



**City of Wilmington**  
**Finance, Administration & Land Acquisition Committee**  
**May 16, 2023 at 6:30 p.m.**

In Person & Via Zoom

join by video at:

<https://us02web.zoom.us/j/83391010225?pwd=b0lwTkhlVHlvZi9XRlYweTgrQVNyZz09>

join by phone at:

1-312-626-6799

Meeting ID: 833 9101 0225 / Passcode: 322211

**Location & Time**

Council Chambers  
1165 S Water St  
Wilmington, IL 60481

6:30 p.m. 05/16/2023

**Agenda**

1. Call to Order
2. Review and Approve Previous Meeting Minutes
3. Public Comment  
*(State your full name clearly; limit 3 minutes each per Ordinance 19-06-18-01)*
4. Review and Consideration to Approve Accounting Reports
5. Review and Consideration to Approve the FY 2022 Financial Audit
6. Other Pertinent Information
7. Adjournment

**Finance,  
Administration &  
Land Acquisition  
Committee Members**

Kevin Kirwin, Co-chair  
Ryan Jeffries, Co-chair  
Dennis Vice  
Ryan Knight  
Leslie Allred  
Jonathan Mietzner  
Todd Holmes  
Thomas Smith

**CITY OF WILMINGTON**  
**FINANCE, ADMINISTRATION & LAND ACQUISITION COMMITTEE**  
Tuesday, April 25, 2023, at 6:30 p.m.  
Wilmington City Hall, Council Chambers  
1165 S. Water Street, Wilmington IL

**Committee Members in Attendance**

Co-Chair, Kevin Kirwin  
Co-Chair, Ryan Jeffries  
Dennis Vice  
Ryan Knight  
Leslie Allred  
Jonathan Mietzner  
Todd Holmes  
Tom Smith

**Other City Officials in Attendance**

Mayor Ben Dietz, City Administrator Jeannine Smith, Finance Director Nancy Gross, Chief of Police Adam Zink, Public Works Director James Gretencord and Deputy City Clerk Joie Ziller

The meeting of the Finance, Administration & Land Acquisition Committee was called to order at 6:30 P.M. by Mayor Dietz.

**Approve Previous Meeting Minutes**

Alderman Holmes made a motion and Alderman Allred seconded to approve the March 21, 2023 meeting minutes as written and have them placed on file.

Upon roll call, the vote was:

**AYES:**       **8**   Mietzner, Knight, Jeffries, Kirwin, Allred, Vice, Holmes, Smith

**NAYS:**       **0**

The motion carried.

**Public Comment**

No public comment was made.

**Review Accounting Reports**

The Committee reviewed the accounts payable report as presented in the agenda packet.

**Other Pertinent Information**

Finance Director Gross distributed her memo related to the budget to actual analysis.

**Adjournment**

The motion to adjourn the meeting was made by Alderman Mietzner and seconded by Alderman Jeffries. Upon voice vote, all yes, and the motion carried. The meeting was adjourned at 6:46 P.M.

Respectfully submitted,  
Joie Ziller  
Deputy City Clerk

# CITY OF WILMINGTON, ILLINOIS

## TABLE OF CONTENTS

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### PAGE

### FINANCIAL SECTION

<b>INDEPENDENT AUDITORS' REPORT</b>	<a href="#">1</a>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	<a href="#">6</a>
Statement of Activities - Modified Cash Basis	<a href="#">8</a>
Fund Financial Statements	
Balance Sheet - Governmental Funds - Modified Cash Basis	<a href="#">10</a>
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities - Modified Cash Basis	<a href="#">12</a>
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds - Modified Cash Basis	<a href="#">14</a>
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities - Governmental Activities - Modified Cash Basis	<a href="#">16</a>
Statement of Net Position - Proprietary Funds - Modified Cash Basis	<a href="#">18</a>
Statement of Revenues, Expenses, and Changes in Net Position	
Proprietary Funds - Modified Cash Basis	<a href="#">20</a>
Statement of Cash Flows - Proprietary Funds - Modified Cash Basis	<a href="#">21</a>
Statement of Fiduciary Net Position - Pension Trust Funds - Modified Cash Basis	<a href="#">22</a>
Statement of Changes in Fiduciary Net Position - Pension Trust Funds - Modified Cash Basis	<a href="#">23</a>
Notes to Financial Statements	<a href="#">24</a>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund - Regular Plan	<a href="#">63</a>
Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)	<a href="#">64</a>
Police Pension Fund	<a href="#">65</a>
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund - Regular Plan	<a href="#">66</a>
Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)	<a href="#">68</a>
Police Pension Fund	<a href="#">70</a>
Schedule of Investment Returns - Police Pension Fund	<a href="#">72</a>
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefit Plan	<a href="#">73</a>
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual - Modified Cash Basis	
General Fund	<a href="#">74</a>
Ridgeport TIF #2 - Special Revenue Fund	<a href="#">75</a>

CITY OF WILMINGTON, ILLINOIS

TABLE OF CONTENTS

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PAGE

**FINANCIAL SECTION - Continued**

**OTHER SUPPLEMENTARY INFORMATION**

Schedule of Revenues - Budget and Actual - General Fund - Modified Cash Basis	<a href="#">80</a>
Schedule of Expenditures - Budget and Actual - General Fund - Modified Cash Basis	<a href="#">81</a>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis	
Capital Projects Fund	<a href="#">83</a>
Combining Balance Sheet - Nonmajor Governmental Funds - Modified Cash Basis	<a href="#">85</a>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Modified Cash Basis	<a href="#">87</a>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis	
ESDA - Special Revenue Fund	<a href="#">89</a>
Mobile Equipment - Special Revenue Fund	<a href="#">90</a>
Motor Fuel Tax - Special Revenue Fund	<a href="#">91</a>
Bond and Interest - Debt Service Fund	<a href="#">92</a>
Schedule of Revenues, Expenses and Changes in Net Position Budget and Actual	
Water Operating - Enterprise Fund	<a href="#">93</a>
Sewer Operating - Enterprise Fund	<a href="#">94</a>

**SUPPLEMENTAL SCHEDULES**

Long-Term Debt Requirements	
Special Service Area #1 (Deer Ridge Park) Special Tax Bonds of 2008	<a href="#">96</a>
General Obligation Refunding Alternative Revenue Source Bonds of 2020	<a href="#">97</a>
Installment Contract of 2018	<a href="#">98</a>
Illinois Environmental Protection Agency Loan of 2012	<a href="#">99</a>
Illinois Environmental Protection Agency Loan of 2016	<a href="#">100</a>

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the City's independent auditing firm.



## **INDEPENDENT AUDITORS' REPORT**

April 27, 2023

The Honorable Mayor  
Members of the Board of Commissioners  
City of Wilmington, Illinois

### **Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmington, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter - 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 opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for 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 fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

## **Supplementary 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 management's discussion and analysis, other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, management's discussion and analysis, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



City of Wilmington, Illinois  
April 27, 2023

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises of the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Net Position**

**April 30, 2022**

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**See Following Page**

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Net Position - Modified Cash Basis**

**April 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 4,515,967	4,288,314	8,804,281
Receivables - Net of Allowances	14,451	1,580,056	1,594,507
Internal Balances	(5,968)	5,968	—
Total Current Assets	4,524,450	5,874,338	10,398,788
Noncurrent Assets			
Capital Assets			
Nondepreciable	9,438,957	1,512,200	10,951,157
Depreciable	13,764,874	23,544,286	37,309,160
Accumulated Depreciation	(5,297,880)	(8,673,328)	(13,971,208)
Total Noncurrent Assets	17,905,951	16,383,158	34,289,109
Total Assets	22,430,401	22,257,496	44,687,897

The notes to the financial statements are an integral part of this statement.

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 172,682	54,420	227,102
Accrued Payroll	431	120,597	121,028
Other Payable	47,710	2,000	49,710
Current Portion of Long-Term Debt	89,070	770,722	859,792
Total Current Liabilities	309,893	947,739	1,257,632
Noncurrent Liabilities			
General Obligation Bonds Payable - Net	—	5,216,193	5,216,193
Installment Contract Payable	58,502	—	58,502
TIF Notes Payable	71,436,137	—	71,436,137
IEPA Loans Payable	—	686,471	686,471
Total Noncurrent Liabilities	71,494,639	5,902,664	77,397,303
Total Liabilities	71,804,532	6,850,403	78,654,935
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Grants	384,643	—	384,643
Total Liabilities and Deferred Inflows of Resources	72,189,175	6,850,403	79,039,578
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,758,379	9,709,772	27,468,151
Restricted			
K9 Unit	18,158	—	18,158
TIF #2	364,100	—	364,100
Motor Fuel Tax	901,244	—	901,244
Drug Free Community Grant	585	—	585
Debt Service	587,110	—	587,110
Water	—	1,272,930	1,272,930
Unrestricted (Deficit)	(69,388,350)	4,424,391	(64,963,959)
Total Net Position	(49,758,774)	15,407,093	(34,351,681)

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Activities - Modified Cash Basis  
For the Fiscal Year Ended April 30, 2022**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 1,434,632	1,090,781	68,953	—
Public Safety	2,841,560	90,942	597	—
Highways and Streets	1,228,222	—	709,199	—
Interest on Long-Term Debt	5,021,763	—	—	—
<b>Total Governmental Activities</b>	<b>10,526,177</b>	<b>1,181,723</b>	<b>778,749</b>	<b>—</b>
<b>Business-Type Activities</b>				
Water	1,535,071	1,683,682	—	—
Sewer	1,584,069	1,601,453	—	—
Garbage	489,962	574,943	—	—
<b>Total Business-Type Activities</b>	<b>3,609,102</b>	<b>3,860,078</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government</b>	<b>14,135,279</b>	<b>5,041,801</b>	<b>778,749</b>	<b>—</b>

General Revenues

Taxes

Property Tax

Utility Tax

Local Use Tax

Other Taxes

Intergovernmental - Unrestricted

Sales Tax

Income Tax

Other Intergovernmental

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Primary Government		
Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(274,898)	—	(274,898)
(2,750,021)	—	(2,750,021)
(519,023)	—	(519,023)
(5,021,763)	—	(5,021,763)
(8,565,705)	—	(8,565,705)
—	148,611	148,611
—	17,384	17,384
—	84,981	84,981
—	250,976	250,976
(8,565,705)	250,976	(8,314,729)
7,567,394	—	7,567,394
569,480	—	569,480
219,016	—	219,016
82,353	—	82,353
1,362,481	—	1,362,481
820,256	—	820,256
354,844	—	354,844
3,112	1,775,847	1,778,959
216,111	46,163	262,274
11,195,047	1,822,010	13,017,057
2,629,342	2,072,986	4,702,328
(52,388,116)	13,334,107	(39,054,009)
(49,758,774)	15,407,093	(34,351,681)

The notes to the financial statements are an integral part of this statement.

CITY OF WILMINGTON, ILLINOIS

Balance Sheet - Governmental Funds - Modified Cash Basis

April 30, 2022

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,151,110
Receivables - Net of Allowances	
Accounts	—
Due from Other Funds	<u>84,831</u>
Total Assets	<u><u>2,235,941</u></u>
<b>LIABILITIES</b>	
Accounts Payable	103,253
Accrued Payroll	431
Other Payable	47,710
Due to Other Funds	<u>5,968</u>
Total Liabilities	157,362
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Grants	<u>—</u>
Total Liabilities and Deferred Inflows of Resources	<u>157,362</u>
<b>FUND BALANCES</b>	
Restricted	18,158
Assigned	82,511
Committed	—
Unassigned	<u>1,977,910</u>
Total Fund Balances	<u><u>2,078,579</u></u>
Total Liabilities and Fund Balances	<u><u>2,235,941</u></u>

The notes to the financial statements are an integral part of this statement.



