638
Notices Legal Publications	1,250	519	43
Telephone Service	12,500	8,693	8,797
Training	15,000	12,091	3,760
Special Training & Equipment	6,250	4,883	5,623
Equipment Rental	625	-	-
Annual Tags	125	23	-
Gasoline & Oil	75,000	46,260	50,340
Operating Supplies & Tools	9,375	2,888	4,815
Uniforms	16,875	11,622	10,941

CITY OF WILMINGTON, ILLINOIS  
GENERAL FUNDComparison of Expenditures with Appropriations  
For the Year Ended April 30, 2014  
(With Comparative Figures for 2013)

	Original and Final Appropriations	Year Ended	
		April 30, 2014	April 30, 2013
<b>Police Department (continued)</b>			
Office Supplies - Postage	\$ 1,300	3,357	4,416
Audio/Visual Aids	623	-	-
Miscellaneous & Contingency	3,506	882	679
Equipment Purchase	17,500	10,450	9,414
Office Furniture & Equipment	7,506	1,779	1,458
Total Police Department	<u>37,931</u>	<u>1,644,814</u>	<u>1,881,224</u>
<b>Public Works - Streets and Alleys</b>			
Salaries	307,990	254,428	187,989
City Engineer Services	50,000	39,347	38,753
Overtime wages	16,234	27,360	10,871
Computer Maintenance & Program Fees	2,500	1,216	-
Employee Health Insurance	78,871	62,839	89,882
Engineering Fees	1,250	-	-
Dues, subscriptions & memberships	350	219	350
S.U.B. Fees	2,500	1,024	1,876
Legal Fees	1,250	-	-
Maintenance:			
Bridges	3,750	3,738	-
Curb & Gutter	1,250	1,122	252
Equipment	12,500	10,398	5,809
Parking Lots	5,000	-	-
Sidewalks	8,750	4,838	4,062
Storm Sewers	10,000	3,874	4,171
Streets	100,000	83,307	45,683
Vehicles	18,750	10,304	10,347
Notices & Publications	375	464	312
Rental & Equipment	5,000	2,700	300
Street Light Electric	90,000	76,934	74,888
Telephone Service	6,250	2,745	3,027
Training	1,250	687	343
Turf & Wood removal	3,750	2,250	2,023
Gasoline & Oil	17,500	25,445	25,445
Office Supplies & Postage	1,250	814	366
Operating Supplies & Tools	12,500	8,385	8,634
Sign Replacement	5,000	3,450	3,347
Uniforms	8,125	4,881	4,396
Vehicle Tags	1,875	1,601	1,295
Miscellaneous & Cont.	6,250	121	224
Equipment Purchases	10,000	206,580	11,647
Total Streets and Alleys	<u>814,991</u>	<u>832,237</u>	<u>499,998</u>
<b>DIRE and Social Security</b>			
FICA Payments	167,971	123,767	116,682
SUTA Payments	48,441	21,203	31,013
DIRE Payments	102,854	78,447	68,918
Total DIRE and Social Security	<u>319,266</u>	<u>223,417</u>	<u>216,613</u>
<b>Audit</b>			
Audit Fee	20,125	16,100	16,100
Payroll Processing Service	18,750	15,487	14,285
Miscellaneous Accounting fees	1,250	-	1,000
Total Audit	<u>40,125</u>	<u>31,587</u>	<u>31,385</u>
<b>Police Pension Contribution</b>			
	<u>382,890</u>	<u>274,264</u>	<u>224,138</u>
<b>General Liability Insurance &amp; Workers' Comp.</b>			
General liability insurance	149,900	150,678	119,323
Miscellaneous & contingency	56,750	45,000	38,029
Total General Liability Insurance & Workers' Comp.	<u>206,650</u>	<u>195,678</u>	<u>157,352</u>
Total General Fund	<u>\$ 3,537,082</u>	<u>4,285,326</u>	<u>3,358,288</u>

## CITY OF WILMINGTON, ILLINOIS

Assessed Valuations, Tax Rates, Tax Extensions  
and Tax Collections

	Tax Year				
	2009	2010	2011	2012	2013
Assessed valuations	\$ 136,742,474	139,709,492	134,443,820	128,940,126	129,876,872
Tax Rates:					
Corporate	0.0743	0.0472	0.1223	0.1186	0.1333
Bond and Interest	0.1631	0.1601	0.1097	0.1175	0.1180
Police Pension	0.1741	0.1804	0.1709	0.2172	0.2790
Municipal Retirement	0.0705	0.0578	0.0551	0.0549	0.0499
Social Security	0.0538	0.1008	0.0959	0.0933	0.0982
ESDA/Civil Defense	0.0344	0.0358	0.0372	0.0386	0.0384
Police Protection	0.0316	0.0716	0.0744	0.1153	0.1150
Workers' Compensation Insurance	-	-	0.0261	0.0768	0.0284
Liability Insurance	0.0900	0.1018	0.0558	-	0.0292
Municipal Audit	0.0175	0.0215	0.0224	0.0248	0.0257
Totals	0.7113	0.7260	0.7698	0.8172	0.9151
Tax Extensions:					
Corporate	\$ 101,400	65,943	164,424	132,923	172,859
Bond and Interest	140,981	141,246	147,484	151,305	153,019
Police Pension	228,069	260,418	229,763	280,058	261,798
Municipal Retirement	96,403	80,752	74,078	70,788	64,709
Social Security	130,999	140,827	128,921	120,559	127,343
ESDA/Civil Defense	47,039	50,016	50,013	49,771	49,796
Police Protection	70,559	100,032	100,025	148,668	149,128
Workers' Compensation Insurance	-	-	31,090	99,026	16,828
Liability Insurance	123,068	145,018	75,019	-	37,866
Municipal Audit	23,530	30,038	30,115	31,977	33,327
Totals	972,648	1,014,290	1,034,941	1,105,274	1,186,872
Township Road and Bridge	71,408	74,734	71,754	78,536	
Totals	\$ 1,044,056	1,089,024	1,106,695	1,183,810	
Tax Collections	\$ 1,038,849	1,064,241	1,031,480	1,161,008	

