

CITY OF WILMINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2016

Prepared by:

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of April 30, 2016, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilmington, Illinois' basic financial statements. The other information and the notes to other information on pages 44-56, and the supplemental information on pages 57-76, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Comparative Information

We previously audited the April 30, 2015 financial statements. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived. Such information is presented for comparison purposes only.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 2016, on our consideration of the City of Wilmington, Illinois' internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Wilmington, Illinois' internal control over financial reporting and compliance.

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

Morris, Illinois
October 4, 2016

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
April 30, 2016

	Primary Government			
	Governmental Activities	Business-Type Activities	Total April 30,	
			2016	2015
<u>Assets</u>				
Cash and Cash Equivalents	\$ 881,186	1,305,785	2,186,971	2,919,584
Receivables	-	320,486	320,486	321,242
Loan Proceeds Receivable	-	172,736	172,736	-
Capital Assets				
Land	6,898,046	1,512,200	8,410,246	8,410,246
Vehicles	835,690	390,877	1,226,567	1,259,665
Equipment	1,463,614	672,403	2,136,017	2,042,987
Buildings	5,619,926	17,274,738	22,894,664	22,838,781
Improvements	1,023,532	5,459,907	6,483,439	5,778,216
Infrastructure	2,751,653	-	2,751,653	2,751,653
Accumulated Depreciation	(3,919,696)	(5,248,208)	(9,167,904)	(8,222,234)
Total Assets	<u>\$ 15,553,951</u>	<u>21,860,924</u>	<u>37,414,875</u>	<u>38,100,140</u>
<u>Liabilities and Net Position</u>				
Current Liabilities:				
Accounts Payable/Reserves	\$ 32,032	157,044	189,076	32,021
Deposits	-	2,000	2,000	5,000
Total Current Liabilities	<u>32,032</u>	<u>159,044</u>	<u>191,076</u>	<u>37,021</u>
Long-Term Liabilities:				
Due Within One Year	314,731	703,805	1,018,536	970,683
Due in More Than One Year	804,550	10,311,032	11,115,582	11,324,860
Total Long-Term Liabilities	<u>1,119,281</u>	<u>11,014,837</u>	<u>12,134,118</u>	<u>12,295,543</u>
Total Liabilities	<u>1,151,313</u>	<u>11,173,881</u>	<u>12,325,194</u>	<u>12,332,564</u>
Net Position:				
Net Investment in Capital Assets	13,553,484	9,047,080	22,600,564	22,563,771
Unrestricted Net Position	559,367	1,083,263	1,642,630	2,252,745
Restricted Net Position	289,787	556,700	846,487	951,060
Total Net Position	<u>\$ 14,402,638</u>	<u>10,687,043</u>	<u>25,089,681</u>	<u>25,767,576</u>

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

Government-wide Financial Statement
Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2016

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenue And Changes in Net Position		Totals April 30,	
		Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2016	2015
Governmental Activities:							
General Government	\$ 2,590,024	473,281	350,784	(1,765,959)	-	(1,765,959)	(1,215,436)
Public Safety	2,336,199	-	-	(2,336,199)	-	(2,336,199)	(2,300,458)
Streets and Highways	1,427,835	-	45,136	(1,382,699)	-	(1,382,699)	(659,526)
Unallocated Interest	56,650	-	-	(56,650)	-	(56,650)	(55,569)
Total Governmental Activities	6,410,708	473,281	395,920	(5,541,507)	-	(5,541,507)	(4,230,989)
Business-Type Activities:							
Water	1,318,053	1,138,245	-	-	(179,808)	(179,808)	(137,371)
Sewer	1,555,586	1,911,871	-	-	356,285	356,285	357,807
Garbage	483,011	488,974	-	-	5,963	5,963	4,387
Total Business-Type Activities	3,356,650	3,539,090	-	-	182,440	182,440	224,823
Total Primary Government	\$ 9,767,358	4,012,371	395,920	(5,541,507)	182,440	(5,359,067)	(4,006,166)
General Revenues:							
Taxes:							
Property Taxes				\$ 1,237,880	-	1,237,880	1,183,789
TIF Revenue				4,489	-	4,489	3,340
State Sales Tax				892,786	-	892,786	868,532
Road and Bridge Tax				5,698	-	5,698	5,684
Utility Tax				517,037	-	517,037	578,819
Personal Property Replacement Tax				62,009	-	62,009	61,206
State Income Tax				611,198	-	611,198	555,831
Local Use Tax				131,728	-	131,728	110,227
Pull Tab Tax				1,724	-	1,724	1,989
Video Gaming Tax				47,321	-	47,321	46,970
Motor Fuel Tax				151,838	-	151,838	187,238
Interest on Investments				1,240	1,400	2,640	6,062
Reimbursements				448,397	-	448,397	421,923
Fines and Forfeitures				191,793	-	191,793	202,371
Miscellaneous				49,370	56,699	106,069	83,326
Total General Revenues				4,354,508	58,099	4,412,607	4,317,307
Special Items:							
Debt Issuance Discount				(6,850)	-	(6,850)	-
Sales of Assets				275,415	-	275,415	19,517
Total Special Items				268,565	-	268,565	19,517
Change in Net Position				(918,434)	240,539	(677,895)	330,658
Net Position, Beginning of Year				15,321,072	10,446,504	25,767,576	25,436,918
Net Position, End of Year				\$ 14,402,638	10,687,043	25,089,681	25,767,576

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

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
 Governmental Funds
 April 30, 2016

	Major Funds				Total Governmental Funds	
	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Bond & Interest Fund	Non-Major Funds	April 30, 2015
<u>Assets</u>						
Cash and Cash Equivalents	\$ 237,096	75,131	322,271	145,434	101,254	1,579,454
Total Assets	\$ 237,096	75,131	322,271	145,434	101,254	1,579,454
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts Payable/Reserves	\$ -	-	-	32,032	-	32,021
Deposits	-	-	-	-	-	3,000
Total Liabilities	-	-	-	32,032	-	35,021
Fund Balances:						
Unassigned	237,096	-	-	-	-	246,367
Committed	-	-	322,271	-	-	828,855
Restricted	-	75,131	-	113,402	101,254	469,211
Total Fund Balances	237,096	75,131	322,271	113,402	101,254	1,544,433
Total Liabilities and Fund Balances	\$ 237,096	75,131	322,271	145,434	101,254	1,579,454

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 \$18,592,461 (net of accumulated depreciation of \$3,919,696) are not financial resources and, therefore, are not reported in the funds.

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

	\$ 14,672,765	15,035,369
	(1,119,281)	(1,258,730)
Net Position of Governmental Activities	\$ 14,402,638	15,321,072

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

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
 Modified Cash Basis
 Governmental Funds
 For the Year Ended April 30, 2016

	Major Funds				Non-Major Funds	Total Governmental Funds	
	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Bond & Interest Fund		2016	2015
Revenues Received:							
Property Taxes	\$ 1,090,828	-	-	145,677	1,375	1,237,880	1,183,789
TIF Revenue	-	-	-	-	4,489	4,489	3,340
State Sales Tax	892,786	-	-	-	-	892,786	868,532
Road & Bridge Tax	5,698	-	-	-	-	5,698	5,684
Utility Tax	517,037	-	-	-	-	517,037	578,819
Replacement Tax	62,009	-	-	-	-	62,009	61,206
State Income Tax	611,198	-	-	-	-	611,198	555,831
Local Use Tax	131,728	-	-	-	-	131,728	110,227
Pull Tabs Tax	1,724	-	-	-	-	1,724	1,989
Video Gaming Tax	47,321	-	-	-	-	47,321	46,970
Motor Fuel Tax	-	151,838	-	-	-	151,838	187,238
Licenses and Permits	239,416	-	-	-	-	239,416	270,820
Miscellaneous	46,180	-	-	-	-	46,180	54,523
Grants & Contributions	5,177	-	262,593	-	3,190	49,370	258,813
Reimbursements	414,309	-	-	33,519	128,150	395,920	421,923
Tags and Fines	191,793	-	-	-	569	448,397	202,371
Fees and Services	229,197	-	-	-	-	191,793	442,925
Interest Income	535	245	307	152	4,668	233,865	137
Total Revenues Received	4,486,936	152,083	262,900	179,348	142,442	5,223,709	5,255,137
Expenditures Disbursed:							
General Government	1,643,221	-	-	10,071	11,663	1,664,955	1,622,679
Public Safety	2,122,719	-	-	-	161,939	2,284,658	2,198,073
Street and Highway	648,360	340,838	315,480	-	-	1,304,678	819,881
Capital Outlay	61,493	-	620,757	-	54,913	737,163	602,300
Debt Service	41,905	-	-	336,194	-	378,099	356,839
Total Expenditures	4,517,698	340,838	936,237	346,265	228,515	6,369,553	5,599,772

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

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Modified Cash Basis
Governmental Funds
For the Year Ended April 30, 2016

	Major Funds				Total	
	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Bond & Interest Fund	Governmental Funds	
					Non-Major Funds	April 30, 2015
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(30,762)	(188,755)	(673,337)	(166,917)	(86,073)	(1,145,844)
Other Financing Sources (Uses):						
Operating Transfers In (Out)	(42,703)	-	-	-	42,703	(70,483)
Proceeds from Sales of Assets	25,000	-	250,415	-	-	19,517
Bond Issuance Discount	-	-	-	(6,850)	-	-
Bond Refunding	-	-	-	(650,000)	-	-
Bond Proceeds	-	-	-	832,000	-	150,000
Total Other Financing Sources (Uses)	(17,703)	-	250,415	175,150	42,703	99,034
Net Change in Fund Balances	(48,465)	(188,755)	(422,922)	8,233	(43,370)	(245,601)
Fund Balances - Beginning	285,561	263,886	745,193	105,169	144,624	1,790,034
Fund Balances - Ending	\$ 237,096	75,131	322,271	113,402	101,254	1,544,433
Reconciliation to the Statement of Activities:						
Net change in fund balances - governmental activities						\$ (695,279)
Amounts reported for governmental activities in the Statement of Activities are different because:						
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:						
Principal on Debt						321,449
Bond Refunding						650,000
Loan Proceeds						(832,000)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.						
Capital Asset Purchases						132,523
Capital Asset Disposals, Net						(89,625)
Depreciation						(405,502)
Change in net position of governmental activities (Statement B)						\$ (918,434)
						624

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

Statement of Fund Net Position
 Proprietary Funds
 April 30, 2016

	Major Funds				Total	
	Water	Water	Sewer	Sewer	Proprietary	Funds
	Operations Fund	Capital Projects Fund	Operations Fund	Capital Projects Fund	2016	2015
	\$ 15,650	282,101	621,182	386,852	1,305,785	1,340,130
	138,865	14,311	164,028	3,282	320,486	321,242
	172,736	-	-	-	172,736	-
Capital Assets						
Land	600,500	-	911,700	-	1,512,200	1,512,200
Vehicles	209,282	-	181,595	-	390,877	436,116
Equipment	314,445	-	357,958	-	672,403	599,310
Buildings	3,173,976	-	14,100,762	-	17,274,738	17,274,738
Improvements	3,353,945	-	2,105,962	-	5,459,907	4,635,184
Accumulated Depreciation	(1,907,697)	-	(3,340,511)	-	(5,248,208)	(4,633,603)
Total Assets	\$ 6,071,702	296,412	15,102,676	390,134	21,860,924	21,485,317
	\$ 2,000	-	-	-	2,000	2,000
	157,044	-	-	-	157,044	-
Long-Term Debt:						
Due Within One Year	46,607	-	657,198	-	703,805	664,234
Due in More than One Year	1,008,329	-	9,302,703	-	10,311,032	10,372,579
Total Liabilities	1,213,980	-	9,959,901	-	11,173,881	11,038,813
	4,689,515	-	4,357,565	-	9,047,080	8,787,132
	168,207	129,846	785,210	-	1,083,263	1,177,523
	-	166,566	-	390,134	556,700	481,849
Total Net Position	\$ 4,857,722	296,412	5,142,775	390,134	10,687,043	10,446,504