Special Revenue			
Ridgeport TIF #2	Capital Projects	Nonmajor	Totals
392,384	428,809	1,543,664	4,515,967
—	—	14,451	14,451
—	—	—	84,831
392,384	428,809	1,558,115	4,615,249
—	—	69,429	172,682
—	—	—	431
—	—	—	47,710
28,284	—	56,547	90,799
28,284	—	125,976	311,622
—	384,643	—	384,643
28,284	384,643	125,976	696,265
364,100	—	1,488,939	1,871,197
—	—	—	82,511
—	44,166	—	44,166
—	—	(56,800)	1,921,110
364,100	44,166	1,432,139	3,918,984
392,384	428,809	1,558,115	4,615,249

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis**

**April 30, 2022**

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<b>Total Governmental Fund Balances</b>	\$ 3,918,984
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	17,905,951
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(30,000)
Installment Contract Payable	(117,572)
TIF Notes Payable	<u>(71,436,137)</u>
<b>Net Position of Governmental Activities</b>	<u><u>(49,758,774)</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified  
Cash Basis  
For the Fiscal Year Ended April 30, 2022**

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**See Following Page**

CITY OF WILMINGTON, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis

For the Fiscal Year Ended April 30, 2022

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	<u>General</u>
Revenues	
Taxes	\$ 2,154,554
Intergovernmental	2,575,069
Licenses and Permits	828,341
Charges for Services	262,440
Fines and Forfeitures	90,492
Investment Income	1,896
Miscellaneous	161,372
Total Revenues	<u>6,074,164</u>
Expenditures	
General Government	1,219,752
Public Safety	2,666,347
Highways and Streets	909,517
Capital Outlay	353,330
Debt Service	
Principal Retirement	57,089
Interest and Fiscal Charges	6,149
Total Expenditures	<u>5,212,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>861,980</u>
Other Financing Sources (Uses)	
Transfers In	—
Transfers Out	<u>(202,000)</u>
	<u>(202,000)</u>
Net Change in Fund Balances	659,980
Fund Balances - Beginning	<u>1,418,599</u>
Fund Balances - Ending	<u><u>2,078,579</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue				
Ridgeport TIF #2	Capital Projects	Nonmajor	Totals	
6,282,118	—	1,571	8,438,243	
—	355,619	385,642	3,316,330	
—	—	—	828,341	
—	—	—	262,440	
—	—	450	90,942	
14	368	834	3,112	
—	—	54,739	216,111	
6,282,132	355,987	443,236	13,155,519	
—	—	122	1,219,874	
—	—	39,931	2,706,278	
48,755	291	31,863	990,426	
—	2,343,392	163,783	2,860,505	
857,156	—	130,000	1,044,245	
5,010,388	—	5,226	5,021,763	
5,916,299	2,343,683	370,925	13,843,091	
365,833	(1,987,696)	72,311	(687,572)	
—	75,000	127,000	202,000	
—	—	—	(202,000)	
—	75,000	127,000	—	
365,833	(1,912,696)	199,311	(687,572)	
(1,733)	1,956,862	1,232,828	4,606,556	
364,100	44,166	1,432,139	3,918,984	

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (687,572)

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

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.

Capital Outlays	2,738,649
Depreciation Expense	(465,980)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Issuance of Debt	—
Retirement of Debt	1,044,245
	<hr/>

**Changes in Net Position of Governmental Activities** 2,629,342

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Net Position - Proprietary Funds - Modified Cash Basis**

**April 30, 2022**

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**See Following Page**

CITY OF WILMINGTON, ILLINOIS

Statement of Net Position - Proprietary Funds - Modified Cash Basis

April 30, 2022

	Water Operations	Sewer Operations	Sewer Capital Projects	Nonmajor Water Capital Projects	Totals
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 764,299	—	2,289,356	1,234,659	4,288,314
Receivables - Net of Allowances					
Accounts	711,691	708,664	119,333	40,368	1,580,056
Due from Other Funds	—	—	3,300	340,606	343,906
Total Current Assets	<u>1,475,990</u>	<u>708,664</u>	<u>2,411,989</u>	<u>1,615,633</u>	<u>6,212,276</u>
Noncurrent Assets					
Capital Assets					
Nondepreciable	600,500	911,700	—	—	1,512,200
Depreciable	5,990,492	17,553,794	—	—	23,544,286
Accumulated Depreciation	(2,666,040)	(6,007,288)	—	—	(8,673,328)
Total Noncurrent Assets	<u>3,924,952</u>	<u>12,458,206</u>	<u>—</u>	<u>—</u>	<u>16,383,158</u>
Total Assets	<u>5,400,942</u>	<u>13,166,870</u>	<u>2,411,989</u>	<u>1,615,633</u>	<u>22,595,434</u>

The notes to the financial statements are an integral part of this statement.



	Water Operations	Sewer Operations	Sewer Capital Projects	Nonmajor Water Capital Projects	Totals
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	\$ 51,358	3,062	—	—	54,420
Accrued Payroll	69,760	50,837	—	—	120,597
Other Payables	2,000	—	—	—	2,000
Due to Other Funds	300,437	37,501	—	—	337,938
General Obligation Bonds Payable	—	715,000	—	—	715,000
IEPA Loans Payable	55,722	—	—	—	55,722
Total Current Liabilities	479,277	806,400	—	—	1,285,677
Noncurrent Liabilities					
General Obligation Bonds Payable	—	5,216,193	—	—	5,216,193
IEPA Loans Payable	686,471	—	—	—	686,471
Total Noncurrent Liabilities	686,471	5,216,193	—	—	5,902,664
Total Liabilities	1,165,748	6,022,593	—	—	7,188,341
<b>NET POSITION</b>					
Net Investment in Capital Assets	3,182,759	6,527,013	—	—	9,709,772
Restricted	—	—	—	1,272,930	1,272,930
Unrestricted	1,052,435	617,264	2,411,989	342,703	4,424,391
Total Net Position	4,235,194	7,144,277	2,411,989	1,615,633	15,407,093

The notes to the financial statements are an integral part of this statement.

CITY OF WILMINGTON, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds - Modified Cash Basis  
April 30, 2022

	Water Operations	Sewer Operations	Sewer Capital Projects	Nonmajor Water Capital Projects	Totals
Operating Revenues					
Water and Sewer Charges	\$ 1,639,634	1,595,492	5,961	44,048	3,285,135
Garbage Charges	574,943	—	—	—	574,943
Total Operating Revenues	2,214,577	1,595,492	5,961	44,048	3,860,078
Operating Expenses					
Water and Sewer					
Personnel Services	575,026	476,315	—	—	1,051,341
Contractual Services	550,148	429,464	—	4,851	984,463
Commodities	148,897	71,388	—	—	220,285
Other	71,150	11,741	—	—	82,891
Garbage					
Contractual Services	489,962	—	—	—	489,962
Depreciation	159,697	409,267	—	—	568,964
Total Operating Expenses	1,994,880	1,398,175	—	4,851	3,397,906
Operating Income	219,697	197,317	5,961	39,197	462,172
Nonoperating Revenues (Expenses)					
Investment Income	366,546	1,408,827	268	206	1,775,847
Investment Expense	(25,302)	(185,894)	—	—	(211,196)
Miscellaneous	21,573	12,420	12,170	—	46,163
	362,817	1,235,353	12,438	206	1,610,814
Change in Net Position	582,514	1,432,670	18,399	39,403	2,072,986
Net Position - Beginning as Restated	3,652,680	5,711,607	2,393,590	1,576,230	13,334,107
Net Position - Ending	4,235,194	7,144,277	2,411,989	1,615,633	15,407,093

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds - Modified Cash Basis  
For the Fiscal Year Ended April 30, 2022**

	Water Operations	Sewer Operations	Sewer Capital Projects	Nonmajor Water Capital Projects	Totals
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 1,687,649	1,010,407	25,636	9,281	2,732,973
Payments to Suppliers	(1,311,135)	(1,099,325)	—	(4,851)	(2,415,311)
Payments to Employees	(462,848)	(408,000)	—	—	(870,848)
	<u>(86,334)</u>	<u>(496,918)</u>	<u>25,636</u>	<u>4,430</u>	<u>(553,186)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of Capital Assets	(30,400)	(31,015)	—	—	(61,415)
Principal Retirement	(54,748)	(695,000)	—	—	(749,748)
	<u>(85,148)</u>	<u>(726,015)</u>	<u>—</u>	<u>—</u>	<u>(811,163)</u>
<b>Cash Flows from Investing Activities</b>					
Investment Income	366,546	1,408,827	268	206	1,775,847
Investment Expense	(25,302)	(185,894)	—	—	(211,196)
	<u>341,244</u>	<u>1,222,933</u>	<u>268</u>	<u>206</u>	<u>1,564,651</u>
Net Change in Cash and Cash Equivalents	169,762	—	25,904	4,636	200,302
Cash and Cash Equivalents - Beginning	594,537	—	2,263,452	1,230,023	4,088,012
Cash and Cash Equivalents - Ending	<u>764,299</u>	<u>—</u>	<u>2,289,356</u>	<u>1,234,659</u>	<u>4,288,314</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income	219,697	197,317	5,961	39,197	462,172
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation and Amortization	159,697	409,267	—	—	568,964
Other Income	21,573	12,420	12,170	—	46,163
(Increase) Decrease in Current Assets	(548,501)	(597,505)	7,505	(34,767)	(1,173,268)
Increase (Decrease) in Current Liabilities	61,200	(518,417)	—	—	(457,217)
Net Cash Provided by Operating Activities	<u>(86,334)</u>	<u>(496,918)</u>	<u>25,636</u>	<u>4,430</u>	<u>(553,186)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Fiduciary Net Position - Modified Cash Basis**

**April 30, 2022**

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	<u>Police Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,448,882
Investments	
Corporate Bonds	1,906,679
Foreign Bonds	100,216
Mutual Funds	2,445,498
Stocks	986,256
Receivables - Net of Allowance	
Accrued Interest	20,543
Prepays	3,683
Total Assets	<u>6,911,757</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>1,320</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>6,910,437</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WILMINGTON, ILLINOIS**

**Statement of Changes in Fiduciary Net Position - Modified Cash Basis  
For the Fiscal Year Ended April 30, 2022**

	Police Pension Trust
<hr/> <hr/>	
Additions	
Contributions - Employer	\$ 407,436
Contributions - Plan Members	107,051
Other	128,176
Total Contributions	<u>642,663</u>
Investment Earnings	
Interest Earned	299,049
Net Change in Fair Value	<u>(506,093)</u>
	(207,044)
Less Investment Expenses	<u>(35,411)</u>
Net Investment Income	<u>(242,455)</u>
Total Additions	<u>400,208</u>
Deductions	
Benefits and Refunds	381,559
Administration	41,249
Total Deductions	<u>422,808</u>
Change in Fiduciary Net Position	(22,600)
Net Position Restricted for Pensions	
Beginning	<u>6,933,037</u>
Ending	<u><u>6,910,437</u></u>

The notes to the financial statements are an integral part of this statement.

# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wilmington, Illinois (the City) operates under a Aldermanic City form of government. The basic financial statements of the City have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the City's accounting policies are described below.

#### REPORTING ENTITY

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety, and highways and streets services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a modified cash, economic resource basis, which recognizes some long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, licenses and permits, fines and forfeitures, charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, highways and streets, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, investment income, etc.).

The City does not allocate indirect costs. If the City were to allocate indirect costs, then an administrative service fee would be charged by the General Fund to the other operating funds that would be eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

##### Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

*General Fund* is the general 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 is a major fund.

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Ridgeport TIF #2 Fund is a major fund and is used to account for revenues restricted for capital projects and City road maintenance as a result of the Ridgeport TIF. Additionally, the City maintains four nonmajor special revenue funds.

*Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains one nonmajor debt service fund.

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund is a major fund and accounts for revenues and expenditures relative to the construction of capital improvements.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

*Enterprise funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains four major enterprise funds. The Water Fund is used to account for the provision of water and garbage services to the residents of the City. The Water Capital Projects Fund is used to account for water revenues and expenditures relating to the water expansion and improvements. The Sewer Fund is used to account for the provision of sewer services to the residents of the City. The Sewer Capital Projects Fund is used to account for sewer revenues and expenditures related to sewer expansion and improvements.



# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fiduciary Fund

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

*Pension trust funds* are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force.

The City's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, this fund is not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Some assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary, pension trust and custodial funds equity is classified as net position.

# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the City records capital assets, depreciation, and long-term debt.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ASSETS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

##### Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**ASSETS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Vehicles	5 - 15 Years
Equipment	5 - 75 Years
Improvements	10 - 20 Years
Infrastructure	10 - 75 Years
Buildings	10 - 50 Years

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

##### Net Position

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

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

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 amount.

Prior to July 31, the appropriation ordinance is legally adopted through the passage of an ordinance.