Legal Debt Margin  
April 30, 2014

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Assessed valuation - 2013 tax year	\$	<u>129,676,852</u>
Statutory debt limitation (8.625% of assessed valuation)	\$	11,184,628
Total debt:		
GO Bonds - SSA Deer Ridge Park STB		225,000
GO Bonds - Alternate Revenue Source Bonds		845,000
Equipment Loan		190,000
GO Limited Bond Series 2013		<u>150,000</u>
Total applicable debt		<u>1,410,000</u>
Legal debt margin	\$	<u>9,774,628</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Wilmington, Illinois' basic financial statements, and have issued our report thereon dated September 16, 2014.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City of Wilmington, Illinois, in a separate letter dated September 16, 2014.

### **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  
September 16, 2014



116 E. Washington Street  
Suite One  
Morris, Illinois 60450

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

TAWNYA R. MACK, CPA  
LAURI POPE, CPA  
ERICA L. BLUMBERG, CPA  
MATT MELVIN  
CHRIS CHRISTENSEN  
ANDREA PETERSON  
STEPHANE HEISNER

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

In planning and performing our audit of the financial statements of the City of Wilmington, for the year ended April 30, 2014, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 16, 2014 on the financial statements of the City of Wilmington.

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

Very truly yours,

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
September 16, 2014



**Comment 2014-1: Budget formulas incorrect (Repeat Finding)**

Not all subtotals equal the sum of the individual amounts shown on the appropriation ordinance.

Recommendation:

Formulas should be reviewed in the budget to ensure all individual accounts are included in totals.

**Comment 2014-2: Motor Fuel Tax (Repeat Finding)**

The State has not reconciled the Motor Fuel tax account for multiple years. As a result, the City has expended funds that were not shown as authorized by the State. The bank balance of the cash account is \$96,656, but the State shows an unobligated balance of \$310,984.

Recommendation:

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

**Comment 2014-3: Purchase Orders**

Although the City has implemented the use of purchase orders, these do not appear to be used consistently. Some purchase orders are completed after the actual invoice is received.

Recommendation:

If the City intends to use purchase orders, procedures should be implemented to ensure the use is consistent and effective.

**Comment 2014-4: Procurement**

Per City Code, the City is required to receive two verbal quotes for purchases over \$300. Based on review of invoices, this does not appear to be happening consistently.

Recommendation:

The City should implement procedures to promote fair and open competition in accordance with the City Code.

#### **Comment 2014-5: Water & Sewer Billings**

In January 2014, the City increased water & sewer billing rates without proper notification of residents. The City charged the increased rates in January but was required to credit the increase charged to residents in a subsequent month.

##### Recommendation:

The City should implement procedures to ensure the City adheres to the State of Illinois compiled statutes.

#### **Comment 2014-6: Mobile Equipment Fund**

The Mobile Equipment Fund includes General Fund, Water & Sewer Fund, and ESDA Fund cash which are reserved for vehicle purchases. Restrictions are not properly maintained for each individual purpose.

##### Recommendation:

The City should implement procedures to ensure all restrictions are properly tracked. Governmental Funds should not be pooled with Proprietary Funds.

#### **Comment 2014-7: Police Payroll**

Hours for police are manually entered by police clerk based on handwritten timesheets. Timesheets are not sent to finance for review when processing payroll.

##### Recommendation:

Timecards should be sent to finance for support when payroll is being processed.

#### **Comment 2014-8: Other Postretirement Benefits**

The City should retain an actuary to determine the liability of postretirement benefits other than pensions.

##### Recommendation:

GASB Statement No. 45 – Accounting Financial Reporting by Employers for Postretirement Benefits Other Than Pensions requires the City to have an actuary determine the liability for the plan.

**Comment 2014-9: Video Gaming Revenue**

A \$2,709 video gaming receipt confirmed by the Illinois Gaming Board was not recorded in the General Ledger. After reviewing during audit field work, the City did not receive the payment as the original check from the Illinois Gaming Board was made payable to the wrong municipality.

**Recommendation:**

The City should implement monitoring procedures to ensure all confirmed revenues due to the City are received in a timely manner.