Net Position

Net Investment in Capital Assets	8,787,132
Unrestricted	1,177,523
Restricted	481,849
Total Net Position	10,446,504

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

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended April 30, 2016**

	Major Funds				Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	April 30,	
					2016	2015
Operating Revenues:						
Water and Sewer Charges	\$ 991,962	146,283	1,861,849	50,022	3,050,116	2,932,094
Garbage Charges	488,974	-	-	-	488,974	456,551
Miscellaneous	-	-	-	-	-	2,155
Total Operating Revenues	<u>1,480,936</u>	<u>146,283</u>	<u>1,861,849</u>	<u>50,022</u>	<u>3,539,090</u>	<u>3,390,800</u>
Operating Expenses:						
Personnel Services	486,611	33,746	429,307	-	949,664	934,549
Contractual Services	786,279	140,071	402,512	10,728	1,339,590	1,187,604
Commodities	133,080	-	-	-	133,080	134,995
Depreciation	207,847	-	451,997	-	659,844	624,170
Other Expenses	1,407	-	-	-	1,407	67
Total Operating Expenses	<u>1,615,224</u>	<u>173,817</u>	<u>1,283,816</u>	<u>10,728</u>	<u>3,083,585</u>	<u>2,881,385</u>
Operating Income (Loss)	(134,288)	(27,534)	578,033	39,294	455,505	509,415
Non-Operating Revenues / (Expenses):						
Interest Income	24	369	24	983	1,400	5,925
Other Income	12,795	6,600	30,704	6,600	56,699	26,648
Debt Service	(12,023)	-	(261,042)	-	(273,065)	(282,437)
Total Non-Operating Revenues / (Expenses)	<u>796</u>	<u>6,969</u>	<u>(230,314)</u>	<u>7,583</u>	<u>(214,966)</u>	<u>(249,864)</u>
Income (Loss) Before Contributions and Transfers	(133,492)	(20,565)	347,719	46,877	240,539	259,551
Capital Contributions	141,087	(141,087)	22,127	(22,127)	-	-
Operating Transfers In (Out)	(45,335)	90,335	(55,000)	10,000	-	70,483
Change in Net Position	(37,740)	(71,317)	314,846	34,750	240,539	330,034
Total Net Position - Beginning	<u>4,895,462</u>	<u>367,729</u>	<u>4,827,929</u>	<u>355,384</u>	<u>10,446,504</u>	<u>10,116,470</u>
Total Net Position - Ending	<u>\$ 4,857,722</u>	<u>296,412</u>	<u>5,142,775</u>	<u>390,134</u>	<u>10,687,043</u>	<u>10,446,504</u>

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2016

	Major Funds				Total Proprietary Funds	
	Water Operations Fund	Water Capital Projects Fund	Sewer Operations Fund	Sewer Capital Projects Fund	April 30, 2016	2015
Cash Flows From Operating Activities:						
Receipts from Customers	\$ 1,481,806	142,924	1,868,376	46,740	3,539,846	3,396,593
Payments to Employees	(486,611)	(33,746)	(429,307)	-	(949,664)	(934,549)
Payments to Suppliers	(919,359)	(140,071)	(402,512)	(10,728)	(1,472,670)	(1,322,599)
Other Receipts (Expenses)	(4,304)	6,600	30,704	6,600	39,600	28,736
Net Cash Provided By (Used In) Operating Activities	71,532	(24,293)	1,067,261	42,612	1,157,112	1,168,181
Cash Flows from Non-Capital Financing Activities:						
Transfers (To) From Other Funds	(45,335)	90,335	(55,000)	10,000	-	70,483
Net Cash Provided By (Used In) Non-Capital Financing Activities	(45,335)	90,335	(55,000)	10,000	-	70,483
Cash Flows From Capital Financing Activities:						
Acquisition / Construction of Assets	(640,982)	(141,087)	(93,620)	(22,127)	(897,816)	(234,779)
Proceeds of Long-Term Debt	649,534	-	-	-	649,534	-
Payments of Long-Term Debt	(30,439)	-	(641,071)	-	(671,510)	(648,215)
Payments of Interest	(12,023)	-	(261,042)	-	(273,065)	(282,437)
Net Cash Provided By (Used In) Capital Financing Activities	(33,910)	(141,087)	(995,733)	(22,127)	(1,192,857)	(1,165,431)
Cash Flows From Investing Activities:						
Interest Received	24	369	24	983	1,400	5,925
Net Cash Provided By (Used In) Investing Activities	24	369	24	983	1,400	5,925
Net Increase in Cash and Cash Equivalents	(7,689)	(74,676)	16,552	31,468	(34,345)	79,158
Cash Balance - Beginning of Year	23,339	356,777	604,630	355,384	1,340,130	1,260,972
Cash Balance - End of Year	\$ 15,650	282,101	621,182	386,852	1,305,785	1,340,130
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:						
Operating Income (Loss)					\$ 455,505	509,415
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:						
Depreciation					659,844	624,170
(Increase) Decrease in Accounts Receivable					756	5,948
(Increase) Decrease in Due from IEPA					(172,736)	-
Increase (Decrease) in Deposits					-	2,000
Increase (Decrease) in Accounts Payable due to Long-Term Debt					157,044	-
Other Income					56,699	26,648
Net Cash Provided By (Used In) Operating Activities					\$ 1,157,112	1,168,181

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

Statement of Fiduciary Net Position
April 30, 2016

	Agency Funds	Police Pension Trust	Total April 30,	
			2016	2015
<u>Assets</u>				
Cash	\$ 79,347	129,300	208,647	80,964
Certificates of Deposit	-	2,498,916	2,498,916	2,513,465
U.S. Government Obligations	-	103,710	103,710	150,212
Mutual Funds	-	1,627,090	1,627,090	1,585,174
Accrued Interest	-	12,618	12,618	13,430
Prepaid Insurance	-	610	610	587
Total Assets	<u>\$ 79,347</u>	<u>4,372,244</u>	<u>4,451,591</u>	<u>4,343,832</u>
<u>Liabilities and Net Position</u>				
Payable to Others	\$ 79,347	1,052	80,399	79,219
Total Liabilities	<u>79,347</u>	<u>1,052</u>	<u>80,399</u>	<u>79,219</u>
Assets Held in Trust for Pension Benefits	-	4,371,192	4,371,192	4,264,613
Total Net Position	<u>\$ -</u>	<u>4,371,192</u>	<u>4,371,192</u>	<u>4,264,613</u>

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

Statement of Changes in Fiduciary Net Position
Police Pension Trust Fund
For the Year Ended April 30, 2016

	Total April 30,	
	2016	2015
Additions:		
Contributions:		
Employer	\$ 374,680	335,691
Employee	88,541	86,701
Total Contributions	463,221	422,392
Investment Income:		
Interest Received	163,658	164,428
Unrealized Gain (Loss)	(206,381)	(65,985)
Investment Expense	(87)	-
Net Investment Income	(42,810)	98,443
Other Income:		
Refunds	-	1,900
Total Additions	420,411	522,735
Deductions:		
Administrative:		
Accounting and Bookkeeping	8,695	8,390
Audit Fee	2,300	2,300
Actuarial Fee	3,400	1,650
State Compliance Fee	812	762
Office Expense	110	35
Legal Expense	7,917	8,650
Training	2,207	760
Professional Fees	410	-
Telecommunications	-	475
Travel and Conferences	3,098	1,523
Supplies	-	-
Dues	517	775
Total Administrative	29,466	25,320
Benefits and Refunds:		
Pension and Disability Benefits	284,366	226,503
Refunds of Contributions	-	64,758
Total Benefits and Refunds	284,366	291,261
Total Deductions	313,832	316,581
Change in Net Position	106,579	206,154
Net Position, Beginning of Year	4,264,613	4,058,459
Net Position, End of Year	\$ 4,371,192	4,264,613

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2016

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.

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.

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:

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2016

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

B. Fund Accounting – (Continued)

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Motor Fuel Tax Fund is considered a major special revenue fund used for repairs and maintenance of roads within the City.

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

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

Proprietary Fund Types

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

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2016

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

B. Fund Accounting - (Continued)

Major Enterprise Funds are:

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

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

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

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 seven members receiving benefits. An audit of the City of Wilmington's Police Pension Fund can be obtained by contacting the City Clerk of the City of Wilmington.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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 Basic Financial Statements For the Year Ended April 30, 2016

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

E. Property Taxes (Continued)

The 2014 property tax levy, in the amount of \$1,273,126, reduced by statutory limitations to \$1,203,181, was approved by the board on December 16, 2014 and was received by the City in the current fiscal year. The 2015 property tax levy in the amount of \$1,226,455, reduced by statutory limitations to \$1,224,613 was approved by the board on December 1, 2015. The 2015 property tax levy will be received in the subsequent fiscal year.

F. Compensated Absences

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

G. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. 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 Basic Financial Statements For the Year Ended April 30, 2016

NOTE 2: CASH AND INVESTMENTS – (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the City's deposits at each financial institution. As of April 30, 2016, the carrying amount of the City's deposits was \$84,574 (including \$800 petty cash) and the bank balance was \$292,619.

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 IIIT Funds portfolio of securities, which include mutual funds, are managed discretely by PFM Assets Management LLC. The City records all interest revenue earned from investment activities in the respective funds. As of April 30, 2016, the investment balances disclosed below are classified as cash and cash equivalents on the Statement of Net Position.

	Carrying Amount	Bank Balance
Illinois Funds	\$ 1,852,082	1,834,120
IIIT Funds	250,315	250,315
Total	<u>\$ 2,102,397</u>	<u>2,084,435</u>

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

The City receives Personal Property Replacement Tax, which represents an additional State of Illinois income tax on corporations (certain utilities), trusts, partnerships, and Subchapter S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and waste services.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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, 2016, the City contributed \$257,799 to the fund for this insurance coverage. The City participates in a municipal insurance cooperative called Illinois Municipal Insurance Co-Op (IMIC) with 13 municipal members. IMIC covers all of the City's property and liability insurance. Arthur J. Gallagher (RMS Inc.) provides insurance brokerage services to the City. During the year ended April 30, 2016, the City paid \$244,374 for property and equipment insurance, and \$257,799 for general liability insurance. There have been no significant reductions in coverage from the prior year. Since there have been no settlements, they have not exceeded coverage in the past three years.