The 2022 appropriation ordinance was not amended. Transfers between line items of the appropriation must be approved by the City officials. All annual appropriations lapse at fiscal year-end.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued**

**DEFICIT FUND BALANCE**

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
ESDA	\$ 25,196
Mobile Equipment	31,604

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
ESDA	\$ 4,292
Bond and Interest	100,448

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

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 standard rating services, the Illinois Funds, and the Illinois Trust.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

The Illinois Trust was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

Notes to the Financial Statements

April 30, 2022

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

The deposits and investments of the Pension Trust Fund are held separately from those of other City funds. Statutes authorize the Pension Trust Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Trust Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

Pension Trust Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Trust Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Trust Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

**City - Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk**

*Deposits.* At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$1,545,278 the bank balances totaled \$1,895,895. In addition, the City has \$6,992,603 invested in Illinois Funds and \$266,400 in the Illinois Trust at year-end, which have an average maturity of less than one year and are measured at net asset value per share as determined by the pool.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. At year-end, the City's investment in Illinois Funds and Illinois Trust were rated AAAM by Standard & Poor's.

CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk - Continued

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that deposits in excess of federally insured amounts to be collateralized to the extent of 110% and evidenced by a written agreement. At year-end, \$238,135 of the bank balance of the deposits was not covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk for investments. The Illinois Funds and Illinois Trust investments are not subject to custodial credit risk.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not address concentration of credit risk. At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk**

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$1,448,882 and the bank balances totaled \$1,456,880.

*Investments.* The Fund has the following recurring fair value measurements as of April 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Corporate Bonds	\$ 1,906,679	99,829	1,806,850	—	—
Foreign Bonds	100,216	100,216	—	—	—
Totals	2,006,895	200,045	1,806,850	—	—

CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

*Investments - Continued.* The Fund has the following recurring fair value measurements as of April 30, 2022:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Corporate Bonds	\$ 1,906,679	—	1,906,679	—
Foreign Bonds	100,216	—	100,216	—
Equity Securities				
Mutual Funds	2,445,498	2,445,498	—	—
Stocks	986,256	986,256	—	—
Total Investments by Fair Value Level	5,438,649	3,431,754	2,006,895	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Interest Rate Risk.* The Fund limits its exposure to interest rate risk structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market. To the extent possible, the Fund attempts to match the maturity schedule of its investment with anticipated cash flows requirements.

*Credit Risk.* The Fund limits its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government, state and local obligations, negotiable certificates of deposit and in corporate bonds rated at investment grade by two or more nationally recognized rating agencies. The corporate bonds were rated A3 to BBB- by Moody's and the foreign bonds were rated A- by Standard & Poor's.

*Custodial Credit Risk.* The Fund's investment policy required pledging of collateral for its deposits in excess of federal depository insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

*Concentration of Credit Risk.* The Fund's investment policy limits the amount invested in any one entity to not exceed 10%. This limitation does not apply to U.S. Treasury or agencies held in safekeeping by an authorized custodian. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.



**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued**

*Concentration of Credit Risk - Continued.* The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	0% - 100%	(2.10%)
Equity	0% - 65%	5.70%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in May 2022 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of April 30, 2022, are listed in the table above.

**Rate of Return**

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (3.42%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Projects	General	\$ 75,000
Nonmajor Governmental	General	127,000
		<u>202,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**INTERFUND BALANCES**

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made.

The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Riverport TIF #2	\$ 28,284
General	Nonmajor Governmental	56,547
Water Capital Projects	General	2,863
Water Capital Projects	Sewer	337,743
Sewer Capital Projects	General	3,105
Sewer Capital Projects	Water	<u>195</u>
		<u>428,737</u>

**PROPERTY TAXES**

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**TOWER AND LAND LEASE REVENUE**

The City entered into an agreement with T-Mobile Central LLC for the use of the City's cellular tower. The agreement renews every five years, with the last renewal in August 2016. T-Mobile leases a portion of the tower from the City for \$1,840 per month. The City received \$22,077 from T-Mobile under the lease agreement for the year ended April 30, 2022.

The City entered into a lease agreement with Wilmington Junior Football and Cheerleading League to use the land located at 845 Widows Road for an annual payment of \$1. The City entered into a similar lease with the Wilmington Little League for \$1 per year for 19 years for the use of the City's ballparks.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending
<b>Nondepreciable Capital Assets</b>				
Land	\$ 7,272,251	—	—	7,272,251
Construction in Progress	2,208,641	2,514,156	2,556,091	2,166,706
	<u>9,480,892</u>	<u>2,514,156</u>	<u>2,556,091</u>	<u>9,438,957</u>
<b>Depreciable Capital Assets</b>				
Vehicles	1,078,186	111,998	—	1,190,184
Equipment	1,180,036	48,995	—	1,229,031
Improvements	1,054,273	274,382	—	1,328,655
Infrastructure	2,748,153	2,345,209	—	5,093,362
Buildings	4,923,642	—	—	4,923,642
	<u>10,984,290</u>	<u>2,780,584</u>	<u>—</u>	<u>13,764,874</u>
<b>Less Accumulated Depreciation</b>				
Vehicles	843,690	110,570	—	954,260
Equipment	1,079,294	34,226	—	1,113,520
Improvements	418,574	66,938	—	485,512
Infrastructure	640,029	127,334	—	767,363
Buildings	1,850,313	126,912	—	1,977,225
	<u>4,831,900</u>	<u>465,980</u>	<u>—</u>	<u>5,297,880</u>
<b>Total Net Depreciable Capital Assets</b>	<u>6,152,390</u>	<u>2,314,604</u>	<u>—</u>	<u>8,466,994</u>
<b>Total Net Capital Assets</b>	<u>15,633,282</u>	<u>4,828,760</u>	<u>2,556,091</u>	<u>17,905,951</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 92,902
Public Safety	135,282
Highways and Streets	<u>237,796</u>
	<u>465,980</u>

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS - Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,512,200	—	—	1,512,200
<b>Depreciable Capital Assets</b>				
Vehicles	372,075	—	—	372,075
Equipment	445,526	61,415	—	506,941
Buildings	17,173,088	—	—	17,173,088
Improvements	5,492,182	—	—	5,492,182
	<u>23,482,871</u>	<u>61,415</u>	<u>—</u>	<u>23,544,286</u>
<b>Less Accumulated Depreciation</b>				
Vehicles	302,950	23,371	—	326,321
Equipment	391,566	29,127	—	420,693
Buildings	5,681,563	437,727	—	6,119,290
Improvements	1,663,115	143,909	—	1,807,024
	<u>8,039,194</u>	<u>634,134</u>	<u>—</u>	<u>8,673,328</u>
Total Net Depreciable Capital Assets	<u>15,443,677</u>	<u>(572,719)</u>	<u>—</u>	<u>14,870,958</u>
Total Net Capital Assets	<u><u>16,955,877</u></u>	<u><u>(572,719)</u></u>	<u><u>—</u></u>	<u><u>16,383,158</u></u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 159,697
Sewer	<u>474,437</u>
	<u><u>634,134</u></u>

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT**

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retiremen	Ending Balances
\$220,000 General Obligation Refunding (ARS) Bonds of 2015, due in annual installments of \$15,000 to \$120,000 plus interest at 0.50% to 2.50% through December 1, 2021.	Bond and Interest	\$ 100,000	—	100,000	—
\$315,000 Special Service Area #1 (Deer Ridge Park) Special Tax Bonds of 2008, due in annual installments of \$10,000 to \$30,000 plus interest at 6.50% through January 15, 2023.	Bond and Interest	60,000	—	30,000	30,000
\$6,530,000 General Obligation Refunding (ARS) Bonds of 2020, due in annual installments of \$360,000 to \$855,000 plus interest at 3.00% through December 1, 2028.	Sewer	6,170,000	—	695,000	5,475,000
		<u>6,330,000</u>	<u>—</u>	<u>825,000</u>	<u>5,505,000</u>

**Installment Contract Payable**

The City also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retiremen	Ending Balances
Installment Contract of 2018, due in annual installments of \$63,228 including interest at 3.47% through May 15, 2023.	General	\$ 174,661	—	57,089	117,572

CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

TIF Notes Payable

TIF notes payable are issued to reimburse developers for qualifying costs incurred in the tax increment financing (TIF) districts and are expected to be repaid solely from tax increment financing revenues. Since these revenues are not determinable, there is no debt service requirement to maturity schedule. None of the TIF notes payable produced a capital asset owned by the Village. Developer notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Restated Beginning Balances	Issuances	Retirements	Ending Balances
TIF Note of 2014 not to exceed \$26,131,751, interest payable in annual installments at 5.6%, principal due in annual payments through May 13, 2032.	Ridgeport TIF #2	\$ 26,131,751	—	—	26,131,751
TIF Note of 2014A not to exceed \$34,044,446, interest payable in annual installments at variable interest and principal due in annual payments through May 13, 2032.	Ridgeport TIF #2	34,044,446	—	—	34,044,446
TIF Note of 2015 not to exceed \$3,449,202, interest payable in annual installments at 6.927%, principal due in annual payments through October 15, 2027.	Ridgeport TIF #2	2,878,456	—	311,352	2,567,104
TIF Note of 2015A not to exceed \$667,464, interest payable in annual installments at 6.985%, principal due in annual payments through December 14, 2027.	Ridgeport TIF #2	644,095	—	10,632	633,463
TIF Note of 2020 not to exceed \$5,182,825, interest payable in annual installments at 3.477%, principal due in annual payments through December 31, 2034.	Ridgeport TIF #2	4,863,895	—	159,768	4,704,127
TIF Note of 2021 not to exceed \$3,730,650, interest payable in annual installments at 5.225%, principal due in annual payments through December 31, 2027.	Ridgeport TIF #2	3,730,650	—	375,404	3,355,246
		<u>72,293,293</u>	<u>—</u>	<u>857,156</u>	<u>71,436,137</u>

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**IEPA Loans Payable**

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retiremen	Ending Balances
Illinois Environmental Protection Agency Loan Payable of 2012, due in annual installments of \$28,538 including interest at 1.25% through August 6, 2032.	Water	\$ 292,439	—	24,960	267,479
Illinois Environmental Protection Agency Loan Payable of 2016, due in annual installments of \$40,742 including interest at 2.21% through October 17, 2035.	Water	504,502	—	29,788	474,714
		<u>796,941</u>	<u>—</u>	<u>54,748</u>	<u>742,193</u>

**Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 160,000	—	130,000	30,000	30,000
Installment Contract	174,661	—	57,089	117,572	59,070
TIF Notes Payable	72,293,293	—	857,156	71,436,137	—
	<u>72,627,954</u>	<u>—</u>	<u>1,044,245</u>	<u>71,583,709</u>	<u>89,070</u>
<b>Business-Type Activities</b>					
General Obligation Bonds	6,170,000	—	695,000	5,475,000	715,000
Plus: Unamortized Premium	521,363	—	65,170	456,193	—
IEPA Loans	796,941	—	54,748	742,193	55,722
	<u>7,488,304</u>	<u>—</u>	<u>814,918</u>	<u>6,673,386</u>	<u>770,722</u>

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Long-Term Liabilities Activity - Continued**

For the governmental activities, payments on the general obligation bonds are made by the Bond and Interest Fund, payments on the general obligation bonds and installment contract are made by the General Fund, and the TIF notes payable are made by the Ridgeport TIF #2 Fund.

Additionally, for business-type activities, payments on the general obligation bonds are made by the Sewer Fund and the IEPA Loans are liquidated by the Water Fund.