NOTE 5: CAPITAL ASSETS

Depreciation expense is allocated as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 118,218	Water	\$ 207,847
Public Safety	116,424	Sewer	451,997
Streets & Highway	170,860		
Total Governmental	<u>\$ 405,502</u>	Total Business-Type	<u>\$ 659,844</u>

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

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Police Station	\$ 55,883	Route 53 Watermain Project	\$ 649,534
International Bucket Truck	47,703	Water Treatment Plant Improvements	92,440
		Sewer Plant Improvements	25,579

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

NOTE 5: CAPITAL ASSETS – (Continued)

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,898,046	-	-	6,898,046
Other capital assets:				
Vehicles	823,549	56,703	(44,562)	835,690
Equipment	1,443,677	19,937	-	1,463,614
Improvements	1,143,032	-	(119,500)	1,023,532
Infrastructure	2,751,653	-	-	2,751,653
Buildings	5,564,043	55,883	-	5,619,926
Total other capital assets	<u>11,725,954</u>	<u>132,523</u>	<u>(164,062)</u>	<u>11,694,415</u>
Less accumulated depreciation:				
Vehicles	678,458	62,334	(44,562)	696,230
Equipment	1,189,020	78,968	-	1,267,988
Improvements	175,348	51,088	(29,875)	196,561
Infrastructure	228,155	68,791	-	296,946
Buildings	1,317,650	144,321	-	1,461,971
Total accumulated depreciation	<u>3,588,631</u>	<u>405,502</u>	<u>(74,437)</u>	<u>3,919,696</u>
Other capital assets, net	<u>8,137,323</u>	<u>(272,979)</u>	<u>(89,625)</u>	<u>7,774,719</u>
Total governmental activities, net	<u>\$ 15,035,369</u>	<u>(272,979)</u>	<u>(89,625)</u>	<u>14,672,765</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,512,200	-	-	1,512,200
Other capital assets:				
Vehicles	436,116	-	(45,239)	390,877
Equipment	599,309	73,093	-	672,402
Buildings	17,274,738	-	-	17,274,738
Improvements	4,635,184	824,723	-	5,459,907
Total other capital assets	<u>22,945,347</u>	<u>897,816</u>	<u>(45,239)</u>	<u>23,797,924</u>
Less accumulated depreciation:				
Vehicles	316,526	17,719	(45,239)	289,006
Equipment	374,973	69,194	-	444,167
Buildings	3,138,635	431,869	-	3,570,504
Improvements	803,469	141,062	-	944,531
Total accumulated depreciation	<u>4,633,603</u>	<u>659,844</u>	<u>(45,239)</u>	<u>5,248,208</u>
Total business-type activities, net	<u>\$ 19,823,944</u>	<u>237,972</u>	<u>-</u>	<u>20,061,916</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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, 2016:

	Payable at May 1, 2015	Bonds Issued	Bonds Retired / Refunded	Payable at April 30, 2016	Due in One Year
Governmental Funds:					
General Obligation Bonds - SSA Deer Ridge Park Special Tax Bonds: Dated May 6, 2008 Payable 1/15 at 6.5%	\$ 205,000	-	20,000	185,000	20,000
General Obligation Alternative Revenue Source Bonds: Dated January 15, 2006 Payable 12/1 at 3.5% to 4.0%	750,000	-	750,000	-	-
Equipment Loan - Standard Bank: Dated July 31, 2013 Payable 6/1 at 3.5%	153,730	-	36,449	117,281	37,731
General Obligation Limited Rollover Bond, Series 2015: Dated December 4, 2015 Payable 11/15/16 at 1.9%	-	147,000	-	147,000	147,000
General Obligation Refunding Bonds, Series 2015 Dated November 5, 2015 Payable 12/1/15 at .5%	-	685,000	15,000	670,000	110,000
General Obligation Limited Rollover Bond, Series 2014: Dated November 25, 2014 Payable 12/1/15 at 1.9%	150,000	-	150,000	-	-
Total Governmental Funds	1,258,730	832,000	971,449	1,119,281	314,731
Business-Type Funds:					
IEPA Loan Refunding Water Treatment: Dated May 24, 2007 Payable 7/1 & 1/1 at 2.5%	10,600,972	-	641,071	9,959,901	657,198
Dated February 2, 2016 Payable 4/17 & 10/17 at 2.21%	-	649,534	7,277	642,257	23,154
Dated February 2, 2012 Payable 2/6 & 8/6 at 1.25%	435,841	-	23,162	412,679	23,453
Total Business-Type Funds	11,036,813	649,534	671,510	11,014,837	703,805
Total Long-term Obligations	\$ 12,295,543	1,481,534	1,642,959	12,134,118	1,018,536

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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

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

Paying agent	First DuPage Bank, Westmont, Illinois
Interest rate	6.5 %
Interest payable	January 15
Bond maturity	January 15
Bonds outstanding:	
Original issue	\$ 315,000
Bonds retired to April 30, 2016	<u>130,000</u>
Bonds outstanding April 30, 2016	<u>\$ 185,000</u>

The annual requirements to amortize bonded debt as of April 30, 2016 are as follows:

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

<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
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
2022-2023	<u>60,000</u>	<u>5,850</u>
Total	<u>\$ 185,000</u>	<u>51,025</u>

**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
Bond maturity dates	December 1
Bonds outstanding:	
Original issue	\$1,345,000
Bonds retired/refunded to April 30, 2016	<u>1,345,000</u>
Bonds outstanding April 30, 2016	<u>\$ -</u>

The Series 2006A Alternative Revenue Sources Bonds were refunded with the issuance of Series 2015 Alternative Revenue Sources Bonds on November 5, 2015.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

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

Paying agent	Amalgamated Bank of Chicago, Illinois
Interest rate	0.5% to 2.5%
Interest payable	December 1
Bond maturity dates	December 1
Bonds outstanding:	
Original issue	\$ 685,000
Bonds retired to April 30, 2016	<u>15,000</u>
Bonds outstanding April 30, 2016	<u>\$ 670,000</u>

The Series 2015 Alternative Revenue Sources Bonds were issued to refund the previously issued Series 2006 Alternative Revenue Sources Bonds. The annual requirements to amortize bonded debt as of April 30, 2016 are as follows:

Bond Debt Service, Refunding Bonds Series 2015		
Schedule of Maturities		
<u>Year Ended April 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 110,000	12,563
2018	110,000	11,463
2019	115,000	9,813
2020	115,000	7,800
2021	120,000	5,500
2022	100,000	2,500
Total	<u>\$ 670,000</u>	<u>49,639</u>

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

**Standard Bank Equipment Loan,
dated July 31, 2013**

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 1st of each year as follows:

Schedule of Maturities		
<u>Fiscal Year Ended</u>		
<u>April 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 37,731	4,173
2018	39,081	2,823
2019	40,469	1,436
Total	<u>\$ 117,281</u>	<u>8,432</u>

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

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

On December 4, 2015, the City of Wilmington issued \$147,000 of General Obligation Limited Bonds, Series 2015 at an interest rate of 1.9%. The entire balance, including interest, is due November 15, 2016.

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

On May 24, 2007, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$13,597,663, payable over twenty (20) years at a 2.5% simple annual interest rate, with semi-annual repayments with the first repayment due July 1, 2009 and the final repayment due January 1, 2029, is to be used for construction of a waste water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2016, the loan had an outstanding balance of \$9,959,901. Semi-annual payments of \$451,057 are due June 1st and December 1st of each year as follows:

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

**IEPA Water Treatment Refunding Loan,
dated May 24, 2007 (Continued)**

Schedule of Maturities

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2017	\$ 657,198	244,916
2018	673,731	228,383
2019	690,680	211,434
2020	708,054	194,060
2021	725,866	176,248
2022-2026	3,912,593	597,977
2027-2029	2,591,779	114,563
Total	<u>\$ 9,959,901</u>	<u>1,767,581</u>

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

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

On February 2, 2012, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State's Water Revolving Fund. The loan, in the amount of \$650,000 (with 25% forgiveness, for a net payback of \$487,500), payable over twenty (20) years at a 1.25% simple annual interest rate, with semi-annual repayments with the first repayment due August 6, 2012 and the final repayment due August 6, 2032, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2016, the loan had an outstanding balance of \$412,679. Semi-annual payments of \$14,269 are due August 6th and February 6th of each year as follows:

Schedule of Maturities

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2017	\$ 23,453	5,085
2018	23,746	4,792
2019	24,044	4,494
2020	24,346	4,192
2021	24,960	3,578
2022-2026	127,970	14,720
2027-2031	136,197	6,493
2032	27,963	574
Total	<u>\$ 412,679</u>	<u>43,928</u>

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

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

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

On February 2, 2016, the City of Wilmington signed an agreement with the State of Illinois Environmental Protection Agency for a loan from the State’s Water Revolving Fund. The loan, in the amount of \$649,534, payable over twenty (20) years at a 2.21% simple annual interest rate, with semi-annual repayments with the first repayment due April 17, 2016 and the final repayment due October 17, 2035, is to be used for improvements to the drinking water plant under the provision of the State of Illinois Environmental Protection Act. At April 30, 2016, the loan had an outstanding balance of \$642,257. The first payment on the loan of \$13,925 was paid on March 21, 2016. The next payment of \$14,840 is due October 17, 2016. Subsequent to the first two payments, semi-annual payments of \$20,477 are due October 17th and April 17th of each year as follows:

Schedule of Maturities		
<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2017	\$ 23,154	12,163
2018	27,422	13,532
2019	28,031	12,923
2020	28,654	12,300
2021	29,291	11,663
2022-2026	156,510	48,260
2027-2031	174,690	30,080
2032-3036	174,505	9,783
Total	\$ 642,257	150,704

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

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, 2016, there were no individual interfund receivable or payable balances.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

NOTE 7: INDIVIDUAL FUND DISCLOSURES – (Continued)

The transfers represent both routine and non-routine items. A transfer of \$22,703 was made from the General Fund to the Mobile Equipment Fund for the purchase of a bucket truck. A transfer of \$20,000 was made from the General Fund to the ESDA Fund for capital purchases. A transfer of \$55,000 was made from the Sewer Fund to the Sewer Capital Projects Fund for improvements to the sewer plant. A transfer of \$45,335 from the Water Fund and a transfer of \$45,000 was made from the Sewer Capital Projects Fund to the Water Capital Projects fund for the purchase of a generator.

Fund	Transfers to Other Funds	Transfers From Other Funds
Governmental Funds:		
General	\$ 42,703	-
ESDA	-	20,000
Mobile Equipment	-	22,703
Enterprise Funds:		
Water Operations	45,335	-
Sewer Operations	55,000	-
Sewer Capital Projects	45,000	55,000
Water Capital Projects	-	90,335
Total	\$ 188,038	188,038

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.

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

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

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

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

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

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

	<u>RP</u>	<u>SLEP</u>
Retirees and Beneficiaries currently receiving benefits	29	5
Inactive Plan Members entitled to but not yet receiving benefits	16	-
Active Plan Members	<u>22</u>	<u>1</u>
Total	<u>67</u>	<u>6</u>

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

Contributions – As set by statute, the City’s Regular and SLEP members are required to contribute a percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual contribution rates and actual City contributions for calendar year 2015 and the fiscal year ended April 30, 2016 are summarized below. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

	RP	SLEP	Total
Plan member required contribution rate	4.50%	7.50%	N/A
City required contribution rate for 2015	9.99%	14.52%	N/A
City required contribution rate for 2016	9.94%	15.62%	N/A
City actual contributions for 2015	\$ 137,062	12,531	149,593
City actual contributions for fiscal year 2016	\$ 142,794	13,652	156,446

Net Pension Liability – The City’s net pension liabilities were measured as of December 31, 2015. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date.

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

	RP	SLEP	Total
Total Pension Liability	\$ 7,374,493	502,215	7,876,708
Plan Fiduciary Net Position	6,755,327	493,486	7,248,813
Net Pension Liability	<u>\$ 619,166</u>	<u>8,729</u>	<u>627,895</u>

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.49%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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

Actuarial Assumptions – (Continued)

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

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

Single Discount Rate - A Single Discount Rate of 7.49% was used to measure the total pension liabilities. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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

Single Discount Rate – (Continued)

For the purpose of the most recent valuations, the expected rates of return on plan investments are 7.50%, the municipal bond rates are 3.57%, and the resulting single discount rates are 7.49%.

Changes in the Net Pension Liability – A schedules of changes in the net pension liabilities and related ratios can be found on pages 49-50 of the Other Information section of this report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Plan’s net pension liabilities, calculated using single discount rates of 7.49%, as well as what the Plans’ net pension liabilities would be if they were calculated using single discount rates that is 1% lower or 1% higher.