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities			
	General Obligation Bonds		Installment Contracts		General Obligation Bonds		IEPA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 30,000	3,976	59,070	4,077	715,000	153,525	55,722	13,558
2024	—	—	58,502	1,936	735,000	131,775	56,716	12,564
2025	—	—	—	—	755,000	109,425	57,728	11,552
2026	—	—	—	—	780,000	86,400	58,761	10,519
2027	—	—	—	—	805,000	62,625	59,812	9,468
2028	—	—	—	—	830,000	38,100	60,885	8,395
2029	—	—	—	—	855,000	12,825	61,976	7,304
2030	—	—	—	—	—	—	63,089	6,191
2031	—	—	—	—	—	—	64,226	5,054
2032	—	—	—	—	—	—	65,382	3,898
2033	—	—	—	—	—	—	37,934	2,808
2034	—	—	—	—	—	—	38,777	1,965
2035	—	—	—	—	—	—	39,639	1,103
2036	—	—	—	—	—	—	21,546	219
Totals	30,000	3,976	117,572	6,013	5,475,000	594,675	742,193	94,598



CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2021	<u>\$ 150,266,588</u>
Legal Debt Limit - 8.625% of Assessed Value	12,960,493
Amount of Debt Applicable to Limit	
General Obligation Bonds of 2020	5,505,000
Installment Contract of 2018	<u>117,572</u>
	<u>5,622,572</u>
Legal Debt Margin	<u>7,337,921</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 17,905,951
Less Capital Related Debt:	
General Obligation Bonds	(30,000)
Installment Contract	<u>(117,572)</u>
Net Investment in Capital Assets	<u>17,758,379</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	16,383,158
Less Capital Related Debt:	
General Obligation Bonds	(5,475,000)
Unamortized Premium	(456,193)
IEPA Loans	<u>(742,193)</u>
Net Investment in Capital Assets	<u>9,709,772</u>

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS**

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City has adopted a financial policy authorizing the City Manager to assign amounts for a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS - Continued**

	General	Special Revenue Ridgeport TIF #2	Capital Projects	Nonmajor	Totals
<b>Restricted</b>					
K9 Unit	\$ 18,158	—	—	—	18,158
TIF #2	—	364,100	—	—	364,100
Motor Fuel Tax	—	—	—	901,244	901,244
Drug Free Community Grant	—	—	—	585	585
Debt Service	—	—	—	587,110	587,110
	<u>18,158</u>	<u>364,100</u>	<u>—</u>	<u>1,488,939</u>	<u>1,871,197</u>
<b>Assigned</b>					
Catfish Days	11,025	—	—	—	11,025
Building Deposit	43,674	—	—	—	43,674
Police Custodial Funds	27,812	—	—	—	27,812
	<u>82,511</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>82,511</u>
<b>Committed</b>					
Capital Projects	—	—	44,166	—	44,166
<b>Unassigned</b>					
	<u>1,977,910</u>	<u>—</u>	<u>—</u>	<u>(56,800)</u>	<u>1,921,110</u>
<b>Total Fund Balances</b>	<u><u>2,078,579</u></u>	<u><u>364,100</u></u>	<u><u>44,166</u></u>	<u><u>1,432,139</u></u>	<u><u>3,918,984</u></u>

**NET POSITION RESTATEMENT**

As of April 30, 2022, the City has restated beginning net position to correct errors in recognition of capital assets and TIF notes payable. See net position as originally report and as restated.

Net Position	As Reported	As Restated	Increase/ (Decrease)
Governmental Activities	\$ 17,969,179	(52,388,116)	(70,357,295)
Business-Type Activities	13,408,761	13,334,107	(74,654)
Water Operating	4,392,118	3,652,680	(739,438)
Sewer Operating	5,046,823	5,711,607	664,784

# CITY OF WILMINGTON, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 4 - OTHER INFORMATION

#### RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. 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. The City participates in a municipal insurance cooperative called Illinois Municipal Insurance Co-Op (IMIC) with 19 municipal members. IMIC covers all of the City's property and liability insurance. There have been no significant reductions in coverage from the prior year for the City's policies. Since there have been no settlements, they have not exceeded coverage in the past three years.

#### CONTINGENT LIABILITIES

##### Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

##### Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

#### COMMITMENTS

##### RidgePort TIF #2 District

The City entered into a redevelopment agreement with the RidgePort Center to facilitate the construction of the RidgePort Logistics Center within city boundaries on May 18, 2010, thereby creating the RidgePort TIF #2 District. The Agreement has since undergone several amendments to increase the size of the TIF District to induce more job creation and enhance the tax base of the City.

The City used incremental revenues of \$6,282,118 to pay for development project costs and obligations incurred during the RidgePort Logistics Center construction in 2021.

The City made payments totaling \$5,867,544 from the TIF Fund for construction projects and related engineering and professional fees during the current fiscal year, per an approved agreement. In addition, the City did not reimburse RidgePort Logistics Center for a sales tax credit during 2021.

Notes to the Financial Statements

April 30, 2022

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF, and the Police Pension Plan which is a single-employer pension plan. Publicly available financial reports that include financial statements and required supplementary information (RSI) for the Police Pension Plan may be obtained by writing to the City at 1165 S. Water St., Wilmington, Illinois 60481. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

**Illinois Municipal Retirement Fund (IMRF)**

**Plan Descriptions**

*Plan Administration.* All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*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).

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Plan Membership.* As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

	Regular	SLEP
Inactive Plan Members Currently Receiving Benefits	33	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	23	—
Active Plan Members	21	1
Total	77	1

*Contributions.* As set by statute, the City’s Regular Plan and SLEP Plan Members are required to contribute 4.50% 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. For the fiscal year-ended April 30, 2022, the City’s contribution was 8.83% of covered payroll for the Regular Plan and 8.78% of covered payroll for the SLEP plan.

*Net Pension Liability/(Asset).* The City’s net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

	Regular	SLEP
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value
Actuarial Assumptions		
Interest Rate	7.25%	7.25%
Salary Increases	2.85% to 13.75%	2.85% to 13.75%
Cost of Living Adjustments	2.75%	2.75%
Inflation	2.25%	2.25%

CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The discount rate is for both the Regular and the SLEP plan. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the City's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the City calculated using the discount rate as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Regular Plan		
	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (796,068)	(1,999,755)	(2,936,524)

  

	SLEP Plan		
	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 58,733	28,957	3,780



CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset) - Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 9,946,911	10,842,506	(895,595)
Changes for the Year:			
Service Cost	121,943	—	121,943
Interest on the Total Pension Liability	705,544	—	705,544
Difference between Expected and Actual Experience of the total Pension Liability	(35,555)	—	(35,555)
Contributions - Employer	—	143,827	(143,827)
Contributions - Employees	—	62,776	(62,776)
Net Investment Income	—	1,864,361	(1,864,361)
Benefit Payments, Including Refunds of Employee Contributions	(552,491)	(552,491)	—
Other (Net Transfer)	—	(174,872)	174,872
Net Changes	239,441	1,343,601	(1,104,160)
Balances at December 31, 2021	10,186,352	12,186,107	(1,999,755)

CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability - SLEP Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 176,436	152,086	24,350
Changes for the Year:			
Service Cost	19,810	—	19,810
Interest on the Total Pension Liability	13,510	—	13,510
Difference between Expected and Actual Experience of the total Pension Liability	13,992	—	13,992
Contributions - Employer	—	14,803	(14,803)
Contributions - Employees	—	8,756	(8,756)
Net Investment Income	—	21,937	(21,937)
Benefit Payments, Including Refunds of Employee Contributions	—	—	—
Other (Net Transfer)	—	(2,791)	2,791
Net Changes	47,312	42,705	4,607
Balances at December 31, 2021	223,748	194,791	28,957

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2022, the City recognized pension expense of \$130,103 for the Regular Plan and a pension expense of \$9,931 for the SLEP Plan on a modified cash basis. At April 30, 2022, the City would report deferred outflows of resources and deferred inflows of resources related to pensions, on a GAAP basis, from the following sources:

	Regular Plan		SLEP Plan		Totals
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	
Difference Between Expected and Actual Experience	\$ —	(105,069)	23,694	—	(81,375)
Change in Assumptions	—	(28,935)	1,842	(2,063)	(29,156)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,470,443)	—	(12,475)	(1,482,918)
Total Pension Expense to be Recognized in Future Periods	—	(1,604,447)	25,536	(14,538)	(1,593,449)
Pension Contributions Made Subsequent to the Measurement Date	27,688	—	—	—	27,688
Total Deferred Amounts Related to IMRF & SLEP	27,688	(1,604,447)	25,536	(14,538)	(1,565,761)

\$27,688 would be reported on a GAAP basis as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Amounts that would be reported under the GAAP basis of accounting as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	Regular Plan	SLEP Plan	Totals
2023	\$ (446,736)	1,858	(444,878)
2024	(574,551)	357	(574,194)
2025	(363,727)	1,677	(362,050)
2026	(219,433)	2,732	(216,701)
2027	—	3,714	3,714
Thereafter	—	660	660
Totals	(1,604,447)	10,998	(1,593,449)

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan**

**Plan Descriptions**

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At April 30, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	<u>16</u>
Total	<u><u>30</u></u>

*Benefits Provided.* The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit shall be increased by 2.5 percent of such 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 eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer 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.

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Plan Descriptions - Continued**

*Benefits Provided - Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older 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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  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.,  $\frac{1}{2}$  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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the preceding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension 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 is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2022, the City's contribution was 37.88% of covered payroll.

*Concentrations.* At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.25%
Salary Increases	3.75% - 6375%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the PubS-2010(A) improved generationally using MP-2019 improvement rates.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 5,724,080	3,916,024	2,470,984

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 10,337,959	6,933,037	3,404,922
Changes for the Year:			
Service Cost	298,458	—	298,458
Interest on the Total Pension Liability	616,898	—	616,898
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(45,295)	—	(45,295)
Changes of Assumptions	—	—	—
Contributions - Employer	—	407,436	(407,436)
Contributions - Employees	—	107,051	(107,051)
Contributions - Other	—	128,176	(128,176)
Net Investment Income	—	(242,455)	242,455
Benefit Payments, Including Refunds of Employee Contributions	(381,559)	(381,559)	—
Other (Net Transfer)	—	(41,249)	41,249
Net Changes	488,502	(22,600)	511,102
Balances at April 30, 2022	10,826,461	6,910,437	3,916,024

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2022, the City recognized pension expense of \$407,436 on a modified cash basis. At April 30, 2022, the City would report deferred outflows of resources and deferred inflows of resources related to pensions, on a GAAP basis, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(610,320)	(610,320)
Change in Assumptions	188,602	(34,099)	154,503
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	252,681	—	252,681
<b>Total Deferred Amounts Related to Police Pension</b>	<b>441,283</b>	<b>(644,419)</b>	<b>(203,136)</b>

Amounts that would be reported under the GAAP basis of accounting as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (20,715)
2024	(34,489)
2025	(104,711)
2026	49,416
2027	(60,828)
Thereafter	(31,809)
<b>Total</b>	<b>(203,136)</b>



CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

*Plan Description.* The City's defined benefit OPEB plan, City of Wilmington Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. The RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

*Plan Membership.* As of April 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	10
Active Plan Members	<u>—</u>
Total	<u><u>46</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of April 30, 2021.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.25%
Discount Rate	3.21%
Healthcare Cost Trend Rates	For HMO, 6.60% in 2022 decreasing to an ultimate rate of 5.00% in years 2031 and later. For H.S.A., 7.20% decreasing to an ultimate rate of 5.00% in years 2031 and later. For PPO, 7.70% decreasing to an ultimate rate of 5.00% in years 2031 and later.
Retirees' Share of Benefit-Related Costs	100% of the projected health insurance premiums for retirees

CITY OF WILMINGTON, ILLINOIS

Notes to the Financial Statements

April 30, 2022

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Total OPEB Liability - Continued**

*Actuarial Assumptions and Other Inputs - Continued.* The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on PubS-2010(A) Study improved to 2017 using MP-2019 improvement rates, applied generationally.

**Change in the Total OPEB Liability**

	Total OPEB Liability
Balance at April 30, 2021	\$ 1,531,871
Changes for the Year:	
Service Cost	19,964
Interest on the Total OPEB Liability	33,424
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(205,621)
Benefit Payments	(118,883)
Net Changes	(271,116)
Balance at April 30, 2022	1,260,755

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The discount rate used to measure the total pension liability was 3.21%, while the prior valuation used 2.27%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB Liability	\$ 1,355,164	1,260,755	1,179,498

**CITY OF WILMINGTON, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		Healthcare Cost		
	1% Decrease (Varies)	Trend Rates (Varies)	1% Increase (Varies)	
Total OPEB Liability	\$ 1,162,220	1,260,755	1,375,187	

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended April 30, 2022, the City recognized OPEB expense of \$118,883 on a modified cash basis. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expenses, resulting in no deferred outflows or resources or deferred inflows of resources related to OPEB. At April 30, 2022, the City did not report deferred outflows of resources and deferred inflows of resources related to OPEB.

**DEFERRED COMPENSATION**

The City offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan 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. Contributions to the deferred compensation plan were \$30,540 for the year ended April 30, 2022.

**SUBSEQUENT EVENT**

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The City has been allocated \$768,643 to be received in two installments. On May 1, 2022 the City received their first installment of \$384,000. On September 14, 2022, the City received their second installment of \$384,643.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
  - Illinois Municipal Retirement Fund - Regular Plan
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)
  - Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
  - Illinois Municipal Retirement Fund - Regular Plan
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)
  - Police Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan
- Budgetary Comparison Schedules
  - General Fund
  - Ridgeport TIF #2 - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

**CITY OF WILMINGTON, ILLINOIS**

**Illinois Municipal Retirement Fund - Regular Plan  
Schedule of Employer Contributions  
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 137,062	\$ 137,062	\$ —	\$ 1,372,005	9.99%
2017	140,045	140,045	—	1,408,915	9.94%
2018	133,693	133,693	—	1,340,952	9.97%
2019	125,178	126,293	1,115	1,282,565	9.85%
2020	96,348	96,348	—	1,284,625	7.50%
2021	140,994	140,994	—	1,317,704	10.70%
2022	130,103	130,103	—	1,473,211	8.83%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 15.15%, including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**CITY OF WILMINGTON, ILLINOIS**

**Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)**

**Schedule of Employer Contributions**

**April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ —	\$ 12,531	\$ 12,531	\$ 86,304	14.52%
2017	14,386	14,386	—	92,104	15.62%
2018	10,260	10,260	—	97,243	10.55%
2019	11,433	11,433	—	104,024	10.99%
2020	11,219	11,219	—	106,951	10.49%
2021	13,726	13,726	—	115,929	11.84%
2022	9,931	9,931	—	113,159	8.78%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 15.15%, including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**CITY OF WILMINGTON, ILLINOIS**

**Police Pension Fund  
Schedule of Employer Contributions  
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 314,088	\$ 335,691	\$ 21,603	\$ 874,560	38.38%
2016	343,756	374,680	30,924	852,379	43.96%
2017	953,993	383,176	(570,817)	851,118	45.02%
2018	391,681	400,699	9,018	878,779	45.60%
2019	384,553	404,836	20,283	908,328	44.57%
2020	390,272	400,920	10,648	997,863	40.18%
2021	399,779	403,153	3,374	1,033,365	39.01%
2022	470,876	407,436	(63,440)	1,075,696	37.88%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	6.25%
Retirement Age	Graded by Age
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

**CITY OF WILMINGTON, ILLINOIS**

**Illinois Municipal Retirement Fund - Regular Plan  
Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
April 30, 2022**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 155,644
Interest	527,128
Differences Between Expected and Actual Experience	(69,862)
Change of Assumptions	9,133
Benefit Payments, Including Refunds of Member Contributions	<u>(396,215)</u>
Net Change in Total Pension Liability	225,828
Total Pension Liability - Beginning	<u>7,148,665</u>
 Total Pension Liability - Ending	 <u><u>7,374,493</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	137,062
Contributions - Members	61,740
Net Investment Income	34,854
Benefit Payments, Including Refunds of Member Contributions	(396,215)
Other (Net Transfer)	<u>(151,533)</u>
Net Change in Plan Fiduciary Net Position	(314,092)
Plan Net Position - Beginning	<u>7,069,419</u>
 Plan Net Position - Ending	 <u><u>6,755,327</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ 619,166</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  91.60%
 Covered Payroll	 \$ 1,372,005
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	  45.13%

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.



12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
161,036	143,030	126,872	137,504	128,950	121,943
544,174	634,912	650,084	682,584	713,890	705,544
930,091	171,205	204,049	151,618	(299,176)	(35,555)
(10,309)	(268,608)	267,043	—	(105,613)	—
(379,344)	(452,336)	(487,989)	(524,413)	(546,836)	(552,491)
1,245,648	228,203	760,059	447,293	(108,785)	239,441
7,374,493	8,620,141	8,848,344	9,608,403	10,055,696	9,946,911
8,620,141	8,848,344	9,608,403	10,055,696	9,946,911	10,186,352
140,045	133,693	126,293	96,348	140,994	143,827
63,401	60,343	58,203	57,808	59,297	62,776
465,177	1,435,325	(522,803)	1,606,897	1,419,391	1,864,361
(379,344)	(452,336)	(487,989)	(524,413)	(546,836)	(552,491)
998,683	(112,998)	214,933	97,110	(60,043)	(174,872)
1,287,962	1,064,027	(611,363)	1,333,750	1,012,803	1,343,601
6,755,327	8,043,289	9,107,316	8,495,953	9,829,703	10,842,506
8,043,289	9,107,316	8,495,953	9,829,703	10,842,506	12,186,107
576,852	(258,972)	1,112,450	225,993	(895,595)	(1,999,755)
93.31%	102.93%	88.42%	97.75%	109.00%	119.63%
1,408,915	1,340,952	1,282,565	1,284,625	1,317,704	1,395,025
40.94%	(19.31%)	86.74%	17.59%	(67.97%)	(143.35%)

**CITY OF WILMINGTON, ILLINOIS**

**Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Plan (SLEP)**

**Schedule of Changes in the Employer's Net Pension Liability**

**April 30, 2022**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 14,341
Interest	42,791
Differences Between Expected and Actual Experience	(119,467)
Change of Assumptions	(1,111)
Benefit Payments, Including Refunds of Member Contributions	—
Net Change in Total Pension Liability	<u>(63,446)</u>
Total Pension Liability - Beginning	<u>565,661</u>
 Total Pension Liability - Ending	 <u><u>502,215</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	12,531
Contributions - Members	6,473
Net Investment Income	2,758
Benefit Payments, Including Refunds of Member Contributions	—
Other (Net Transfer)	<u>(70,327)</u>
Net Change in Plan Fiduciary Net Position	<u>(48,565)</u>
Plan Net Position - Beginning	<u>542,051</u>
 Plan Net Position - Ending	 <u><u>493,486</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 8,729</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  98.26%
 Covered Payroll	 \$ 86,304
 Employer's Net Pension Liability as a Percentage of Covered Payroll	  10.11%

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
16,126	16,993	17,240	19,141	19,912	19,810
38,220	4,660	6,322	8,495	10,707	13,510
(502,848)	2,504	4,740	2,491	9,716	13,992
(82)	(2,116)	3,626	—	(1,626)	—
—	—	—	—	—	—
(448,584)	22,041	31,928	30,127	38,709	47,312
502,215	53,631	75,672	107,600	137,727	176,436
53,631	75,672	107,600	137,727	176,436	223,748
14,386	10,260	11,433	11,219	13,726	14,803
6,908	7,293	7,802	8,021	8,695	8,756
36,908	7,152	(1,651)	13,423	14,547	21,937
—	—	—	—	—	—
(505,775)	(1,715)	(1,299)	(1,462)	(1,271)	(2,791)
(447,573)	22,990	16,285	31,201	35,697	42,705
493,486	45,913	68,903	85,188	116,389	152,086
45,913	68,903	85,188	116,389	152,086	194,791
7,718	6,769	22,412	21,338	24,350	28,957
85.61%	91.05%	79.17%	84.51%	86.20%	87.06%
92,104	97,243	104,024	106,951	115,929	116,740
8.38%	6.96%	21.55%	19.95%	21.00%	24.80%

**CITY OF WILMINGTON, ILLINOIS**

**Police Pension Fund**

**Schedule of Changes in the Employer's Net Pension Liability**

**April 30, 2022**

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 248,151
Interest	477,927
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	<u>(291,261)</u>
Net Change in Total Pension Liability	434,817
Total Pension Liability - Beginning	<u>7,498,341</u>
Total Pension Liability - Ending	<u><u>7,933,158</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	335,691
Contributions - Members	86,701
Contributions - Other	—
Net Investment Income	100,344
Benefit Payments, Including Refunds of Member Contributions	(291,261)
Administrative Expenses	<u>(25,321)</u>
Net Change in Plan Fiduciary Net Position	206,154
Plan Net Position - Beginning	<u>4,058,459</u>
Plan Net Position - Ending	<u><u>4,264,613</u></u>
Employer's Net Pension Liability	<u><u>\$ 3,668,545</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.76%
Covered Payroll	\$ 874,560
Employer's Net Pension Liability as a Percentage of Covered Payroll	419.47%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022
223,133	241,473	256,565	263,958	280,186	292,888	298,458
486,936	540,365	534,797	565,970	580,147	609,626	616,898
—	—	—	—	99,847	—	—
(5,840)	(483,383)	(535)	(280,736)	(162,103)	(185,224)	(45,295)
439,581	(96,679)	—	—	94,224	—	—
(284,366)	(293,539)	(288,187)	(295,907)	(348,823)	(379,573)	(381,559)
859,444	(91,763)	502,640	253,285	543,478	337,717	488,502
7,933,158	8,792,602	8,700,839	9,203,479	9,456,764	10,000,242	10,337,959
8,792,602	8,700,839	9,203,479	9,456,764	10,000,242	10,337,959	10,826,461
374,680	383,176	400,699	404,836	400,920	403,153	407,436
88,541	92,567	84,071	93,921	98,355	102,957	107,051
—	44,748	—	—	—	—	128,176
(42,810)	247,426	184,765	259,628	58,050	1,072,464	(242,455)
(284,366)	(293,538)	(288,187)	(295,907)	(348,823)	(379,573)	(381,559)
(29,466)	(26,165)	(30,025)	(32,631)	(38,453)	(36,589)	(41,249)
106,579	448,214	351,323	429,847	170,049	1,162,412	(22,600)
4,264,613	4,371,192	4,819,406	5,170,729	5,600,576	5,770,625	6,933,037
4,371,192	4,819,406	5,170,729	5,600,576	5,770,625	6,933,037	6,910,437
4,421,410	3,881,433	4,032,750	3,856,188	4,229,617	3,404,922	3,916,024
49.71%	55.39%	56.18%	59.22%	57.70%	67.06%	63.83%
852,379	851,118	878,779	908,328	997,863	1,033,365	1,075,696
518.71%	456.04%	458.90%	424.54%	423.87%	329.50%	364.05%

**CITY OF WILMINGTON, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns**

**April 30, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	2.23%
2016	1.52%
2017	2.24%
2018	(0.13%)
2019	7.28%
2020	(3.80%)
2021	18.70%
2022	(3.42%)

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**CITY OF WILMINGTON, ILLINOIS**

**Retiree Benefit Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**April 30, 2022**

	4/30/2019	4/30/2020	4/30/2021	4/30/2022
Total OPEB Liability				
Service Cost	\$ 9,333	9,928	11,886	19,964
Interest	65,930	61,694	43,923	33,424
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	—	—	(273,126)	—
Change of Assumptions or Other Inputs	20,754	143,449	94,417	(205,621)
Benefit Payments	(124,040)	(133,077)	(121,981)	(118,883)
Net Change in Total OPEB Liability	(28,023)	81,994	(244,881)	(271,116)
Total OPEB Liability - Beginning	1,722,781	1,694,758	1,776,752	1,531,871
Total OPEB Liability - Ending	1,694,758	1,776,752	1,531,871	1,260,755
Covered-Employee Payroll	\$ 2,272,158	2,328,962	2,472,405	1,594,780
Total OPEB Liability as a Percentage of Covered-Employee Payroll	74.59%	76.29%	61.96%	79.06%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2019 through 2022.

**CITY OF WILMINGTON, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes	\$ 2,039,016	2,039,016	2,154,554
Intergovernmental	2,260,418	2,260,418	2,575,069
Licenses and Permits	505,300	505,300	828,341
Charges for Services	357,500	357,500	262,440
Fines and Forfeitures	108,000	108,000	90,492
Investment Income	1,100	1,100	1,896
Miscellaneous	70,000	70,000	161,372
Total Revenues	<u>5,341,334</u>	<u>5,341,334</u>	<u>6,074,164</u>
<b>Expenditures</b>			
General Government	1,272,255	1,272,255	1,219,752
Public Safety	2,864,848	2,864,848	2,666,347
Highways and Streets	820,670	820,670	909,517
Capital Outlay	313,981	313,981	353,330
Debt Service			
Principal Retirement	57,200	57,200	57,089
Interest and Fiscal Charges	6,100	6,100	6,149
Total Expenditures	<u>5,335,054</u>	<u>5,335,054</u>	<u>5,212,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,280	6,280	861,980
<b>Other Financing (Uses)</b>			
Transfers Out	—	—	<u>(202,000)</u>
Net Change in Fund Balance	<u>6,280</u>	<u>6,280</u>	659,980
Fund Balance - Beginning			<u>1,418,599</u>
Fund Balance - Ending			<u>2,078,579</u>



**CITY OF WILMINGTON, ILLINOIS**

**Ridgeport TIF #2 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes			
Property Tax	\$ 6,400,000	6,400,000	6,282,118
Investment Income	5,000	5,000	14
Total Revenues	<u>6,405,000</u>	<u>6,405,000</u>	<u>6,282,132</u>
<b>Expenditures</b>			
Highways and Streets			
Contractual Services	100,000	100,000	48,755
Capital Outlay	6,305,000	6,305,000	—
Debt Service			
Principal Retirement	—	—	857,156
Interest and Fiscal Charges	—	—	5,010,388
Total Expenditures	<u>6,405,000</u>	<u>6,405,000</u>	<u>5,916,299</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	365,833
Fund Balance - Beginning			<u>(1,733)</u>
Fund Balance - Ending			<u><u>364,100</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Major Enterprise Funds
- Budgetary Comparison Schedule - Pension Trust Fund
- Consolidated Year-End Financial Report

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

#### **Ridgeport TIF #2**

The Ridgeport TIF #2 Fund is used to leverage private investment, pursuant to various redevelopment agreements, to develop a large intermodal terminal facility in accordance with the Illinois TIF Act. The majority of TIF funds distributed pursuant to the various redevelopment agreements are for reimbursing the developer and TIF Note holders for property assembly and infrastructure costs.

#### **ESDA**

The ESDA Fund is used to account for the revenues and expenses incurred with running the Emergency Management Agency for the City.

#### **Mobile Equipment**

The Mobile Equipment Fund is used to account for the City's long term capital asset equipment.

#### **Motor Fuel Tax**

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the City's annual road rehabilitation and construction program.

#### **Drug Free Community Grant**

The Drug Free Community Grant Fund is used to account for the City acts as the Fiduciary Agent for the Wilmington Coalition for a Healthy Community for this grant opportunity. All expenses are at the direction of the Coalition.

## **INDIVIDUAL FUND DESCRIPTIONS - Continued**

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### **DEBT SERVICE FUND**

#### **Bond and Interest**

The Bond and Interest Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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### **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for all resources used for the acquisition of capital assets by the City, except those financed by Proprietary Funds.

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### **ENTERPRISE FUNDS**

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

#### **Water Operations**

The Water Operations Fund is used to account for revenues and expenditures relating to water and garbage operations.

#### **Water Capital Projects**

The Water Capital Projects Fund is used to account for revenues and expenditures relating to the water expansion and improvements. The Water Capital Project Fund was closed into the Water Fund during the year.

#### **Sewer Operations**

The Sewer Operations Fund is used to account for revenues and expenditures relating to sewer operations.

#### **Sewer Capital Projects**

The Sewer Capital Projects Fund is used to account for revenues and expenditures relating to the sewer expansion and improvements. The Sewer Capital Project Fund was closed into the Sewer Fund during the year.

## **INDIVIDUAL FUND DESCRIPTIONS - Continued**

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### **PENSION TRUST FUND**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the City's sworn police personnel. Resources are contributed by sworn police personnel at rates fixed by State statutes and by the City at an amount determined by an annual actuarial study.

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**CITY OF WILMINGTON, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Taxes			
Property Tax	\$ 1,229,016	1,229,016	1,283,705
Utility Tax	543,000	543,000	569,480
Local Use Tax	267,000	267,000	219,016
Telecommunication Tax	—	—	80,756
Hotel and Motel Tax	—	—	1,597
Total Taxes	<u>2,039,016</u>	<u>2,039,016</u>	<u>2,154,554</u>
Intergovernmental			
Sales Tax	1,058,000	1,058,000	1,362,481
Income Tax	665,400	665,400	820,256
Replacement Tax	66,318	66,318	163,628
Gaming Tax	102,200	102,200	191,216
Grants	368,500	368,500	37,488
Total Intergovernmental	<u>2,260,418</u>	<u>2,260,418</u>	<u>2,575,069</u>
Licenses and Permits	<u>505,300</u>	<u>505,300</u>	<u>828,341</u>
Charges for Services	<u>357,500</u>	<u>357,500</u>	<u>262,440</u>
Fines and Forfeitures	<u>108,000</u>	<u>108,000</u>	<u>90,492</u>
Investment Income	<u>1,100</u>	<u>1,100</u>	<u>1,896</u>
Miscellaneous	<u>70,000</u>	<u>70,000</u>	<u>161,372</u>
Total Revenues	<u><u>5,341,334</u></u>	<u><u>5,341,334</u></u>	<u><u>6,074,164</u></u>

**CITY OF WILMINGTON, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
<b>General Government</b>			
Finance and Administration			
Personnel Services	\$ 322,146	322,146	361,769
Contractual Services	329,713	329,713	327,177
Commodities	6,600	6,600	11,813
Other	192,050	192,050	119,386
	<u>850,509</u>	<u>850,509</u>	<u>820,145</u>
Auditing and Accounting			
Contractual Services	—	—	21,305
Building, Liability, and Worker's Comp. Insurance			
Personnel Services	28,900	28,900	26,345
Contractual Services	390,746	390,746	351,373
Commodities	2,100	2,100	584
	<u>421,746</u>	<u>421,746</u>	<u>378,302</u>
Total General Government	<u>1,272,255</u>	<u>1,272,255</u>	<u>1,219,752</u>
<b>Public Safety</b>			
Police Department			
Personnel Services	1,823,960	1,823,960	1,610,542
Contractual Services	942,888	942,888	960,513
Commodities	93,000	93,000	93,215
Other	5,000	5,000	2,077
	<u>2,864,848</u>	<u>2,864,848</u>	<u>2,666,347</u>
Total Public Safety			
<b>Highways and Streets</b>			
Public Grounds and Buildings			
Contractual Services	162,300	162,300	166,499
Commodities	3,500	3,500	3,125
Other	—	—	24,200
	<u>165,800</u>	<u>165,800</u>	<u>193,824</u>

**CITY OF WILMINGTON, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Highways and Streets - Continued			
Streets and Alleys			
Personnel Services	\$ 304,779	304,779	325,392
Contractual Services	221,827	221,827	241,710
Commodities	47,600	47,600	42,127
Other	13,000	13,000	2,579
	<u>587,206</u>	<u>587,206</u>	<u>611,808</u>
Planning and Zoning			
Personnel Services	1,664	1,664	3,657
Contractual Services	66,000	66,000	100,228
	<u>67,664</u>	<u>67,664</u>	<u>103,885</u>
Total Highways and Streets	<u>820,670</u>	<u>820,670</u>	<u>909,517</u>
Capital Outlay	<u>313,981</u>	<u>313,981</u>	<u>353,330</u>
Debt Service			
Principal Retirement	57,200	57,200	57,089
Interest and Fiscal Charges	6,100	6,100	6,149
Total Debt Service	<u>63,300</u>	<u>63,300</u>	<u>63,238</u>
Total Expenditures	<u><u>5,335,054</u></u>	<u><u>5,335,054</u></u>	<u><u>5,212,184</u></u>



**CITY OF WILMINGTON, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Grants	\$ 193,328	193,328	355,619
Investment Income	—	—	368
Total Revenues	<u>193,328</u>	<u>193,328</u>	<u>355,987</u>
Expenditures			
Highways and Streets			
Contractual Services	—	—	291
Capital Outlay	2,475,089	2,475,089	2,343,392
Total Expenditures	<u>2,475,089</u>	<u>2,475,089</u>	<u>2,343,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,281,761)	(2,281,761)	(1,987,696)
Other Financing Sources			
Transfers In	—	—	75,000
Net Change in Fund Balance	<u>(2,281,761)</u>	<u>(2,281,761)</u>	(1,912,696)
Fund Balance - Beginning			<u>1,956,862</u>
Fund Balance - Ending			<u><u>44,166</u></u>

**CITY OF WILMINGTON, ILLINOIS**

**Nonmajor Governmental  
Combining Balance Sheet - Modified Cash Basis  
April 30, 2022**

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**See Following Page**

CITY OF WILMINGTON, ILLINOIS

Nonmajor Governmental  
Combining Balance Sheet - Modified Cash Basis  
April 30, 2022

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	<u>ESDA</u>
<b>ASSETS</b>	
Cash and Investments	\$ —
Receivables - Net of Allowances Accounts	<u>—</u>
Total Assets	<u><u>—</u></u>
<b>LIABILITIES</b>	
Accounts Payable	253
Due to Other Funds	<u>24,943</u>
Total Liabilities	<u>25,196</u>
<b>FUND BALANCES</b>	
Restricted	—
Unassigned	<u>(25,196)</u>
Total Fund Balances	<u>(25,196)</u>
Total Liabilities and Fund Balances	<u><u>—</u></u>

Mobile Equipment	Motor Fuel Tax	Drug Free Community Grant	Debt Service Bond and Interest	Total
—	938,338	585	604,741	1,543,664
—	—	—	14,451	14,451
—	938,338	585	619,192	1,558,115
—	37,094	—	32,082	69,429
31,604	—	—	—	56,547
31,604	37,094	—	32,082	125,976
—	901,244	585	587,110	1,488,939
(31,604)	—	—	—	(56,800)
(31,604)	901,244	585	587,110	1,432,139
—	938,338	585	619,192	1,558,115

CITY OF WILMINGTON, ILLINOIS

Nonmajor Governmental

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis  
For the Fiscal Year Ended April 30, 2022

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	<u>ESDA</u>
Revenues	
Taxes	\$ 1,571
Intergovernmental	31,465
Fines and Forfeitures	—
Investment Income	1
Miscellaneous	11,645
Total Revenues	<u>44,682</u>
Expenditures	
General Government	—
Public Safety	39,931
Highways and Streets	—
Capital Outlay	34,549
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>74,480</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,798)
Other Financing Sources	
Transfers In	<u>—</u>
Net Change in Fund Balances	(29,798)
Fund Balances - Beginning	<u>4,602</u>
Fund Balances - Ending	<u><u>(25,196)</u></u>

Mobile Equipment	Motor Fuel Tax	Drug Free Community Grant	Debt Service Bond and Interest	Total
—	—	—	—	1,571
—	353,580	597	—	385,642
450	—	—	—	450
—	759	—	74	834
—	8,414	—	34,680	54,739
450	362,753	597	34,754	443,236
—	—	—	122	122
—	—	—	—	39,931
—	31,863	—	—	31,863
—	129,234	—	—	163,783
—	—	—	130,000	130,000
—	—	—	5,226	5,226
—	161,097	—	135,348	370,925
450	201,656	597	(100,594)	72,311
—	25,000	—	102,000	127,000
450	226,656	597	1,406	199,311
(32,054)	674,588	(12)	585,704	1,232,828
(31,604)	901,244	585	587,110	1,432,139

**CITY OF WILMINGTON, ILLINOIS**

**ESDA - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 1,624	1,624	1,571
Intergovernmental			
Grants	31,000	31,000	31,465
Investment Income	—	—	1
Miscellaneous	1,000	1,000	11,645
Total Revenues	<u>33,624</u>	<u>33,624</u>	<u>44,682</u>
Expenditures			
General Government			
Personnel Services	10,538	10,538	16,649
Contractual Services	18,950	18,950	17,971
Commodities	6,000	6,000	5,311
Capital Outlay	34,700	34,700	34,549
Total Expenditures	<u>70,188</u>	<u>70,188</u>	<u>74,480</u>
Net Change in Fund Balance	<u>(36,564)</u>	<u>(36,564)</u>	(29,798)
Fund Balance - Beginning			<u>4,602</u>
Fund Balance - Ending			<u>(25,196)</u>

CITY OF WILMINGTON, ILLINOIS

Mobile Equipment - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2022

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 15,000	15,000	—
Fines and Forfeitures	6,500	6,500	450
Total Revenues	21,500	21,500	450
Expenditures			
Capital Outlay	100,000	100,000	—
Net Change in Fund Balance	<u>(78,500)</u>	<u>(78,500)</u>	450
Fund Balance - Beginning			<u>(32,054)</u>
Fund Balance - Ending			<u>(31,604)</u>



**CITY OF WILMINGTON, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 137,400	137,400	131,808
Grants	224,700	224,700	221,772
Investment Income	2,500	2,500	759
Miscellaneous	1,000	1,000	8,414
Total Revenues	<u>365,600</u>	<u>365,600</u>	<u>362,753</u>
Expenditures			
Highways and Streets			
Contractual Services	—	—	9
Commodities	45,000	45,000	31,854
Capital Outlay	212,000	212,000	129,234
Total Expenditures	<u>257,000</u>	<u>257,000</u>	<u>161,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	108,600	108,600	201,656
Other Financing Sources			
Transfers In	—	—	25,000
Net Change in Fund Balance	<u>108,600</u>	<u>108,600</u>	226,656
Fund Balance - Beginning			<u>674,588</u>
Fund Balance - Ending			<u>901,244</u>

**CITY OF WILMINGTON, ILLINOIS**

**Bond and Interest - Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Investment Income	\$ 1,000	1,000	74
Miscellaneous	34,000	34,000	34,680
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>34,754</u>
<b>Expenditures</b>			
<b>General Government</b>			
Contractual Services	500	500	68
Other	500	500	54
<b>Debt Service</b>			
Principal Retirement	30,000	30,000	130,000
Interest and Fiscal Charges	3,900	3,900	5,226
Total Expenditures	<u>34,900</u>	<u>34,900</u>	<u>135,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	(100,594)
<b>Other Financing Sources</b>			
Transfers In	—	—	<u>102,000</u>
Net Change in Fund Balance	<u>100</u>	<u>100</u>	1,406
Fund Balance - Beginning			<u>585,704</u>
Fund Balance - Ending			<u><u>587,110</u></u>

**CITY OF WILMINGTON, ILLINOIS**

**Water Operating - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Modified Cash Basis  
For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Operating Revenues			
Water Charges			
Service Fees	\$ 1,129,613	1,129,613	1,504,433
Meter Fees	87,998	87,998	96,288
Miscellaneous	39,600	39,600	38,913
Garbage Charges			
Collection Fees	448,950	448,950	574,943
Total Operating Revenues	<u>1,706,161</u>	<u>1,706,161</u>	<u>2,214,577</u>
Operating Expenses			
Water Operations			
Personnel Services	597,385	597,385	575,026
Contractual Services	785,814	785,814	550,148
Commodities	99,700	99,700	148,897
Other	510,400	510,400	71,150
Garbage Operations			
Contractual Services	448,950	448,950	489,962
Depreciation	—	—	159,697
Total Operating Expenses	<u>2,442,249</u>	<u>2,442,249</u>	<u>1,994,880</u>
Operating Income (Loss)	<u>(736,088)</u>	<u>(736,088)</u>	219,697
Nonoperating Revenues (Expenses)			
Investment Income	284,700	284,700	366,546
Investment Expense	(72,280)	(72,280)	(25,302)
Miscellaneous	13,600	13,600	21,573
	<u>226,020</u>	<u>226,020</u>	<u>362,817</u>
Change in Net Position	<u>(510,068)</u>	<u>(510,068)</u>	582,514
Net Position - Beginning as Restated			<u>3,652,680</u>
Net Position - Ending			<u><u>4,235,194</u></u>

**CITY OF WILMINGTON, ILLINOIS**

**Sewer Operating - Enterprise Fund**

**Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual - Modified Cash Basis  
For the Fiscal Year Ended April 30, 2022**

	Original Budget	Final Budget	Actual
Operating Revenues			
Sewer Charges			
Service Fees	\$ 1,021,901	1,021,901	1,379,322
Capacity User Fees	10,000	10,000	168,392
Miscellaneous	29,072	29,072	47,778
Total Operating Revenues	<u>1,060,973</u>	<u>1,060,973</u>	<u>1,595,492</u>
Operating Expenses			
Sewer Operations			
Personnel Services	482,845	482,845	476,315
Contractual Services	566,213	566,213	429,464
Commodities	73,500	73,500	71,388
Other	645,910	645,910	11,741
Depreciation and Amortization	—	—	409,267
Total Operating Expenses	<u>1,768,468</u>	<u>1,768,468</u>	<u>1,398,175</u>
Operating Income (Loss)	<u>(707,495)</u>	<u>(707,495)</u>	<u>197,317</u>
Nonoperating Revenues (Expenses)			
Investment Income	1,078,524	1,078,524	1,408,827
Investment Expense	(886,100)	(886,100)	(185,894)
Miscellaneous	12,600	12,600	12,420
	<u>205,024</u>	<u>205,024</u>	<u>1,235,353</u>
Change in Net Position	<u>(502,471)</u>	<u>(502,471)</u>	1,432,670
Net Position - Beginning as Restated			<u>5,711,607</u>
Net Position - Ending			<u><u>7,144,277</u></u>

## **SUPPLEMENTAL SCHEDULES**

**CITY OF WILMINGTON, ILLINOIS**

**Long-Term Debt Requirements**

**Special Service Area #1 (Deer Ridge Park) Special Tax Bonds of 2008**

**April 30, 2022**

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Date of Issue	January 15, 2009
Date of Maturity	January 15, 2023
Authorized Issue	\$315,000
Denomination of Bonds	\$5,000
Interest Rates	6.50%
Interest Dates	January 15
Principal Maturity Date	January 15
Payable at	First DuPage Bank

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal			
Year	Principal	Interest	Totals
2023	\$ 30,000	3,976	33,976

**CITY OF WILMINGTON, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Alternative Revenue Source Bonds of 2020**

**April 30, 2022**

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Date of Issue	July 9, 2020
Date of Maturity	December 1, 2028
Authorized Issue	\$6,530,000
Denomination of Bonds	\$5,000
Interest Rates	3.00%
Interest Dates	December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal				
Year	Principal	Interest	Totals	
2023	\$ 715,000	153,525	868,525	
2024	735,000	131,775	866,775	
2025	755,000	109,425	864,425	
2026	780,000	86,400	866,400	
2027	805,000	62,625	867,625	
2028	830,000	38,100	868,100	
2029	855,000	12,825	867,825	
	<u>5,475,000</u>	<u>594,675</u>	<u>6,069,675</u>	

**CITY OF WILMINGTON, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2018**

**April 30, 2022**

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Date of Issue	October 24, 2018
Date of Maturity	May 15, 2023
Authorized Issue	\$290,000
Interest Rates	3.47%
Interest Dates	May 15
Principal Maturity Date	May 15
Payable at	Grundy Bank

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal				
Year	Principal	Interest	Totals	
2023	\$ 59,070	4,077	63,147	
2024	58,502	1,936	60,438	
	<u>117,572</u>	<u>6,013</u>	<u>123,585</u>	



**CITY OF WILMINGTON, ILLINOIS**

**Long-Term Debt Requirements**

**Illinois Environmental Protection Agency Loan of 2012**

**April 30, 2022**

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Date of Issue	February 2, 2012
Date of Maturity	August 6, 2032
Authorized Issue	\$650,000
Interest Rates	1.25%
Interest Dates	August 6 and February 6
Principal Maturity Date	August 6
Payable at	Illinois Environmental Protection Agency

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal				
Year	Principal	Interest	Totals	
2023	\$ 25,273	3,265	28,538	
2024	25,590	2,948	28,538	
2025	25,911	2,627	28,538	
2026	26,236	2,302	28,538	
2027	26,565	1,973	28,538	
2028	26,898	1,640	28,538	
2029	27,235	1,303	28,538	
2030	27,576	962	28,538	
2031	27,923	615	28,538	
2032	28,272	266	28,538	
	<u>267,479</u>	<u>17,901</u>	<u>285,380</u>	

**CITY OF WILMINGTON, ILLINOIS**

**Long-Term Debt Requirements**

**Illinois Environmental Protection Agency Loan of 2016**

**April 30, 2022**

Date of Issue	February 2, 2016
Date of Maturity	October 17, 2035
Authorized Issue	\$649,534
Interest Rates	2.21%
Interest Dates	April 17 and October 17
Principal Maturity Date	October 17
Payable at	Illinois Environmental Protection Agency

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal				
Year	Principal	Interest	Totals	
2023	\$ 30,449	10,293	40,742	
2024	31,126	9,616	40,742	
2025	31,817	8,925	40,742	
2026	32,525	8,217	40,742	
2027	33,247	7,495	40,742	
2028	33,987	6,755	40,742	
2029	34,741	6,001	40,742	
2030	35,513	5,229	40,742	
2031	36,303	4,439	40,742	
2032	37,110	3,632	40,742	
2033	37,934	2,808	40,742	
2034	38,777	1,965	40,742	
2035	39,639	1,103	40,742	
2036	21,546	219	21,765	
	<u>474,714</u>	<u>76,697</u>	<u>551,411</u>	

City of Wilmington Illinois				
<b>Audit Journal Entries</b>				
<b>April 30, 2022</b>				
AJE #	Account Number	Account Description	Debit	Credit
<b>1</b>	01-01-3202	Accounts Payable		17,821
	01-03-3202	Accounts Payable		5,485
	01-14-3202	Accounts Payable		9,492
	01-01-6460	Legal Services	17,821	
	01-03-6460	Legal Services	5,485	
	01-14-6461	Legal Services - Developers	9,492	
<b>Entry to book back 6 months of Legal expenses to FY 2022</b>				
<b>2</b>	02-21-6010	Wages - Water	54,853	
	02-21-6011	FICA Taxes - Water Dept	4,484	
	02-21-6015	Overtime Wages	5,964	
	02-00-3232	Wages Payable		65,301
	04-00-6010	Wages - Sewer	44,088	
	04-00-6011	FICA Taxes - Sewer Dept	3,325	
	04-00-6015	Overtime Wages	655	
	04-00-3232	Wages Payable		48,068
<b>Entry to record accrued payroll for FY 22</b>				
<b>3</b>	01-00-3950	Fund Balance	6,909	
	01-01-6760	Telephone/Internet		6,909
	12-00-3950	Fund Balance		21
	12-00-7160	Misc Expense	21	
	02-00-3940	Contributed Capital		1,135
	02-21-7321	Leased Equipment Expense	1,135	
	17-00-3950	Fund Balance	26	
	17-00-6620	Maint-Water Meters		26
	04-00-3940	Contributed Capital		1,277
	04-00-6960	Office Supplies	1,277	
	03-00-3950	Fund Balance	6	
	03-00-4595	Penalty Fee		6
<b>Entry to adjust Fund Balance for Current Year</b>				
<b>4</b>	01-00-4050	Multiple Utility Taxes	80,756	
	01-00-4170	Telecome Tax		80,756
<b>Entry to reclassify telecom/excise taxes</b>				
<b>5</b>	01-00-3214	Due to Other Funds	14,707	
	01-00-4860	Other Income - Misc.		14,707
<b>Entry to move miscellaneous receipts from due to/from account</b>				
<b>6</b>	01-00-3202	Accounts Payable		33,391
	01-01-6360	Dues Subscrp. & Memberships	125	
	01-01-6770	Training, Mtg & Travel Expense	831	
	01-01-7160	Misc Expense	66	
	01-02-6810	Utilities	522	
	01-05-6640	Maint-Vehicles	123	
	01-05-6740	Street Light Electricity	31,431	
	01-05-6960	Office Supplies	293	

City of Wilmington Illinois				
Audit Journal Entries				
April 30, 2022				
AJE #	Account Number	Account Description	Debit	Credit
	02-00-3202	Accounts Payable		49,397
	02-21-6540	Maint-Distribution	4,385	
	02-23-6420	Garbage Collection Expense	45,012	
	04-00-3202	Accounts Payable		960
	04-00-6510	Maintenance - Equipment	377	
	04-00-6530	Maintenance - Grounds/Building	11	
	04-00-6730	Sewer Sludge Disposal	140	
	04-00-6770	Training, Mtg & Travel Expense	141	
	04-00-6930	Gasoline & Oil	86	
	04-00-6970	Oper Supplies & Tool	55	
	04-00-7010	Sewer Dept Uniforms	150	
<b>PBC Entry to book April Accruals</b>				
7	04-00-0301	Vehicles	5,569,422	
	04-00-0305	Accumulated Depreciation		5,569,422
<b>Entry to reclass accumulated depreciation and adjusting vehicles to match prior year report</b>				
8	02-00-0301	Vehicles		160,336
	02-00-0302	Machinery & Equipment		115,808
	02-00-0303	Buildings		246,650
	02-00-0304	Improvements		591,248
	02-00-0305	Accumulated Depreciation	382,131	
	02-00-3940	Contributed Capital	731,911	
	04-00-0301	Vehicles	80,836	
	04-00-0302	Equipment		100,406
	04-00-0303	Buildings	145,000	
	04-00-0304	Improvements	584,049	
	04-00-0305	Accumulated Depreciation		34,776
	04-00-3940	Contributed Capital		674,703
<b>Entry to restate capital assets to fund balance</b>				
9	02-00-0302	Machinery & Equipment	30,400	
	02-00-0305	Accumulated Depreciation		157,927
	02-00-6001	Depreciation	157,927	
	02-17-7320	Capital Equipment		30,400
	04-00-0302	Equipment	31,015	
	04-00-0305	Accumulated Depreciation		474,031
	04-00-6001	Depreciation	474,031	
	04-03-7320	Capital Equipment		31,015
<b>Entry to book current year activity for capital assets</b>				
10	24-00-32XX-22	Deferred Revenue		384,643
	24-00-4872	ARPA Funds	384,643	
<b>Entry to reclass ARPA revenue to deferred</b>				
11	01-00-3202	Accounts Payable		3,912
	01-01-6010	Wages -Finance & Adm.	13,165	
	01-01-6014	IMRF	3,912	
	01-09-6014	IMRF - GC		13,165
	02-00-3202	Accounts Payable		2,055

City of Wilmington Illinois				
<b>Audit Journal Entries</b>				
<b>April 30, 2022</b>				
AJE #	Account Number	Account Description	Debit	Credit
	02-21-6010	Wages - Water	3,256	
	02-21-6014	IMRF - Water Dept	2,055	3,256
	04-00-3202	Accounts Payable		1,700
	04-00-6010	Wages - Sewer	2,412	
	04-00-6014	IMRF - Sewer Dept	1,700	
	04-00-6014	IMRF - Sewer Dept		2,412
<b>Entry to adjust IMRF expense at year end</b>				
<b>12</b>	02-00-2995	Long-Term Debt	49,611	
	02-00-2996	Long-Term Debt	58,927	
	02-00-3995	Long-Term Debt		24,651
	02-00-3996	Long-Term Debt Other		29,140
	02-21-7928	Wtr IEPA Loan#2 Princ		29,787
	02-21-7932	Wtr IEPA Loan#1 Princ		24,960
	04-00-2800	Bond Premium	65,170	
	04-00-2996	Long-Term Debt	1,755,238	
	04-00-3996	Long-Term Debt Other		1,060,238
	04-00-7935	IEPA ARS Bnd Series '20 Prin.		695,000
	04-03-8X22	Amortization Expense		65,170
	01-05-7323	Equip Loan - Princ	129	
	01-05-7324	Equip Loan - Interest		129
<b>Entry to adjust debt service items at year end</b>				
<b>13</b>	02-21-7160	Misc Expense	40,370	
	02-23-6420	Garbage Collection Expense		40,370
<b>Entry to back out 13th month of garbage expense</b>				
<b>14</b>	01-00-4860	Other Income - Misc.	15,000	
	01-00-48XX	Cell Tower Lease Revenue		15,000
<b>Entry to reclassify Cell Tower Lease Revenue</b>				
<b>15</b>	01-01-3202	Accounts Payable		15,050
	01-01-6930	Gasoline & Oil	63	
	01-02-6530	Maintenance - Grounds/Building	3,385	
	01-03-6930	Gasoline & Oil	3,539	
	01-05-6510	Maintenance - Equipment	6,293	
	01-05-6930	Gasoline & Oil	1,770	
	06-00-3202	Accounts Payable		37,094
	06-00-6595	MFT Projects Current Year	37,094	
	07-00-3202	Accounts Payable		253
	07-00-6930	Gasoline & Oil	253	
	02-00-3202	Accounts Payable		379
	02-21-6930	Gasoline & Oil	379	
	04-00-3202	Accounts Payable		402
	04-00-6930	Gasoline & Oil	402	
<b>Entry to book Additional AP</b>				
<b>16</b>	02-00-0302	Machinery & Equipment		38,070
	02-00-0305	Accumulated Depreciation	28,773	
	02-00-3940	Contributed Capital	7,527	

City of Wilmington Illinois				
Audit Journal Entries				
April 30, 2022				
AJE #	Account Number	Account Description	Debit	Credit
	02-00-6001	Depreciation	1,770	
	04-00-0302	Equipment		81,266
	04-00-0305	Accumulated Depreciation	70,941	
	04-00-3940	Contributed Capital	9,919	
	04-00-6001	Depreciation	406	
<b>Entry to adjust depreciation for current year</b>				
<b>17</b>	01-00-0010	Cash	5,532	
	01-01-4167	Other Misc. Rev		75
	01-03-4860	Transfers from Other Funds		457
	01-03-4160	Grants - State Misc		5,000
	24-00-0010	Cash	297,788	
	24-00-4110	Grants - IDOT KKK St/Fkd Crk B		297,788
<b>Entry to adjust bank reconciliation at year end</b>				
<b>18</b>	02-00-0280	Water Accts. Receivable	267,092	
	02-17-4550	Meter Replacement Program Fees		8,486
	02-17-4555	Water Plant Debt Service Fees		36,819
	02-21-4590	Water Service Fees		160,667
	02-23-4530	Garbage Collection Fees		61,121
	04-00-0280	Sewer Accts/ Receivable	288,976	
	04-00-4560	Sewer Service Fees		146,074
	04-03-4555	WWTP Debt Service Revenue		142,902
	12-00-0275	SSA Payments Receivable	2,911	
	12-00-4025	SSA Deer Ridge Subd Repayments		2,911
<b>Entry to adjust water / sewer AR at year end</b>				
<b>19</b>	25-00-0010	Cash	265,640	
	25-00-7170	TIF #2 Distributions		265,640
<b>CLIENT PROPOSED: Entry to adjust TIF distributions at year end</b>				
<b>TOTAL</b>			<b>12,217,515</b>	<b>12,217,516</b>
				1
<b>ALL AJEs RECORDED AS NOTED ABOVE. NO PASSED AJEs FROM THE AUDIT.</b>				



April 27, 2023

The Honorable Mayor  
Members of the Board of Commissioners  
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, (the City), Illinois for the year ended April 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 April 27, 2023. 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 are described in the Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2022. We noted no transactions entered into by the City 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.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental and business-type activities' financial statements was:

Management's estimate of the depreciation expense on capital assets is based on assumed useful lives of the underlying capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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. Any material misstatements detected as a result of audit procedures were corrected by management.

Significant Audit Findings - Continued

*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 April 27, 2023.

*Management Consultations with Other Independent Auditors*

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 City'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 City'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

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information and supplemental schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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 accounting principles generally accepted in the United States of America, 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.



City of Wilmington, Illinois  
April 27, 2023  
Page 3

Restrictions on Use

This information is intended solely for the use of the Board of Commissioners and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our gratitude to the Board of Commissioners and staff (in particular the Finance Department) of the City of Wilmington, Illinois for their valuable cooperation throughout the audit engagement.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



April 27, 2023

The Honorable Mayor  
Members of the Board of Commissioners  
City of Wilmington, Illinois

In planning and performing our audit of 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, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiency in the City's internal control to be a material weakness: The City audit resulted in a material restatement to net position that was detected by auditing procedures.

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. We consider the following deficiency in the City's internal control to be a significant deficiency: The City audit resulted in material audit adjustments that were detected by auditing procedures.

This communication is intended solely for the information and use of management, City of Wilmington's Board of Commissioners, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



April 27, 2023

The Honorable Mayor  
Members of the Board of Commissioners  
City of Wilmington, Illinois

In planning and performing our audit of the financial statements of the City of Wilmington (the City), Illinois, for the year ended April 30, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Finance Director and senior management of the City of Wilmington, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire City staff.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## CURRENT RECOMMENDATIONS

### 1. GASB STATEMENT NO. 87 LEASES

#### Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the City's financial statements for the year ended April 30, 2023.

#### Recommendation

Lauterbach & Amen, LLP will work directly with the City to review the new lease criteria in conjunction with the City's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

#### Management Response

Management acknowledges this comment and, if applicable, will work with Lauterbach and Amen, LLP to implement it by April 30, 2023, as required by GASB.

### 2. GASB STATEMENT NO. 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

#### Comment

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. It establishes uniform accounting and financial reporting requirements for SBITAs, improves the comparability of financial statements among governments that have entered into SBITAs, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is applicable to the City's financial statements for the year ended April 30, 2024.

#### Recommendation

Lauterbach & Amen, LLP will work directly with the City to review the new SBITA criteria in conjunction with the City's current arrangements to determine the appropriate financial reporting for these activities under GASB Statement No. 96.

#### Management Response

Management acknowledges this comment and, if applicable, will work with Lauterbach and Amen, LLP to implement it by April 30, 2024, as required by GASB.

## **CURRENT RECOMMENDATIONS - Continued**

### **3. SEGREGATION OF DUTIES**

#### Comment

During our current year-end audit procedures, we noted a lack of segregation of duties. Segregation of duties is one of the most integral components of an internal control system. Segregation of duties ensures that no one individual has access to resources (e.g., cash and investments) if the individual also is responsible for processing, summarizing and reporting information or authorizing transactions. Certain functions, such as segregating cash receipts and cash disbursements from anyone with the ability and/or responsibility to record these transactions in the general ledger and/or reconcile accounts in the general ledger provides a mechanism for preventing or detecting on a timely basis any errors or irregularities. Currently, the City has a breakdown in the segregation of duties due to the limited staffing of the finance department.

#### Recommendation

We recommend that the organization of the finance department and the functions assigned to the individual staff be reviewed and possibly modified to improve internal controls and the segregation of duties.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

### **4. BANK RECONCILIATIONS – NOT PERFORMING TIMELY**

#### Comment

During our current year-end audit procedures, we found that the bank reconciliations were not being performed timely. One of the most important internal control features over cash receipts and disbursements is the preparation of the monthly bank reconciliation. By not preparing monthly bank reconciliation's, errors and omissions may occur and not be detected on a timely basis.

Internal control is most effective when bank reconciliations are prepared immediately upon receipt of the monthly bank statement. The bank statement should be received unopened by an individual not responsible for writing checks or recording cash receipts and disbursement transactions. Internal control is stronger when someone not responsible for entries in the receipts and disbursements records prepares the bank reconciliation.

#### Recommendation

We recommend as a means of better control, that bank reconciliation's be performed each month and any variances be investigated and adjusted immediately.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

## **CURRENT RECOMMENDATIONS - Continued**

### **5. OUTSTANDING CHECK WRITE-OFF POLICY**

#### Comment

During our current year-end audit procedures, we noted that the City does not have a formal policy for following up and processing old outstanding checks, which has resulted in several old outstanding checks being included in the bank reconciliations.

#### Recommendation

We recommend the City develop and implement an outstanding check policy that includes procedures to follow-up and subsequently how to process the outstanding checks. This policy should be in written form and should set specific instructions for these procedures including steps to be in compliance with State unclaimed property statutes. State unclaimed property statutes note that all checks that are greater than three years old are to be sent to the State of Illinois Treasurer along with the required forms.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

### **6. FUND BALANCE POLICY**

#### Comment

During our current year-end audit procedures, we noted that the City does not have a formal fund balance policy. A fund balance policy establishes a minimum level at which the projected end-of-year fund balance/net position should be maintained, taking into account the constraints imposed upon the resources reported by the governmental and proprietary funds. A fund balance policy assists in providing financial stability, cash flow for operations, and the assurance that the City will be able to respond to emergencies with fiscal strength.

It is essential to maintain adequate levels of funds balance/net position to mitigate current and future risks and to ensure tax rates. Fund balance/net position levels are also crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of fund balance/net position and unassigned fund balance in the General Fund to evaluate the City's continued creditworthiness.

#### Recommendation

We recommend the City create and adopt a fund balance policy to be in compliance with GASB Statement No. 54. The City should address fund balance reporting categories (nonspendable, restricted, committed, assigned, and unassigned) as well as review minimum fund balance policies.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.

## **CURRENT RECOMMENDATIONS - Continued**

### **7. COLLATERALIZATION OF DEPOSITS**

#### Comment

During our current year-end audit procedures, at April 30, 2022 the bank balances were \$1,895,895, of which only \$1,657,760 were insured or collateralized. There was a balance of \$238,135 which was not insured or collateralized.

#### Recommendation

Consideration should be given to having all bank deposits insured or collateralized.

#### Management Response

Management acknowledges this comment and will work to correct it in the coming year.