	1% Decrease 6.49%	Current Single Discount Rate Assumption 7.49%	1% Increase 8.49%
	<u>Regular Plan</u>		
Total Pension Liability	\$ 8,364,976	7,374,493	6,561,563
Plan Fiduciary Net Position	6,755,327	6,755,327	6,755,327
Net Pension Liability (Asset)	<u>\$ 1,609,649</u>	<u>619,166</u>	<u>(193,764)</u>
	<u>SLEP Plan</u>		
Total Pension Liability	\$ 562,179	502,215	452,650
Plan Fiduciary Net Position	493,486	493,486	493,486
Net Pension Liability (Asset)	<u>\$ 68,693</u>	<u>8,729</u>	<u>(40,836)</u>

NOTE 10: POLICE PENSION

Plan Description

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

NOTE 10: POLICE PENSION – (Continued)

Plan Membership

At April 30, 2016, the measurement date, membership in this plan consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	7
Inactive Plan Members Entitled to but Not Yet	
Receiving Benefits	-
Active Plan Members	13
Total	<u>20</u>

Benefits Provided

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

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

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

Employees that are hired after January 1, 2011 (Tier 2), attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

NOTE 10: POLICE PENSION – (Continued)

Contributions

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

Net Pension Liability

The components of the net pension liability of the City as of April 30, 2016 were as follows:

Total pension liability	\$ 8,792,602
Plan fiduciary net position	<u>4,371,192</u>
Net pension liability (asset)	<u>\$ 4,421,410</u>
Plan fiduciary net position as a percentage of the total pension liability	50%
Covered payroll	\$ 852,379
Net pension liability as a percentage of covered valuation payroll	519%

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2016

NOTE 10: POLICE PENSION – (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed for the year ended April 30, 2016 using the following actuarial methods and assumptions:

	Actuarial Assumptions (Economic)
Actuarial Valuation Date	May 1, 2015
Actuarial Assumptions:	
Discount Rate used for the Total Pension Liability	6.25%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High-Quality 20-Year Tax-Exempt G.O. Bond Rate	3.32%
Projected Individual Salary Increases	4.00% - 7.00%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	L&A 2016 Illinois Police
Disability Rates	L&A 2016 Illinois Police 100%
Retirement Rates	L&A 2016 Illinois Police 110% (Capped at age 65)
Termination Rates	L&A 2016 Illinois Police 100%
Percent Married	80.00%

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

Expected Return on Pension Plan Investments

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

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

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

NOTE 10: POLICE PENSION – (Continued)

Expected Return on Pension Plan Investments – (Continued)

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

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

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

Discount Rate

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

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

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

NOTE 10: POLICE PENSION – (Continued)

Discount Rate – (Continued)

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate used in the valuation is the April 28, 2016 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody’s Aa2 and Standard & Poor’s AA.

For the purposes of this valuation the expected rate of return on pension plan investments is 6.25%; the municipal bond rate is 3.32% (based upon the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve 04-28-2016); and the resulting single discount rate is 6.25%.

Changes in the Net Pension Liability

A schedules of changes in the net pension liability and related ratios can be found on page 52 of the Other Information section of this report.

Discount Rate Sensitivity

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	5.25%	6.25%	7.25%
Total pension liability	\$ 10,390,835	8,792,602	7,526,289
Plan fiduciary net position	4,371,192	4,371,192	4,371,192
Net pension liability (asset)	<u>\$ 6,019,643</u>	<u>4,421,410</u>	<u>3,155,097</u>

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.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

NOTE 13: TOWER AND LAND LEASE REVENUE

The City had an agreement with the American Tower, L.P. to lease property (a portion of the tower located at 511 North Ave.) from the City for \$12,000 annually. In 2016, American Tower, L.P. purchased the tower from the City for \$275,000 and the lease was terminated.

The City entered into an agreement with T-Mobile Central LLC. T-Mobile leases a portion of the tower from the City. The City received \$6,600 from T-Mobile under the lease agreement for the year ended April 30, 2016.

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

NOTE 14: LEASE OBLIGATIONS

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

Future minimum lease obligations are shown below:

<u>Year</u>	<u>Payment</u>
2017	\$ 64,091
2018	50,794
2019	7,339
2020	7,339
2021	2,933

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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 Collections	Levy Spent	Restricted Balance
IMRF	\$ 31,174	37,479	68,653	-
Social Security	8,020	93,641	101,661	-
Audit	-	30,832	30,832	-
Police Pension	-	374,680	374,680	-
Road & Bridge	-	84,240	84,240	-
Workers' Comp.	-	70,489	70,489	-
Police Protection	-	187,397	187,397	-
Totals	<u>\$ 39,194</u>	<u>878,758</u>	<u>917,952</u>	<u>-</u>

NOTE 16: OTHER POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

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

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

Membership - At April 30, 2016, membership consisted of:

Actives fully eligible to retire	2
Actives not yet fully eligible to retire	24
Retirees and dependents	<u>13</u>
Total	<u>39</u>

CITY OF WILMINGTON, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2016**

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

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

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

Annual required contribution	\$ 34,359
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>34,359</u>
Estimated employer contributions	<u>(104,907)</u>
Increase in net OPEB obligation (asset)	(70,548)
Net OPEB obligation (asset) - beginning of year	<u>-</u>
Net OPEB obligation (asset) - end of year	<u>\$ (70,548)</u>

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

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

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

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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

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

Methods and Assumptions

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

Assumed Health Care Trend Rates

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

Additional Information

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

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2016

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 Motor Fuel Tax Fund is a major special revenue fund restricted for repairs and maintenance of roads within the City. The non-major special revenue funds are also restricted for a specified purpose.

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.

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.

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2016

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

F. Expenditures of Fund Balance

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

NOTE 18: 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.

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

In fiscal year 2017, the City made a payment of \$225,427 to Openlands under the lease/purchase agreement. Subsequent to this payment, the City was awarded a National Parks Service Grant through the Illinois Department of National Resources for \$250,000. This grant would replace the Open Space Lands Acquisition and Development grant previously awarded to the City. As of October 4, 2016, the City has not received the grant payment.

NOTE 19: LEGAL DEBT MARGIN

Legal debt margin is the percent of the City's assessed valuation which is subject to debt limitation. The statutory debt limitation for the City is 8.625%. The City's legal debt margin limitation is as follows for the year ended April 30, 2016:

Assessed valuation (2015)	<u>\$ 121,573,744</u>
Statutory debt limitation (8.625%)	\$ 10,485,735
Applicable Debt:	
GO Bonds - SSA Deer Ridge Park STB	185,000
GO Bonds - Refunding Bonds Series 2015	670,000
GO Bonds - Limited Series 2015	147,000
Equipment Loan	<u>117,281</u>
Amount of debt applicable to debt limitation	<u>1,119,281</u>
Legal Debt Margin	<u>\$ 9,366,454</u>

CITY OF WILMINGTON, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2016

NOTE 20: DONATED SERVICES

The International Union of Operating Engineers Local 150 and D Construction Inc. demolished three homes on the South Island for the City during November 2015. Both the International Union of Operating Engineers Local 150 and D Construction Inc. donated their time and equipment for the demolition project. Revenue and expenditures for the value of the donated services have not been recognized in the accompanying financial statements, as the value of donated time and equipment was not readily available.

OTHER INFORMATION

CITY OF WILMINGTON, ILLINOIS
GENERAL FUND

Schedule A-1

Statement of Assets, Liabilities and Fund Balance
Arising from Cash Transactions
April 30, 2016

Assets

Cash in Bank	\$ 237,096
Total Assets	<u>\$ 237,096</u>

Fund Balance

Fund Balance: Unassigned	\$ 237,096
Total Fund Balance	<u>\$ 237,096</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, 2016
(With Comparative Figures for 2015)**

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
Property Taxes	\$ 1,081,100	1,081,100	1,090,828	995,741
State Sales Tax	930,000	930,000	892,786	868,532
Township Road & Bridge Taxes	6,000	6,000	5,698	5,684
Utility Tax	585,000	585,000	517,037	578,819
Personal Property Replacement Tax	65,000	65,000	62,009	61,206
State Income Tax	555,500	555,500	611,198	555,831
Local Use Tax	106,000	106,000	131,728	110,227
Pull Tab/Games Tax	2,500	2,500	1,724	1,989
Video Gaming Tax	63,000	63,000	47,321	46,970
Grant Income	6,000	6,000	5,177	1,908
Miscellaneous	75,000	75,000	33,238	30,379
Insurance Claims	5,000	5,000	-	11,082
Rental of Property	13,000	13,000	12,942	12,568
Interest Income	100	100	535	82
Vehicle Tags	65,000	65,000	62,091	63,409
Fines	139,000	139,000	129,702	138,962
Reimbursements	341,000	341,000	414,309	381,508
Licenses & Permits	48,500	48,500	239,416	270,820
Fees & Services	702,300	702,300	229,197	442,925
Total Revenues Received	4,789,000	4,789,000	4,486,936	4,578,642
Expenditures Disbursed: (Schedule 1)				
Finance and Administrative Department	690,200	690,200	620,316	594,378
Public grounds and buildings	153,300	158,300	126,828	77,027
Building Department	224,500	224,500	158,626	322,316
Planning and Zoning Department	114,250	114,250	83,366	83,933
Police Department	1,864,100	1,854,100	1,748,039	1,836,095
Streets & Alleys Department	732,900	710,190	648,360	655,355
FICA & IMRF	258,000	258,000	228,276	230,187
Audit	36,000	36,000	35,136	32,966
Police pension	375,000	375,000	374,680	335,691
Insurance	398,000	398,000	390,673	275,897
Debt Service	42,200	42,200	41,905	41,904
Capital Outlay	85,000	90,000	61,493	48,151
Total Expenditures Disbursed	4,973,450	4,950,740	4,517,698	4,533,900
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(184,450)	(161,740)	(30,762)	44,742
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	-	-	25,000	-
Operating Transfers Out	(55,000)	(77,710)	(42,703)	(35,000)
Total Other Financing Sources (Uses)	(55,000)	(77,710)	(17,703)	(35,000)
Net Change in Fund Balance	\$ (239,450)	(239,450)	(48,465)	9,742
Fund Balance, Beginning of Year			285,561	275,819
Fund Balance, End of Year			237,096	285,561

**CITY OF WILMINGTON, ILLINOIS
MOTOR FUEL TAX FUND**

Schedule B-1

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016**

<u>Assets</u>	
Cash in Bank	\$ 75,131
Total Assets	<u>\$ 75,131</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 75,131
Total Fund Balance	<u>\$ 75,131</u>

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

Schedule B-2

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
MFT State Allotments	\$ 140,000	\$ 140,000	146,700	142,648
Interest Income	100	100	245	30
Capital Bill Program Allotment	-	-	5,138	44,590
Total Revenues Received	<u>140,100</u>	<u>140,100</u>	<u>152,083</u>	<u>187,268</u>
Expenditures Disbursed:				
MFT Street Projects	300,000	340,000	321,784	-
Contingency	10,000	-	-	-
Salt and Cinders	70,000	30,000	19,054	20,038
Total Expenditures Disbursed	<u>380,000</u>	<u>370,000</u>	<u>340,838</u>	<u>20,038</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>\$ (239,900)</u>	<u>(229,900)</u>	(188,755)	167,230
Fund Balance, Beginning of Year			<u>263,886</u>	<u>96,656</u>
Fund Balance, End of Year			<u>75,131</u>	<u>263,886</u>

CITY OF WILMINGTON, ILLINOIS
CAPITAL PROJECTS FUND

Schedule B-3

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016

<u>Assets</u>		
Cash in Bank		\$ 322,271
Total Assets		<u>\$ 322,271</u>
<u>Fund Balance</u>		
Committed Fund Balance		\$ 322,271
Total Fund Balance		<u>\$ 322,271</u>

Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

Schedule B-4

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
Grants - IDOT KKK St/Fkd Crk B	\$ 65,000	65,000	177	-
Donations - Community Build	150,000	150,000	-	-
Donations - Multi-purpose	400,000	400,000	-	-
Grants - State	250,000	250,000	-	-
Interest Income	125	125	307	-
Developers Fees	250,000	250,000	201,876	-
EDP:				
Traffic Signal 53/Arsenal	5,000	5,000	-	94,397
South Arsenal/53	3,303,000	3,303,000	15,404	-
Rt 53/Peotone	1,264,000	1,264,000	45,136	47,235
Miscellaneous Credit Funding	772,000	772,000	-	96,245
Will County - Route 53/Peotone	78,057	78,057	-	6,288
Other Reimbursements	-	-	-	137
Total Revenues Received	<u>6,537,182</u>	<u>6,537,182</u>	<u>262,900</u>	<u>244,302</u>
Expenditures Disbursed:				
Economic Development - Openlands	303,000	303,000	7,950	-
Community Build Project	150,000	150,000	-	-
Multi-Purpose Project	400,000	400,000	-	-
NI Parking Lot Phase 1	-	-	-	41,779
Safe Routes Schools Project	-	-	-	8,340
WPD Facility - Ridge Building Project	594,000	627,000	620,757	326,190
KKK St / Forked Creek Bridge Project	83,000	83,000	9,542	6,825
USCS/IDOT Rte 53 & Peotone Rd	2,100,000	2,100,000	35,853	111,480
Traffic Signals Rte 53 & Arsenal	-	-	-	114,213
South Arsenal Road Project	3,300,000	3,300,000	220,219	17,079
Miscellaneous Projects & Equipment	100,000	67,000	41,916	9,104
Contingency	10,000	10,000	-	-
Total Expenditures Disbursed	<u>7,040,000</u>	<u>7,040,000</u>	<u>936,237</u>	<u>635,010</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(502,818)	(502,818)	(673,337)	(390,708)
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	-	-	250,415	19,517
Operating Transfers In	12,000	12,000	-	13,000
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>12,000</u>	<u>250,415</u>	<u>32,517</u>
Net Change in Fund Balance	<u>\$ (490,818)</u>	<u>(490,818)</u>	<u>(422,922)</u>	<u>(358,191)</u>
Fund Balance, Beginning of Year			<u>745,193</u>	<u>1,103,384</u>
Fund Balance, End of Year			<u>322,271</u>	<u>745,193</u>

**CITY OF WILMINGTON, ILLINOIS
BOND AND INTEREST FUND**

Schedule B-5

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016**

<u>Assets</u>	
Cash in Bank	\$ 145,434
Total Assets	<u>\$ 145,434</u>
<u>Liabilities & Fund Balance</u>	
Liabilities:	
SSA Debt Service Reserve Fund	\$ 32,032
Fund Balance:	
Restricted Fund Balance	113,402
Total Liabilities & Fund Balance	<u>\$ 145,434</u>

**Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

Schedule B-6

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
Property Taxes	\$ 145,300	145,300	145,677	141,917
SSA Repayments	33,325	33,325	33,519	35,226
Interest Income	100	100	152	24
Total Revenues Received	<u>178,725</u>	<u>178,725</u>	<u>179,348</u>	<u>177,167</u>
Expenditures Disbursed:				
Principal	273,200	288,200	285,000	265,000
Interest	42,325	30,825	51,194	49,935
Service fees	7,500	7,500	5,000	5,975
Bond Issuance Cost	-	-	5,071	-
Miscellaneous and Contingency	3,000	3,000	-	-
Total Expenditures Disbursed	<u>326,025</u>	<u>329,525</u>	<u>346,265</u>	<u>320,910</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>(147,300)</u>	<u>(150,800)</u>	<u>(166,917)</u>	<u>(143,743)</u>
Other Financing Sources (Uses):				
Operating Transfers Out	(12,000)	(8,500)	-	(13,000)
Bond Proceeds	148,000	148,000	832,000	150,000
Bond Refunding	-	-	(650,000)	-
Bond Issuance Discount	-	-	(6,850)	-
Total Other Financing Sources (Uses)	<u>136,000</u>	<u>139,500</u>	<u>175,150</u>	<u>137,000</u>
Net Change in Fund Balance	<u>\$ (11,300)</u>	<u>(11,300)</u>	8,233	(6,743)
Fund Balance, Beginning of Year			105,169	111,912
Fund Balance, End of Year			<u>113,402</u>	<u>105,169</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
TOTAL PENSION LIABILITY										
Service Cost	\$ 155,644	-	-	-	-	-	-	-	-	-
Interest	527,128	-	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(69,862)	-	-	-	-	-	-	-	-	-
Changes of Assumptions	9,133	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(396,215)	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	225,828	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	7,148,665	-	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 7,374,493</u>	-	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 137,062	-	-	-	-	-	-	-	-	-
Contributions - Member	61,740	-	-	-	-	-	-	-	-	-
Net Investment Income	34,854	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(396,215)	-	-	-	-	-	-	-	-	-
Administrative Expenses	(151,533)	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(314,092)	-	-	-	-	-	-	-	-	-
Plan Net Position - Beginning	7,069,419	-	-	-	-	-	-	-	-	-
Plan Net Position - Ending	<u>\$ 6,755,327</u>	-	-	-	-	-	-	-	-	-
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ 619,166</u>	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	\$ 1,372,005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll	45.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
TOTAL PENSION LIABILITY										
Service Cost	\$ 14,341	-	-	-	-	-	-	-	-	-
Interest	42,791	-	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(119,467)	-	-	-	-	-	-	-	-	-
Changes of Assumptions	(1,111)	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	(63,446)	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	565,661	-	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	\$ 502,215	-	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 12,531	-	-	-	-	-	-	-	-	-
Contributions - Member	6,473	-	-	-	-	-	-	-	-	-
Net Investment Income	2,758	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	(70,327)	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(48,565)	-	-	-	-	-	-	-	-	-
Plan Net Position - Beginning	542,051	-	-	-	-	-	-	-	-	-
Plan Net Position - Ending	\$ 493,486	-	-	-	-	-	-	-	-	-
EMPLOYER'S NET PENSION LIABILITY \$ 8,729										
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	\$ 86,304	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll	10.11%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF WILMINGTON, ILLINOIS

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

Regular Plan					<u>Schedule C-3</u>
Calendar Year	Actuarially Determined Contribution	Contributions in Relation to		Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency (Excess)		
2015	\$ 137,063	137,062	1	1,372,005	9.99%

Sheriff's Law Enforcement Personnel Plan					<u>Schedule C-4</u>
Calendar Year	Actuarially Determined Contribution	Contributions in Relation to		Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency (Excess)		
2015	\$ 12,531	12,531	-	86,304	14.52%

Note to Schedules

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	4.00%
Price inflation	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes: There were no benefit changes during the year.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
TOTAL PENSION LIABILITY										
Service Cost	\$ 223,133	248,151	-	-	-	-	-	-	-	-
Interest	486,936	477,927	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(5,840)	-	-	-	-	-	-	-	-	-
Changes of Assumptions	439,581	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(284,366)	(291,261)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	859,444	434,817	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	7,933,158	7,498,341	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 8,792,602</u>	<u>7,933,158</u>	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION										
Contributions - Member	\$ 374,680	335,691	-	-	-	-	-	-	-	-
Contributions - Employer	88,541	86,701	-	-	-	-	-	-	-	-
Net Investment Income	(42,810)	100,344	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(284,366)	(291,261)	-	-	-	-	-	-	-	-
Administrative Expenses	(29,466)	(25,321)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	106,579	206,154	-	-	-	-	-	-	-	-
Plan Net Position - Beginning	4,264,613	4,058,459	-	-	-	-	-	-	-	-
Plan Net Position - Ending	<u>\$ 4,371,192</u>	<u>4,264,613</u>	-	-	-	-	-	-	-	-
EMPLOYER'S NET PENSION LIABILITY (ASSE)	\$ 4,421,410	3,668,545	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.71%	53.76%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-Employee Payroll	\$ 852,379	874,560	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employer's Net Pension Liability as a Percentage of the Covered Valuation Payroll	518.71%	419.47%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Police Pension Fund
Schedule of Employer Contributions**

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

Note to Schedule

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

Methods and assumptions used to determine contribution rates:

Economic Assumptions:

Discount Rate used for the Total Pension Liability	6.25%
Long-Term Expected Rate of Return on Plan Assets	6.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.32%
Projected Individual Salary Increases	4.00% - 7.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Demographic Assumptions:

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

Other Information

There were no benefit changes during the year.

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

A detailed description of the actuarial assumptions and methods can be found in the May 1, 2016 actuarial valuation report.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
5/1/2016	\$ -	1,026,312	1,026,312	0.0%

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

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
2016	\$ 34,359	305.3%

NOTES TO OTHER INFORMATION

CITY OF WILMINGTON, ILLINOIS

**Notes to Other Information
For the Year Ended April 30, 2016**

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

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

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

Prior to July 31, the appropriation ordinance is legally adopted through passage of an ordinance. The 2016 appropriation ordinance was adopted on July 21, 2015. Transfers between line items of the appropriation must be approved by the City officials. A supplemental budget and line item transfers were adopted on January 19, 2016. All annual appropriations lapse at fiscal year-end.

NOTE 2: MAJOR FUND BUDGETARY COMPARISON INFORMATION

The following is an analysis of budget versus actual amounts for the City's major funds for the year ended April 30, 2016.

Fund	Original Appropriations	Final Appropriations	Actual Expenditures	Excess (Deficiency)
General Fund	\$ 4,973,450	4,950,740	4,517,698	433,042
Motor Fuel Tax Fund	380,000	370,000	340,838	29,162
Capital Projects Fund	7,040,000	7,040,000	936,237	6,103,763
Bond and Interest Fund	326,025	329,525	346,265	(16,740)

NOTE 3: EXPENDITURES EXCEED APPROPRIATIONS

During the current fiscal year, the following fund's expenditures exceeded appropriations:

Fund	Amount
Bond and Interest Fund	\$ 16,740

The excess is due to principal and interest expenditures of \$346,265 which exceeded the budgeted amount.

CITY OF WILMINGTON, ILLINOIS

Notes to Other Information For the Year Ended April 30, 2016

NOTE 4: ASSUMPTION CHANGES – POLICE PENSION

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

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.62% to 3.32% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and 68.

The discount rate used in the determination of the Total Pension Liability was changed from 6.50% to 6.25%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

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

The demographic assumptions were also changed. The changes were made based on a study of Police Officers and police pension funds in Illinois. The changes are described in the assumption document for the pension fund. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include:

- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Disability Rates
- Termination Rates

SUPPLEMENTAL INFORMATION

**Combining Statement of Assets, Liabilities, and Fund Balances Arising
from Cash Transactions - Non-Major Special Revenue Funds
April 30, 2016**

	Special Revenue Funds				Total April 30, 2016
	ESDA Fund	Mobile Equipment Fund	Ridgeport TIF #2 Fund	Drug-Free Community Grant Fund	
<u>Assets</u>					
Cash in Bank	\$ 23,855	77,362	37	-	101,254
Total Assets	<u>\$ 23,855</u>	<u>77,362</u>	<u>37</u>	<u>-</u>	<u>101,254</u>
<u>Fund Balance</u>					
Restricted Fund Balance	\$ 23,855	77,362	37	-	101,254
Total Fund Balance	<u>\$ 23,855</u>	<u>77,362</u>	<u>37</u>	<u>-</u>	<u>101,254</u>

**Combining Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Non-Major Special Revenue Funds
For the Year Ended April 30, 2016**

	Special Revenue Funds				Total April 30, 2016
	ESDA Fund	Mobile Equipment Fund	Ridgeport TIF #2 Fund	Drug-Free Community Grant Fund	
Revenues Received:					
Property Tax	\$ 1,375	-	-	-	1,375
TIF Revenue	-	-	4,489	-	4,489
Miscellaneous	3,190	-	-	-	3,190
Grants	-	-	-	128,150	128,150
Interest Income	-	-	1	-	1
Fines	-	4,668	-	-	4,668
Reimbursements	569	-	-	-	569
Total Revenues Received	5,134	4,668	4,490	128,150	142,442
Expenditures Disbursed:					
General Government	-	-	11,663	-	11,663
Public Safety	33,789	-	-	128,150	161,939
Capital Outlay	7,210	47,703	-	-	54,913
Total Expenditures Disbursed	40,999	47,703	11,663	128,150	228,515
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(35,865)	(43,035)	(7,173)	-	(86,073)
Other Financing Sources (Uses):					
Operating Transfers In	20,000	22,703	-	-	42,703
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	20,000	22,703	-	-	42,703
Net Change in Fund Balance	(15,865)	(20,332)	(7,173)	-	(43,370)
Fund Balance, Beginning of Year	39,720	97,694	7,210	-	144,624
Fund Balance, End of Year	\$ 23,855	77,362	37	-	101,254

Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016

<u>Assets</u>	
Cash in Bank	\$ 23,855
Total Assets	<u>\$ 23,855</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 23,855
Total Fund Balance	<u>\$ 23,855</u>

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
Property Taxes	\$ 1,300	1,300	1,375	46,131
Grants - State	10,000	10,000	-	8,740
Interest Income	30	30	-	-
Other Income	500	500	3,190	494
Other Reimbursements	1,000	1,000	569	362
Total Revenues Received	<u>12,830</u>	<u>12,830</u>	<u>5,134</u>	<u>55,727</u>
Expenditures Disbursed:				
Wages	7,300	7,300	6,100	5,813
Dues and Subscriptions	1,000	1,000	953	250
Maintenance - Equipment	4,000	4,000	2,573	2,959
Maintenance - Radios & Pagers	1,500	1,500	1,387	724
Maintenance - Vehicles	5,500	5,500	1,653	2,497
Notices and Legal Publications	200	200	-	-
Other Professional Services	6,500	8,500	6,978	-
Telephone Service	4,500	4,500	3,669	3,636
Training, Meetings, and Travel Expense	5,500	5,500	965	3,231
Subscription Weather Service	100	100	84	84
Gasoline and Oil	4,000	4,000	2,075	3,340
Office Supplies	1,200	1,200	832	842
Postage	100	100	23	-
Operating Supplies and Tools	11,000	11,000	6,196	9,070
Miscellaneous and Contingency	5,500	3,500	301	34
Capital Outlay - Equipment Purchases	7,500	7,500	6,935	1,230
Expensed Equipment	4,000	4,000	-	-
Capital Outlay - Office Furniture and Equipment	-	-	275	256
Total Expenditures Disbursed	<u>69,400</u>	<u>69,400</u>	<u>40,999</u>	<u>33,966</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(56,570)	(56,570)	(35,865)	21,761
Other Financing Sources (Uses):				
Operating Transfers In	20,000	20,000	20,000	-
Net Change in Fund Balance	<u>\$ (36,570)</u>	<u>(36,570)</u>	<u>(15,865)</u>	<u>21,761</u>
Fund Balance, Beginning of Year			<u>39,720</u>	<u>17,959</u>
Fund Balance, End of Year			<u>23,855</u>	<u>39,720</u>

**CITY OF WILMINGTON, ILLINOIS
MOBILE EQUIPMENT FUND**

Schedule D-5

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016**

<u>Assets</u>	
Cash in Bank	\$ 77,362
Total Assets	<u>\$ 77,362</u>
<u>Fund Balance</u>	
Restricted Fund Balance	\$ 77,362
Total Fund Balance	<u>\$ 77,362</u>

**Statement of Revenues Received, Expenditures Disbursed and
Change in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

Schedule D-6

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
Ridge Police Vehicle / Equipment Contribution	\$ 35,000	35,000	-	4,690
Police Vehicle Fines and Transfers	5,000	5,000	4,668	-
Other Income - Grants	-	-	-	4,000
Total Revenues Received	<u>40,000</u>	<u>40,000</u>	<u>4,668</u>	<u>8,690</u>
Expenditures Disbursed:				
Police Vehicle Purchases	40,000	17,297	-	-
Public Works Vehicle Purchases	25,000	47,703	47,703	-
ESDA Vehicle Purchases	30,000	30,000	-	19,011
Mobile Equipment Fund Contribution	-	-	-	36,937
Total Expenditures Disbursed	<u>95,000</u>	<u>95,000</u>	<u>47,703</u>	<u>55,948</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	(55,000)	(55,000)	(43,035)	(47,258)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	22,703	35,000
Operating Transfers Out	-	-	-	(70,483)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>22,703</u>	<u>(35,483)</u>
Net Change in Fund Balance	<u>\$ (55,000)</u>	<u>(55,000)</u>	(20,332)	(82,741)
Fund Balance, Beginning of Year			<u>97,694</u>	<u>180,435</u>
Fund Balance, End of Year			<u>77,362</u>	<u>97,694</u>

**CITY OF WILMINGTON, ILLINOIS
RIDGEPORT TIF #2 FUND**

Schedule D-7

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016**

<u>Assets</u>		
Cash in Bank		\$ 37
Total Assets		<u>\$ 37</u>
<u>Fund Balance</u>		
Fund balance		\$ 37
Total Fund Balance		<u>\$ 37</u>

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

Schedule D-8

	<u>Original Appropriations</u>	<u>Final Appropriations</u>	<u>Year Ended</u>	
			<u>April 30, 2016</u>	<u>April 30, 2015</u>
Revenues Received:				
Ridgeport TIF Revenue	\$ 25,000	25,000	4,489	3,340
Interest Income	5	5	1	1
Total Revenues Received	<u>25,005</u>	<u>25,005</u>	<u>4,490</u>	<u>3,341</u>
Expenditures Disbursed:				
TIF# 2 Distributions	25,000	10,000	-	-
TIF Professional Fees/Admin	-	15,000	11,663	-
Total Expenditures Disbursed	<u>25,000</u>	<u>25,000</u>	<u>11,663</u>	<u>-</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>\$ 5</u>	<u>5</u>	<u>(7,173)</u>	<u>3,341</u>
Fund Balance, Beginning of Year			<u>7,210</u>	<u>3,869</u>
Fund Balance, End of Year			<u>37</u>	<u>7,210</u>

**CITY OF WILMINGTON, ILLINOIS
DRUG-FREE COMMUNITIES GRANT FUND**

Schedule D-9

**Statement of Assets, Liabilities and Fund Balance Arising
from Cash Transactions
April 30, 2016**

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

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

Schedule D-10

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues Received:				
Grant Income	\$ 185,000	185,000	128,150	98,797
Total Revenues Received	<u>185,000</u>	<u>185,000</u>	<u>128,150</u>	<u>98,797</u>
Expenditures Disbursed:				
DFC Grant Expenditures	185,000	185,000	128,150	98,797
Total Expenditures Disbursed	<u>185,000</u>	<u>185,000</u>	<u>128,150</u>	<u>98,797</u>
Excess (Deficiency) of Revenues Received over (under) Expenditures Disbursed	<u>\$ -</u>	<u>-</u>	-	-
Fund Balance, Beginning of Year			-	-
Fund Balance, End of Year			<u>-</u>	<u>-</u>

**CITY OF WILMINGTON, ILLINOIS
WATER OPERATIONS FUND**

Schedule E-1

**Statement of Fund Net Position
April 30, 2016**

<u>Assets</u>	
Cash in Bank	\$ 15,650
Accounts Receivable	138,865
Due from IEPA	172,736
Capital Assets:	
Land	600,500
Vehicles	209,282
Equipment	314,445
Buildings	3,173,976
Improvements	3,353,945
Accumulated Depreciation	<u>(1,907,697)</u>
Total Assets	<u>\$ 6,071,702</u>
 <u>Liabilities and Net Position</u>	
Liabilities:	
Deposit - Hydrant Meters	\$ 2,000
Accounts Payable	157,044
Long-Term Debt:	
Due Within One Year	46,607
Due Beyond One Year	<u>1,008,329</u>
Total Liabilities	<u>1,213,980</u>
Net position:	
Net Investment in Capital Assets	4,689,515
Unrestricted Net Position	<u>168,207</u>
Total Net Position	<u>4,857,722</u>
Total Liabilities and Net Position	<u>\$ 6,071,702</u>

**CITY OF WILMINGTON, ILLINOIS
WATER OPERATIONS FUND**

Schedule E-2

**Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues:				
Water:				
Water Service Fees	\$ 800,000	800,000	806,437	741,284
Water Base Fees	163,500	163,500	166,745	159,429
Water Meter Fees	44,000	44,000	18,780	12,982
Interest Income	50	50	24	5,754
Other Income	10,000	10,000	7,162	6,005
Other Reimbursements	7,000	7,000	5,633	-
Total Water Revenues	<u>1,024,550</u>	<u>1,024,550</u>	<u>1,004,781</u>	<u>925,454</u>
Garbage:				
Garbage Collection Fees	495,000	495,000	488,974	456,551
Total Revenues	<u>1,519,550</u>	<u>1,519,550</u>	<u>1,493,755</u>	<u>1,382,005</u>
Expenses:				
Water:				
Wages	370,000	385,000	367,301	359,675
FICA Taxes	34,500	36,000	32,834	31,481
SUTA Taxes	3,500	3,500	1,466	2,505
IMRF	44,000	48,000	45,195	44,194
Overtime Wages	25,000	45,000	39,815	26,752
Computer Repairs and Maintenance	12,000	12,000	12,988	10,443
Dues and Subscriptions	800	800	459	305
Employee Health and Life Insurance	76,000	74,000	74,045	71,055
Legal Services	2,000	2,000	74	1,418
Prop, Equip, & Liab Insurance	60,000	60,000	60,000	58,000
Maintenance:				
Equipment	22,000	22,000	23,095	25,650
Fire Hydrants	1,000	1,000	470	917
Grounds and Building	3,500	7,000	10,018	2,767
Pumping System	2,500	4,000	4,829	1,805
Water Mains	20,000	18,500	17,929	11,809
Water Meters	6,500	6,500	5,265	5,473
Water Service Lines	2,000	5,500	4,702	2,117
Vehicles	5,000	5,000	2,953	2,031
Notices and Legal Publications	700	700	-	524
Other Professional Services	18,500	18,500	13,468	10,182
Rental of Equipment	10,000	5,000	-	21,534
Sludge Disposal	50,000	12,000	9,171	1,766
Telephone Service	5,000	5,000	3,839	3,925
Training, Meetings, and Travel Expense	2,000	2,000	927	1,261
Utilities	65,000	65,000	59,036	53,929
Gasoline and Oil	10,000	10,000	4,985	8,449

CITY OF WILMINGTON, ILLINOIS
WATER OPERATIONS FUND

Schedule E-2
(continued)

Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Expenses: (continued)				
Water: (continued)				
Office Supplies	\$ 5,000	5,000	3,805	11,305
Postage	8,000	8,000	7,861	-
Operating Supplies and Tools	10,000	12,000	12,096	7,937
Backflow Preventers	4,000	6,000	3,901	-
Uniforms	3,500	3,500	914	4,104
Water Treatment Chemicals	90,000	90,000	67,514	87,963
Miscellaneous and Contingency	2,000	2,000	1,407	67
Leased Equipment Expense	3,500	3,500	2,230	-
Equipment Purchases	-	-	-	1,908
New Meters	40,000	38,000	21,743	7,932
Expense Equipment	2,500	2,500	1,572	-
IEPA Loan Principal	36,200	36,200	-	-
IEPA Loan Interest	12,600	12,600	12,023	5,663
Contingency	5,000	-	-	-
Service Fees	6,000	6,500	6,459	5,397
Total Water Expenses	<u>1,079,800</u>	<u>1,079,800</u>	<u>936,389</u>	<u>892,243</u>
Garbage:				
Garbage Collection and Disposal	495,000	495,000	483,011	452,164
Depreciation Expense	-	-	207,847	183,116
Total Expenses	<u>1,574,800</u>	<u>1,574,800</u>	<u>1,627,247</u>	<u>1,527,523</u>
Excess (Deficiency) of Revenues over (under) Expenses	(55,250)	(55,250)	(133,492)	(145,518)
Other Financing Sources (Uses):				
Contributed Capital	-	-	141,087	163,976
Operating Transfers In	-	-	-	50,000
Operating Transfers Out	(69,000)	(69,000)	(45,335)	(35,301)
Total Other Financing Sources (Uses)	<u>(69,000)</u>	<u>(69,000)</u>	<u>95,752</u>	<u>178,675</u>
Net Income (Loss)	<u>\$ (193,250)</u>	<u>(193,250)</u>	<u>(37,740)</u>	<u>33,157</u>
Net Position, Beginning of Year			<u>4,895,462</u>	<u>4,862,305</u>
Net Position, End of Year			<u><u>4,857,722</u></u>	<u><u>4,895,462</u></u>

Statement of Fund Net Position
April 30, 2016

<u>Assets</u>	
Cash in Bank	\$ 282,101
Accounts Receivable	14,311
Total Assets	<u>\$ 296,412</u>
<u>Net Position</u>	
Unrestricted Net Position	\$ 129,846
Restricted Net Position	166,566
Total Net Position	<u>\$ 296,412</u>

Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

Schedule E-4

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues:				
City Engineer Services	\$ 1,000	1,000	-	2,155
Meter Replacement Program Fees	74,000	74,000	73,893	73,400
Water Capacity User Fee	30,000	30,000	35,247	34,200
Penalty Fee	30,000	30,000	32,143	-
Water District System Maintenance Fee	2,000	2,000	5,000	500
Interest Income	50	50	369	53
Rental of Property	6,600	6,600	6,600	6,600
Total Revenues	<u>143,650</u>	<u>143,650</u>	<u>153,252</u>	<u>116,908</u>
Expenses:				
City Engineer Services	34,500	34,500	33,746	34,269
Engineering Fees	20,000	20,000	21,330	-
Legal Services	10,000	-	-	-
Maintenance - Equipment	20,000	30,000	33,793	-
Maintenance - Water Lines	9,500	9,500	12,000	9,353
Capital Equipment Purchases	80,805	80,805	79,717	43,313
Water Capital Projects	240,000	240,000	117,754	160,848
Contingency	5,000	5,000	-	-
IEPA Loan Principal	650,000	650,000	-	-
Total Expenses	<u>1,069,805</u>	<u>1,069,805</u>	<u>298,340</u>	<u>247,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(926,155)	(926,155)	(145,088)	(130,875)
Other Financing Sources (Uses):				
Capital Contributions	-	-	(16,564)	-
Loan Proceeds	650,000	650,000	-	-
Operating Transfers In	114,000	114,000	90,335	72,220
Operating Transfers Out	-	-	-	(50,000)
Total Other Financing Sources (Uses)	<u>764,000</u>	<u>764,000</u>	<u>73,771</u>	<u>22,220</u>
Net Income (Loss)	<u>\$ (162,155)</u>	<u>(162,155)</u>	<u>(71,317)</u>	<u>(108,655)</u>
Net Position, Beginning of Year			<u>367,729</u>	<u>476,384</u>
Net Position, End of Year			<u>296,412</u>	<u>367,729</u>

CITY OF WILMINGTON, ILLINOIS
SEWER OPERATIONS FUND

Schedule E-5

Statement of Fund Net Position
April 30, 2016

<u>Assets</u>	
Cash in Bank	\$ 621,182
Accounts Receivable	164,028
Capital Assets:	
Land	911,700
Vehicles	181,595
Equipment	357,958
Buildings	14,100,762
Improvements	2,105,962
Accumulated Depreciation	(3,340,511)
Total Assets	<u>\$ 15,102,676</u>
 <u>Liabilities & Net Position</u> 	
Liabilities:	
Long-Term Liabilities:	
Due Within One Year	\$ 657,198
Due Beyond One Year	9,302,703
Total Liabilities	<u>9,959,901</u>
Net Position:	
Net Investment in Capital Assets	4,357,565
Unrestricted Net Position	785,210
Total Net Position	<u>5,142,775</u>
Total Liabilities and Net Position	<u>\$ 15,102,676</u>

CITY OF WILMINGTON, ILLINOIS
SEWER OPERATIONS FUND

Schedule E-6

Statement of Revenues, Expenses, and
Change in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Year Ended			
	Original Appropriations	Final Appropriations	April 30, 2016	April 30, 2015
Revenues:				
Debt Service Revenue	\$ 970,000	970,000	945,470	1,000,461
Sewer Service Fees	795,000	795,000	784,645	766,596
Sewer Capacity User Fee	110,000	110,000	131,734	142,089
Interest Income	50	50	24	15
Miscellaneous	500	500	1,827	350
Other Reimbursements	7,500	7,500	28,877	7,093
Total Revenues	1,883,050	1,883,050	1,892,577	1,916,604
Expenses:				
Wages	293,000	293,000	285,692	283,909
FICA Taxes	26,500	26,500	22,588	22,961
SUTA Taxes	3,000	3,000	1,299	2,109
IMRF	36,400	36,400	31,911	32,791
Overtime	20,000	20,000	13,154	15,690
Part Time Wages	5,000	-	-	-
Computer Repairs and Maintenance	15,000	15,000	9,697	31,235
Dues & Subscription & Memberships	1,400	1,400	482	-
Employee Health and Life Insurance	84,000	84,000	74,663	78,213
Engineering Professional Fees	-	30,000	27,800	-
Legal Services	1,000	1,000	898	-
Prop, Equip, & Liability Insurance	51,500	51,500	51,500	50,000
Maintenance:				
Equipment	21,350	21,350	5,675	24,209
Grounds and Building	14,350	14,350	10,702	11,964
Sewers	30,000	40,000	34,142	13,478
Sewers - Process	92,000	112,000	17,294	-
Vehicles	3,000	5,000	3,801	2,054
Notices and Legal Publications	800	800	-	158
Other Professional Services	22,000	20,000	22,409	22,451
Rental of Equipment	19,000	11,000	7,750	-
Sewer Sludge Disposal	34,000	28,500	21,604	28,084
Telephone Service	6,500	5,500	4,188	3,271
Training, Meetings, and Travel Expense	4,100	4,100	1,273	1,028
Utilities - Electric and Gas	108,000	100,000	101,066	91,138
Gasoline and Oil	14,000	14,000	5,028	11,513
Office Supplies	6,000	6,000	5,296	11,282
Postage	8,000	8,000	7,828	-
Operating Supplies and Tools	17,600	17,600	17,166	16,727
Sewer Chemicals	45,000	45,000	34,558	35,776
Uniforms	3,000	3,000	850	2,771
Miscellaneous and Contingency	21,000	1,000	264	643
Equipment Purchase	13,000	13,000	7,426	7,940
Leased Equipment Expense	3,500	3,500	2,230	-
Expensed Equipment	500	2,500	1,585	-
IEPA Loan Principal	641,500	641,500	-	-
IEPA Loan Interest	261,500	261,500	261,042	276,774
Service Fees	6,000	6,500	-	-
Depreciation Expense	-	-	451,997	441,054
Total Expenses	1,932,500	1,947,500	1,544,858	1,519,223
Excess (Deficiency) of Revenues over (under) Expenses	(49,450)	(64,450)	347,719	397,381
Other Financing Sources (Uses):				
Contributed Capital	-	-	22,127	38,389
Operating Transfers Out	(100,000)	(85,000)	(55,000)	(12,000)
Total Other Financing Sources (Uses)	(100,000)	(85,000)	(32,873)	26,389
Net Income (Loss)	\$ (149,450)	(149,450)	314,846	423,770
Net Position, Beginning of Year			4,827,929	4,404,159
Net Position, End of Year			5,142,775	4,827,929

**CITY OF WILMINGTON, ILLINOIS
SEWER CAPITAL PROJECTS FUND**

Schedule E-7

**Statement of Fund Net Position
April 30, 2016**

<u>Assets</u>	
Cash in Bank	\$ 386,852
Accounts Receivable	3,282
Total Assets	<u>\$ 390,134</u>
<u>Net Position</u>	
Restricted Net Position	<u>\$ 390,134</u>
Total Net Position	<u>\$ 390,134</u>

**Statement of Revenues, Expenses, and
Changes in Fund Net Position - Budget and Actual
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

Schedule E-8

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
Revenues:				
City Engineer Services	\$ 1,000	1,000	-	-
Sewer Collection System Fee	6,150	6,150	6,150	1,153
Penalty Fee	30,000	30,000	43,872	-
Interest Income	100	100	983	103
Property Rental	6,600	6,600	6,600	6,600
Total Revenues	<u>43,850</u>	<u>43,850</u>	<u>57,605</u>	<u>7,856</u>
Expenses:				
City Engineer Services	11,500	11,500	11,249	11,423
Miscellaneous and Contingency	11,000	11,000	-	-
Equipment Purchases	65,400	65,400	21,606	29,887
Sewer Line / Lift Station	-	-	-	30,348
Total Expenses	<u>87,900</u>	<u>87,900</u>	<u>32,855</u>	<u>71,658</u>
Excess (Deficiency) of Revenues over (under) Expenses	(44,050)	(44,050)	24,750	(63,802)
Other Financing Sources (Uses):				
Operating Transfers Out	(45,000)	(45,000)	(45,000)	-
Operating Transfers In	100,000	100,000	55,000	45,564
Net Income (Loss)	<u>\$ 10,950</u>	<u>10,950</u>	34,750	(18,238)
Net Position, Beginning of Year			<u>355,384</u>	<u>373,622</u>
Net Position, End of Year			<u>390,134</u>	<u>355,384</u>

Combining Statement of Fiduciary Net Position
April 30, 2016
(With Comparative Figures for 2015)

	Agency Funds						Totals		
	Police DUI Account	Canine School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	Police Explorer Program Account	Year Ended April 30, 2016	Year Ended April 30, 2015
<u>Assets</u>									
Cash in bank	\$ 2,184	4,088	9,672	12,853	4,576	43,674	2,300	79,347	76,554
	\$ 2,184	4,088	9,672	12,853	4,576	43,674	2,300	79,347	76,554
<u>Liabilities</u>									
Payable to others									

Combining Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Agency Funds						Totals		
	Police DUI Account	Canine School/ Liaison Account	School Police Seizure Account	Police Drug Account	Police Benefit Account	Building Deposit Holding Account	Police Explorer Program Account	Year Ended April 30, 2016	Year Ended April 30, 2015
Additions	\$ -	1	-	2,312	750	-	2,300	5,363	104,467
Deductions	-	-	1,952	345	273	-	-	2,570	109,264
Change in Net Position	-	1	(1,952)	1,967	477	-	2,300	2,793	(4,797)
Cash Balance, Beginning of Year	2,184	4,087	11,624	10,886	4,099	43,674	-	76,554	81,351
Cash Balance, End of Year	\$ 2,184	4,088	9,672	12,853	4,576	43,674	2,300	79,347	76,554

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Original Appropriations	Final Appropriations	Year Ended April 30, 2016	April 30, 2015
<u>Finance and Administration:</u>				
Wages - Finance and Administration	\$ 235,000	230,000	229,732	226,795
City Engineer Services	11,500	11,500	11,249	11,423
Elected / Appointed Officials Wages	40,000	40,000	38,030	35,347
Computer Repairs and Maintenance	25,000	29,000	23,496	18,197
Dues and Subscriptions	8,000	10,000	8,097	8,169
Employee Health and Life Insurance	71,000	71,000	65,779	65,596
Retired Employees Health Insurance	132,000	130,000	120,132	88,250
Legal Services	35,000	43,000	45,085	27,493
Maintenance - Equipment	4,500	4,500	3,436	575
Maintenance - Vehicles	10,000	10,000	7,144	2,277
Notices and Legal Publications	2,000	2,000	577	1,060
Other Professional Services	10,000	10,000	12,063	12,694
PACE Bus Service	10,000	6,000	5,112	16,446
Telephone Service	9,000	9,000	7,054	6,580
Training, Meetings, and Travel Expenses	5,000	5,000	3,324	9,178
Gasoline and Oil	8,000	8,000	4,934	7,294
Office Supplies	7,000	7,000	4,302	8,138
Postage	2,000	2,000	2,006	-
Operating Supplies and Tools	500	500	277	-
Administrative Expense	2,000	2,000	725	216
WCHC - Community Matching	12,500	12,500	7,868	9,645
Economic Development Commission	3,500	3,500	2,500	2,500
Mayor's Expense	2,000	2,000	1,804	1,738
Community Festivals	10,000	5,000	540	8,946
Miscellaneous	5,000	7,000	6,275	16,234
Police Commission Expenses	15,000	15,000	4,849	9,170
Leased Equipment	4,000	4,000	3,531	-
Contingency	10,000	10,000	-	-
Service Fees	700	700	395	417
Total Finance and Administration	690,200	690,200	620,316	594,378
<u>Public Grounds and Buildings:</u>				
Maintenance - Equipment	10,000	10,000	12,768	30
Maintenance - Grounds and Buildings	62,000	64,000	67,966	50,502
Janitorial Service	30,000	33,000	25,986	14,544
Other Professional Services	17,000	17,000	11,776	800
Pest Control	-	-	-	2,442
Rental of Building/Storage Space	1,500	1,500	1,380	1,380
Telephone Service	800	800	603	665
Utilities	25,000	25,000	3,448	4,259
Operating Supplies and Tools	5,000	5,000	2,901	2,405
Miscellaneous and Contingency	2,000	2,000	-	-
Total Public Grounds and Buildings	153,300	158,300	126,828	77,027

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
<u>Police Department:</u>				
Salaries and Wages:				
Police	\$ 1,018,100	1,013,100	998,070	1,018,602
Overtime	110,000	110,000	95,181	109,072
Part-Time Officer	65,000	65,000	66,716	52,002
Clerical	-	-	-	54,075
Crossing Guard	6,000	6,000	5,280	5,370
Vacation Buy-Out	10,000	12,800	12,667	7,097
Animal Control	2,000	2,000	1,800	700
Cadet Program & Citizen Academy	2,000	2,000	-	-
Community Service & Affairs	-	-	2,000	500
Computer Repairs and Maintenance	10,000	23,000	20,157	11,835
Dispatching Services	162,000	162,000	161,995	165,312
Dues and Subscriptions	2,000	2,000	1,845	1,740
Employee Health and Life Insurance	195,000	190,000	168,857	218,967
Legal Services	32,000	27,000	17,042	38,423
Maintenance:				
Equipment	6,500	6,500	6,081	9,709
Radios and Pagers	1,000	1,600	1,061	1,295
Vehicles	25,000	20,000	19,677	24,555
Notices Legal Publications	500	500	198	60
Other Professional Services	11,900	11,900	10,834	2,480
Telephone Service	18,000	18,000	12,903	7,747
Training, Meetings, and Travel Expense	21,500	21,500	11,429	14,702
Special Training and Equipment	-	-	-	6,438
Animal Tags	-	-	-	25
Gasoline and Oil	55,000	48,600	30,473	45,024
Office Supplies	3,600	5,600	4,782	6,562
Postage	2,000	2,000	1,414	-
Operating Supplies and Tools	13,000	13,000	13,045	8,394
Uniforms	23,000	23,000	21,925	18,160
Miscellaneous and Contingency	1,500	1,500	1,085	1,056
Leased Equipment Expense	65,500	59,000	54,805	-
Expensed Equipment	2,000	6,500	6,717	6,193
Total Police Department	1,864,100	1,854,100	1,748,039	1,836,095

CITY OF WILMINGTON, ILLINOIS
GENERAL FUND

Schedule 1
(continued)

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
<u>Streets & Alleys</u>				
Salaries and Wages:				
Public Works	\$ 265,000	262,500	252,578	250,646
City Engineer Services	34,500	34,500	33,746	34,269
Overtime	22,000	22,000	15,958	19,989
Part-Time	25,000	21,500	21,230	19,928
Computer Repairs and Maintenance	1,500	1,500	245	951
Dues and Subscriptions	300	300	363	189
Employee Health and Life Insurance	92,000	90,000	82,920	84,363
Engineering Fees	1,000	1,000	-	-
JULIE Fees	2,000	2,000	1,646	1,429
Legal Services	1,000	1,000	-	-
Maintenance:				
Bridges	4,000	4,000	2,252	-
Curbs & Gutters	2,000	2,000	504	537
Equipment	18,000	22,000	21,794	13,614
Parking Lots	4,000	2,000	-	-
Sidewalks	6,000	3,000	505	4,040
Storm Sewers	8,000	8,000	5,301	7,043
Streets	28,000	26,000	28,128	20,147
Vehicles	40,000	30,000	22,148	28,427
Notices and Legal Publications	600	1,200	870	398
Equipment Rentals	6,000	7,500	6,300	485
Street Light Electricity	88,000	88,000	88,084	80,715
Telephone Service	3,500	3,000	2,231	2,578
Training, Meetings, and Travel Expense	2,000	2,000	727	434
Tree and Weed Removal	5,000	5,000	3,990	3,414
Gasoline and Oil	35,000	35,000	23,518	29,572
Office Supplies	2,200	2,200	1,267	769
Postage	300	500	318	-
Operating Supplies and Tools	12,500	15,000	14,497	9,301
Salt and Cinders	-	-	-	29,481
Sign Replacement	16,000	9,990	10,492	2,336
Uniforms	6,000	6,000	6,574	5,525
Vehicle Tags	-	-	-	1,166
Miscellaneous and Contingency	500	500	137	3,609
Expensed Equipment	1,000	1,000	37	-
Total Streets & Alleys	732,900	710,190	648,360	655,355

**CITY OF WILMINGTON, ILLINOIS
GENERAL FUND**

Schedule 1
(continued)

**Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)**

	Original Appropriations	Final Appropriations	Year Ended April 30, 2016	Year Ended April 30, 2015
<u>Social Security and IMRF:</u>				
Social Security Taxes	\$ 149,000	149,000	137,298	138,115
SUTA Taxes	19,000	19,000	11,638	16,238
IMRF Expense	90,000	90,000	79,340	75,834
Total Social Security and IMRF	258,000	258,000	228,276	230,187
<u>Auditing and Accounting:</u>				
Audit Fee	18,000	18,000	17,190	16,550
Payroll Processing Service	18,000	18,000	17,946	16,416
Total Auditing and Accounting	36,000	36,000	35,136	32,966
<u>Building Department:</u>				
Wages	20,000	20,000	9,500	-
City Engineer Services	11,500	11,500	11,249	11,423
Computer Repairs and Maintenance	2,000	2,000	1,185	1,110
Consulting Fee	175,000	172,500	125,620	301,273
Employee Health and Life Insurance	2,500	2,500	2,528	2,373
Legal Services	2,000	2,000	-	-
City Engineer Vehicle Allowance	4,200	4,200	4,200	4,200
Telephone Services	1,000	2,000	1,269	721
Training, Meetings, and Travel Expense	1,000	2,000	674	362
Gasoline and Oil	1,000	1,000	358	-
Office Supplies	1,000	1,000	652	854
Postage	300	300	140	-
Operating Supplies and Tools	1,000	1,000	670	-
Miscellaneous and Contingency	1,000	1,000	581	-
Expensed Equipment	1,000	1,500	-	-
Total Building Department	224,500	224,500	158,626	322,316
<u>Planning and Zoning:</u>				
Wages	3,500	3,500	2,025	2,700
City Engineering Services	11,500	11,500	11,249	11,423
Consulting Fees	40,000	40,000	16,768	32,107
Consulting Fees - Developers	5,000	5,000	3,910	4,389
Employee Health and Life Insurance	2,500	2,500	2,408	2,373
Engineering Fees	10,000	10,000	2,890	9,511
Engineering Fees - Developers	5,000	5,000	15,096	1,627
Legal Services	25,000	25,000	20,708	18,254
Legal Services - Developers	10,000	10,000	7,510	795
Notices and Legal Publications	500	500	454	416
Office Supplies	500	500	169	338
Postage	250	250	92	-
Miscellaneous and Contingency	500	500	87	-
Total Planning and Zoning	114,250	114,250	83,366	83,933

Comparison of Expenditures with Appropriations
For the Year Ended April 30, 2016
(With Comparative Figures for 2015)

	Original Appropriations	Final Appropriations	Year Ended	
			April 30, 2016	April 30, 2015
<u>Police Pension:</u>				
Police Pension Fund Contribution	\$ 375,000	375,000	374,680	335,691
<u>Building, Liability, and Workers' Comp. Insurance</u>				
Property and Equipment Insurance	138,000	138,000	132,874	-
General Liability Insurance	260,000	260,000	257,799	266,461
Miscellaneous and Contingency	-	-	-	9,436
Total Building, Liability, and Workers' Comp. Insurance	398,000	398,000	390,673	275,897
<u>Debt Service</u>				
Public Works - Principal	36,500	36,500	36,321	36,270
Public Works - Interest	5,700	5,700	5,584	5,634
Total Debt Service	42,200	42,200	41,905	41,904
<u>Capital Outlay</u>				
Finance and Administration	6,000	6,000	3,921	6,148
Public Grounds and Buildings	13,000	8,000	375	-
Police Department	56,000	66,000	55,834	42,003
Public Works	10,000	10,000	-	-
Building Department	-	-	1,363	-
Total Capital Outlay	85,000	90,000	61,493	48,151
Total General Fund Expenditures	\$ 4,973,450	4,950,740	4,517,698	4,533,900
<u>Other Financing Uses</u>				
Operating Transfers Out				
Finance and Administration	\$ 20,000	20,000	20,000	-
Police Department	35,000	35,000	-	35,000
Public Works	-	22,710	22,703	-
Total Operating Transfers Out	55,000	77,710	42,703	35,000
Total General Fund Other Financing Uses	\$ 55,000	77,710	42,703	35,000

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

	Tax Year				
	2011	2012	2013	2014	2015
Assessed Valuations	\$ 134,442,820	128,940,126	129,676,852	121,093,144	121,573,744
Tax Rates:					
Corporate	0.1223	0.1186	0.1333	0.1449	0.1453
Bond and Interest	0.1097	0.1175	0.1180	0.1263	0.1233
Police Pension	0.1709	0.2172	0.2790	0.3248	0.3284
Municipal Retirement	0.0551	0.0549	0.0499	0.0325	0.0329
Social Security	0.0959	0.0935	0.0982	0.0812	0.0821
ESDA/Civil Defense	0.0372	0.0386	0.0384	0.0012	0.0012
Police Protection	0.0744	0.1153	0.1150	0.1624	0.1642
Workers' Compensation Insurance	0.0261	0.0768	0.0284	0.0610	0.0658
Liability Insurance	0.0558	-	0.0292	0.0325	0.0411
Municipal Audit	0.0224	0.0248	0.0257	0.0268	0.0230
Totals	0.7698	0.8572	0.9151	0.9936	1.0073
Tax Extensions:					
Corporate	\$ 164,424	152,923	172,859	175,464	176,647
Bond and Interest	147,484	151,505	153,019	152,941	149,900
Police Pension	229,763	280,058	361,798	393,311	399,248
Municipal Retirement	74,078	70,788	64,709	39,355	39,998
Social Security	128,931	120,559	127,343	98,328	99,812
ESDA/Civil Defense	50,013	49,771	49,796	1,453	1,459
Police Protection	100,025	148,668	149,128	196,655	199,624
Workers' Compensation Insurance	35,090	99,026	36,828	73,867	79,996
Liability Insurance	75,019	-	37,866	39,355	49,967
Municipal Audit	30,115	31,977	33,327	32,453	27,962
Totals	1,034,942	1,105,274	1,186,672	1,203,181	1,224,613
Township Road and Bridge	75,754	78,536	84,121	84,240	
Totals	\$ 1,110,696	1,183,810	1,270,793	1,287,421	
Tax Collections	\$ 1,085,480	1,161,008	1,183,789	1,237,880	



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor and
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, 2016, 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 October 4, 2016.

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 October 4, 2016.

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
October 4, 2016



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CERTIFIED PUBLIC ACCOUNTANTS

October 4, 2016

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois for the year ended April 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 5, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Wilmington, Illinois are described in Note 1 to the financial statements. As described in Notes 9-10 to the financial statements, the City changed accounting policies related to the pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, in 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 4, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Management and the City Council of the City of Wilmington, Illinois, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants