

CITY OF NEOGA, ILLINOIS
FINANCIAL STATEMENTS
For the Year Ended April 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Neoga
Neoga, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Neoga, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Neoga, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows and the respective budgetary comparison for the General Fund, Economic Development Fund, Employee Benefits Fund, and Tax Increment Financing Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in net pension liability and related ratios and the schedule of employer contributions on pages 42 through 44 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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 opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Neoga, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Gilbert, Metzger & Madigan, LLP

December 18, 2017

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2017

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| Cash deposits | \$ 2,686,908.07 | \$ 1,029,664.87 | \$ 3,716,572.94 |
| Receivables: | | | |
| Property taxes | 458,778.18 | - | 458,778.18 |
| Utility taxes | 5,875.76 | - | 5,875.76 |
| Interest receivable | 178.95 | - | 178.95 |
| Accounts receivable - users | - | 78,341.32 | 78,341.32 |
| Due from other governmental agencies | 85,868.95 | - | 85,868.95 |
| CDAP loans receivable | 132,070.80 | - | 132,070.80 |
| Prepaid expenses | 41,381.25 | 9,598.89 | 50,980.14 |
| Inventory | 18,780.07 | 40,924.12 | 59,704.19 |
| Restricted assets: | | | |
| Cash deposits | - | 14,588.36 | 14,588.36 |
| Capital assets, net of accumulated depreciation | <u>1,595,043.71</u> | <u>2,424,106.46</u> | <u>4,019,150.17</u> |
| Total assets | <u>5,024,885.74</u> | <u>3,597,224.02</u> | <u>8,622,109.76</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | | | |
|-------------------|------------|---|------------|
| Deferred pensions | 120,068.75 | - | 120,068.75 |
|-------------------|------------|---|------------|

LIABILITIES

| | | | |
|--|-------------------|-------------------|-------------------|
| Accounts payable | 11,694.76 | 8,689.48 | 20,384.24 |
| Accrued payroll taxes and withholdings | 4,479.37 | - | 4,479.37 |
| Accrued interest | - | 2,195.43 | 2,195.43 |
| Accrued salaries | 5,843.37 | 2,088.66 | 7,932.03 |
| Unearned revenue | 23,998.11 | - | 23,998.11 |
| Accumulated vacation and sick pay | 16,553.19 | 17,093.18 | 33,646.37 |
| Meter deposits | - | 10,421.10 | 10,421.10 |
| Net pension liability | 241,675.00 | - | 241,675.00 |
| Bonds payable, due within one year | - | 32,586.86 | 32,586.86 |
| Bonds payable, due in more than one year | - | 284,145.08 | 284,145.08 |
| Other long-term liabilities, due within one year | 24,102.52 | - | 24,102.52 |
| Other long-term liabilities, due in more than one year | <u>284,133.66</u> | <u>-</u> | <u>284,133.66</u> |
| Total liabilities | <u>612,479.98</u> | <u>357,219.79</u> | <u>969,699.77</u> |

DEFERRED INFLOWS OF RESOURCES

| | | | |
|-------------------------------------|-------------------|----------|-------------------|
| Deferred pensions | 127,657.00 | - | 127,657.00 |
| Unavailable property taxes | <u>458,778.18</u> | <u>-</u> | <u>458,778.18</u> |
| Total deferred inflows of resources | <u>586,435.18</u> | <u>-</u> | <u>586,435.18</u> |

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2017

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| NET POSITION | | | |
| Net investment in capital assets | 1,592,906.65 | 2,107,374.52 | 3,700,281.17 |
| Restricted for: | | | |
| Water system improvements | - | 20,580.00 | 20,580.00 |
| Debt service | - | 2,715.57 | 2,715.57 |
| Public safety | 6,884.01 | - | 6,884.01 |
| Unemployment insurance | 28,824.53 | - | 28,824.53 |
| Economic development | 1,598,476.97 | - | 1,598,476.97 |
| Street maintenance | 35,535.75 | - | 35,535.75 |
| Cemetery maintenance (nonexpendable) | 13,400.00 | - | 13,400.00 |
| Unrestricted | <u>670,011.42</u> | <u>1,109,334.14</u> | <u>1,779,345.56</u> |
| Total Net Position | <u>\$ 3,946,039.33</u> | <u>\$ 3,240,004.23</u> | <u>\$ 7,186,043.56</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2017

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Position | | |
|---------------------------------------|------------------------|-------------------------|--|--|---|---------------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 203,933.07 | \$ 9,004.25 | \$ - | \$ - | \$ (194,928.82) | \$ - | \$ (194,928.82) |
| Cemetery | 22,469.00 | 1,400.00 | 20.11 | - | (21,048.89) | - | (21,048.89) |
| Public safety | 189,142.12 | 28,323.72 | - | - | (160,818.40) | - | (160,818.40) |
| Highways and streets | 222,184.42 | 2,620.49 | 41,466.87 | 255.96 | (177,841.10) | - | (177,841.10) |
| Sanitation | 3,940.00 | - | - | - | (3,940.00) | - | (3,940.00) |
| Health and welfare | 12,713.76 | 3,055.00 | - | - | (9,658.76) | - | (9,658.76) |
| Economic development and assistance | 16,166.58 | 13,787.73 | - | 10,609.16 | 8,230.31 | - | 8,230.31 |
| Total governmental activities | <u>670,548.95</u> | <u>58,191.19</u> | <u>41,486.98</u> | <u>10,865.12</u> | <u>(560,005.66)</u> | <u>-</u> | <u>(560,005.66)</u> |
| Business-type activities: | | | | | | | |
| Water | 241,410.84 | 342,524.90 | - | - | - | 101,114.06 | 101,114.06 |
| Sewer | 307,891.46 | 281,715.46 | - | - | - | (26,176.00) | (26,176.00) |
| Total business-type activities | <u>549,302.30</u> | <u>624,240.36</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>74,938.06</u> | <u>74,938.06</u> |
| Total government | <u>\$ 1,219,851.25</u> | <u>\$ 682,431.55</u> | <u>\$ 41,486.98</u> | <u>\$ 10,865.12</u> | <u>(560,005.66)</u> | <u>74,938.06</u> | <u>(485,067.60)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 387,099.77 | - | 387,099.77 |
| Personal property replacement tax | | | | | 10,911.27 | - | 10,911.27 |
| Municipal retailers' occupation tax | | | | | 111,780.19 | - | 111,780.19 |
| Local use tax | | | | | 40,337.94 | - | 40,337.94 |
| Illinois income tax | | | | | 154,254.92 | - | 154,254.92 |
| Franchise taxes | | | | | 24,942.43 | - | 24,942.43 |
| Utility taxes | | | | | 73,226.08 | - | 73,226.08 |
| Telecommunications tax | | | | | 33,680.78 | - | 33,680.78 |
| Video gaming tax | | | | | 22,598.45 | - | 22,598.45 |
| Interest income | | | | | 23,576.33 | 7,736.42 | 31,312.75 |
| Gain (loss) on sale of capital assets | | | | | 9,713.02 | - | 9,713.02 |
| Miscellaneous | | | | | 5,089.13 | 205.14 | 5,294.27 |
| Total general revenues | | | | | <u>897,210.31</u> | <u>7,941.56</u> | <u>905,151.87</u> |
| Change in net position | | | | | 337,204.65 | 82,879.62 | 420,084.27 |
| Net position, beginning of year | | | | | <u>3,608,834.68</u> | <u>3,157,124.61</u> | <u>6,765,959.29</u> |
| Net Position, End of Year | | | | | <u>\$ 3,946,039.33</u> | <u>\$ 3,240,004.23</u> | <u>\$ 7,186,043.56</u> |

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NEOGA, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2017

| | General | Economic Development | Employee Benefits | Tax Increment Financing | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|-------------------------|----------------------|----------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash deposits | \$ 864,739.48 | \$ 1,132,837.66 | \$ 114,761.81 | \$ 526,262.72 | \$ 48,306.40 | \$ 2,686,908.07 |
| Receivables: | | | | | | |
| Property taxes | 104,196.27 | - | 105,719.53 | 248,862.38 | - | 458,778.18 |
| Utility taxes | 5,875.76 | - | - | - | - | 5,875.76 |
| Interest receivable | - | 178.95 | - | - | - | 178.95 |
| Due from other governmental agencies | 79,226.49 | 1,696.95 | - | - | 4,945.51 | 85,868.95 |
| CDAP loans receivable | - | 132,070.80 | - | - | - | 132,070.80 |
| Prepaid expenditures | 5,780.57 | - | - | - | - | 5,780.57 |
| Inventory | 18,780.07 | - | - | - | - | 18,780.07 |
| Total Assets | \$ 1,078,598.64 | \$ 1,266,784.36 | \$ 220,481.34 | \$ 775,125.10 | \$ 53,251.91 | \$ 3,394,241.35 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 9,877.65 | \$ 1,817.11 | \$ - | \$ - | \$ - | \$ 11,694.76 |
| Accrued payroll taxes and withholdings | - | - | 4,479.37 | - | - | 4,479.37 |
| Accrued salaries | 5,843.37 | - | - | - | - | 5,843.37 |
| Unearned revenue | 23,998.11 | - | - | - | - | 23,998.11 |
| Total liabilities | 39,719.13 | 1,817.11 | 4,479.37 | - | - | 46,015.61 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable grant revenue | 3,147.45 | - | - | - | - | 3,147.45 |
| Unavailable property taxes | 104,196.27 | - | 105,719.53 | 248,862.38 | - | 458,778.18 |
| Total deferred inflows of resources | 107,343.72 | - | 105,719.53 | 248,862.38 | - | 461,925.63 |

CITY OF NEOGA, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2017

| FUND BALANCE | <u>General</u> | <u>Economic Development</u> | <u>Employee Benefits</u> | <u>Tax Increment Financing</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------------|---------------------------------|------------------------------|------------------------------------|---|---|
| Nonspendable | 24,560.64 | - | - | - | 13,400.00 | 37,960.64 |
| Restricted for: | | | | | | |
| Public safety | 6,884.01 | - | - | - | - | 6,884.01 |
| Unemployment insurance | - | - | 28,824.53 | - | - | 28,824.53 |
| IMRF | - | - | 66,665.55 | - | - | 66,665.55 |
| Economic development and assistance | - | 1,264,967.25 | - | 523,196.51 | 4,286.90 | 1,792,450.66 |
| Street maintenance | - | - | - | - | 35,535.75 | 35,535.75 |
| Committed for: | | | | | | |
| Public safety | 34,722.84 | - | - | - | - | 34,722.84 |
| Equipment | 89,869.10 | - | - | - | - | 89,869.10 |
| Assigned for: | | | | | | |
| Cemetery maintenance | 3,472.85 | - | - | - | - | 3,472.85 |
| Employee benefits | - | - | 14,792.36 | - | - | 14,792.36 |
| Economic development | - | - | - | 3,066.21 | 29.26 | 3,095.47 |
| Unassigned | <u>772,026.35</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>772,026.35</u> |
| Total fund balance | <u>931,535.79</u> | <u>1,264,967.25</u> | <u>110,282.44</u> | <u>526,262.72</u> | <u>53,251.91</u> | <u>2,886,300.11</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 1,078,598.64</u> | <u>\$ 1,266,784.36</u> | <u>\$ 220,481.34</u> | <u>\$ 775,125.10</u> | <u>\$ 53,251.91</u> | <u>\$ 3,394,241.35</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
April 30, 2017

| | | |
|---|------------|-----------------|
| Total fund balance - total governmental funds | | \$ 2,886,300.11 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Certain revenues reported in the government-wide financial statements are not available as current financial resources and, therefore, are reported as unavailable revenues in the governmental funds. | | 3,147.45 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. This is the amount by which capital assets of \$2,366,028.28 exceeds accumulated depreciation of \$770,984.57. | | 1,595,043.71 |
| Deferred outflows of resources related to certain changes in the net pension liability are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the funds. | | 120,068.75 |
| Deferred inflows of resources related to certain changes in the net pension liability are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the funds. | | (127,657.00) |
| The net pension liability is the difference between the total pension liability and fiduciary net position of the plan and is not due and payable in the current period, and, therefore, is not reported on the governmental funds balance sheet. | | (241,675.00) |
| Certain prepaid expenses do not require current financial resources. Therefore, these prepaid expenses are not reported as an asset in the governmental funds balance sheet. | | 35,600.68 |
| Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. | | |
| Accumulated vacation and sick pay | 16,553.19 | |
| Other long-term liabilities, due within one year | 24,102.52 | |
| Other long-term liabilities, due in more than one year | 284,133.66 | (324,789.37) |
| Net Position of Governmental Activities | | \$ 3,946,039.33 |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2017

| | General | Economic Development | Employee Benefits | Tax Increment Financing | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|-------------------------|----------------------|----------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Property taxes | \$ 103,118.40 | \$ - | \$ 105,025.47 | \$ 178,955.90 | \$ - | \$ 387,099.77 |
| Personal property replacement tax | 10,911.27 | - | - | - | - | 10,911.27 |
| Municipal retailers' occupation tax | 103,135.87 | - | - | - | 8,644.32 | 111,780.19 |
| Local use tax | 40,337.94 | - | - | - | - | 40,337.94 |
| Illinois motor fuel tax | - | - | - | - | 41,466.87 | 41,466.87 |
| Illinois income tax | 154,254.92 | - | - | - | - | 154,254.92 |
| Utility tax | 73,226.08 | - | - | - | - | 73,226.08 |
| Telecommunications tax | 33,680.78 | - | - | - | - | 33,680.78 |
| Video gaming tax | 22,598.45 | - | - | - | - | 22,598.45 |
| Franchise tax | 24,942.43 | - | - | - | - | 24,942.43 |
| Other governmental agencies | 1,336.62 | - | - | - | - | 1,336.62 |
| Grant income | - | 10,609.16 | - | - | - | 10,609.16 |
| Licenses, permits and fees | 10,176.47 | - | - | - | - | 10,176.47 |
| Fines | 24,832.25 | - | - | - | - | 24,832.25 |
| Rental income | 16,082.73 | - | - | - | - | 16,082.73 |
| Interest income | 10,221.35 | 10,641.20 | 10.36 | 2,679.38 | 44.15 | 23,596.44 |
| Other income | 10,852.25 | - | - | - | - | 10,852.25 |
| Total revenues | 639,707.81 | 21,250.36 | 105,035.83 | 181,635.28 | 50,155.34 | 997,784.62 |
| Expenditures: | | | | | | |
| General government | 240,787.36 | - | 69,201.67 | - | - | 309,989.03 |
| Cemetery | 21,694.00 | - | - | - | - | 21,694.00 |
| Public safety | 186,244.01 | - | - | - | - | 186,244.01 |
| Highways and streets | 112,009.60 | - | - | - | 42,950.18 | 154,959.78 |
| Sanitation | 3,940.00 | - | - | - | - | 3,940.00 |
| Health and welfare | 10,916.38 | - | - | - | - | 10,916.38 |
| Economic development and assistance | 118,770.93 | 21,218.29 | - | 16,022.55 | 8,532.53 | 164,544.30 |
| Total expenditures | 694,362.28 | 21,218.29 | 69,201.67 | 16,022.55 | 51,482.71 | 852,287.50 |
| Excess (deficiency) of revenues over expenditures | (54,654.47) | 32.07 | 35,834.16 | 165,612.73 | (1,327.37) | 145,497.12 |

CITY OF NEOGA, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the Year Ended April 30, 2017

| | <u>General</u> | <u>Economic Development</u> | <u>Employee Benefits</u> | <u>Tax Increment Financing</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|----------------------|---------------------------------|------------------------------|------------------------------------|---|---|
| Other Financing Sources (Uses): | | | | | | |
| Gain on sale of capital assets | 44,550.00 | - | - | - | - | 44,550.00 |
| Transfers in | 20.11 | - | - | - | - | 20.11 |
| Transfers out | - | - | - | - | (20.11) | (20.11) |
| Total other financing sources (uses) | <u>44,570.11</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(20.11)</u> | <u>44,550.00</u> |
| Net change in fund balance | (10,084.36) | 32.07 | 35,834.16 | 165,612.73 | (1,347.48) | 190,047.12 |
| Fund balance, beginning of year | <u>941,620.15</u> | <u>1,264,935.18</u> | <u>74,448.28</u> | <u>360,649.99</u> | <u>54,599.39</u> | <u>2,696,252.99</u> |
| Fund Balance, End of Year | <u>\$ 931,535.79</u> | <u>\$ 1,264,967.25</u> | <u>\$ 110,282.44</u> | <u>\$ 526,262.72</u> | <u>\$ 53,251.91</u> | <u>\$ 2,886,300.11</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2017

| | |
|---|----------------------|
| Net change in fund balance - total governmental funds | \$ 190,047.12 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | 141,185.24 |
| Depreciation expense on capital assets is reported in the government-wide statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds. | (93,641.47) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position. This is the book value of sales and disposals in the current period. | (34,836.98) |
| The change in deferred outflows of resources does not require the use of current financial resources and, therefore, is not reported in the governmental funds. | (24,217.88) |
| Certain revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in the governmental funds. | 3,147.45 |
| Certain prepaid expenses reported in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental funds. | 253.09 |
| The change in the net pension liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. | 21,012.00 |
| The change in deferred inflows of resources does not require the use of current financial resources and, therefore, is not reported in the governmental funds. | 112,946.00 |
| Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in the governmental funds. | |
| Increase in accumulated vacation and sick pay | (2,567.50) |
| Decrease in other long-term liabilities | 23,877.58 |
| Change in Net Position of Governmental Activities | <u>\$ 337,204.65</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 GENERAL FUND

(Includes General and Cemetery Maintenance Funds)

For the Year Ended April 30, 2017

| | Original Budget | Final Budget | Actual | Positive (Negative) Final Budget |
|--|--------------------|-----------------|---------------|--|
| General Fund: | | | | |
| RECEIPTS | | | | |
| Revenue: | | | | |
| Property taxes | \$ 180,000.00 | \$ 180,000.00 | \$ 103,118.40 | \$ (76,881.60) |
| Personal property replacement income tax | 15,000.00 | 15,000.00 | 10,861.65 | (4,138.35) |
| Municipal retailers' occupation tax | 900,000.00 | 900,000.00 | 106,269.22 | (793,730.78) |
| Local use tax | 40,000.00 | 40,000.00 | 39,971.57 | (28.43) |
| Illinois income tax | 180,000.00 | 180,000.00 | 155,768.07 | (24,231.93) |
| Utility tax | 95,000.00 | 95,000.00 | 73,374.46 | (21,625.54) |
| Telecommunications tax | 50,000.00 | 50,000.00 | 34,650.67 | (15,349.33) |
| Video gaming tax | 25,000.00 | 25,000.00 | 22,192.25 | (2,807.75) |
| Franchise tax | 19,000.00 | 25,500.00 | 24,942.43 | (557.57) |
| Miscellaneous licenses, permits and fees | 14,000.00 | 18,000.00 | 11,426.47 | (6,573.53) |
| Fines and violations | 50,000.00 | 50,000.00 | 25,425.86 | (24,574.14) |
| Rent income | 30,000.00 | 50,000.00 | 15,092.73 | (34,907.27) |
| Grant income | 10,000.00 | 10,000.00 | - | (10,000.00) |
| Interest received | 200.00 | 200.00 | 10,216.55 | 10,016.55 |
| Miscellaneous revenue | 20,100.00 | 19,600.00 | 8,168.38 | (11,431.62) |
| Streets and alleys | 1,500.00 | 2,500.00 | 2,620.49 | 120.49 |
| Sale of assets | - | - | 44,550.00 | 44,550.00 |
| Total revenue receipts | 1,629,800.00 | 1,660,800.00 | 688,649.20 | (972,150.80) |
| Non-Revenue: | | | | |
| Loans | 1,500,000.00 | 1,500,000.00 | - | (1,500,000.00) |
| Total receipts | 3,129,800.00 | 3,160,800.00 | 688,649.20 | (2,472,150.80) |
| DISBURSEMENTS | | | | |
| General Government: | | | | |
| Salaries Division: | | | | |
| City officials salaries | 10,000.00 | 10,000.00 | 9,200.00 | 800.00 |
| Contingent Division: | | | | |
| Training | 2,500.00 | 2,500.00 | 1,027.07 | 1,472.93 |
| Miscellaneous | 35,500.00 | 681,500.00 | 48,479.41 | 633,020.59 |
| Stipend to CCDC | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Insurance | 500.00 | 500.00 | 78.00 | 422.00 |
| Legal and audit | 30,000.00 | 31,000.00 | 31,935.87 | (935.87) |
| Mileage | 2,000.00 | 2,000.00 | 1,596.94 | 403.06 |
| Publications and dues | 3,500.00 | 3,500.00 | 2,134.88 | 1,365.12 |
| Donations | 4,000.00 | 4,000.00 | 4,808.43 | (808.43) |
| | 79,000.00 | 726,000.00 | 90,060.60 | 635,939.40 |

CITY OF NEOGA, ILLINOIS
CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
GENERAL FUND
(Includes General and Cemetery Maintenance Funds)
For the Year Ended April 30, 2017

| | Original Budget | Final Budget | Actual | Positive (Negative) Final Budget |
|---|--------------------|-------------------|-------------------|--|
| Liability Insurance Division: | | | | |
| Liability insurance | 50,000.00 | 50,000.00 | 34,943.00 | 15,057.00 |
| Municipal Office and Building Division: | | | | |
| Salaries | 70,000.00 | 70,000.00 | 56,387.66 | 13,612.34 |
| Employee insurance | 10,000.00 | 10,000.00 | 8,537.34 | 1,462.66 |
| Petty cash | 2,000.00 | 2,000.00 | 500.00 | 1,500.00 |
| Training | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Subscriptions | 100.00 | 100.00 | - | 100.00 |
| Supplies and postage | 9,000.00 | 9,000.00 | 5,535.94 | 3,464.06 |
| Repairs and upkeep | 13,000.00 | 13,000.00 | 4,668.67 | 8,331.33 |
| Utilities | 9,000.00 | 9,000.00 | 6,564.53 | 2,435.47 |
| Telephone | 4,000.00 | 4,000.00 | 2,822.38 | 1,177.62 |
| Equipment | 1,500.00 | 1,500.00 | - | 1,500.00 |
| Miscellaneous | 5,100.00 | 5,100.00 | 2,387.45 | 2,712.55 |
| | <u>124,700.00</u> | <u>124,700.00</u> | <u>87,403.97</u> | <u>37,296.03</u> |
| Maintenance Building: | | | | |
| Utilities | 4,000.00 | 4,000.00 | 2,605.67 | 1,394.33 |
| Repairs and upkeep | 20,000.00 | 20,000.00 | 792.41 | 19,207.59 |
| Miscellaneous | 500.00 | 500.00 | 53.34 | 446.66 |
| | <u>24,500.00</u> | <u>24,500.00</u> | <u>3,451.42</u> | <u>21,048.58</u> |
| Worker's Compensation: | | | | |
| Worker's compensation | 25,000.00 | 25,000.00 | 11,880.00 | 13,120.00 |
| Total general government disbursements | | | | |
| | <u>313,200.00</u> | <u>960,200.00</u> | <u>236,938.99</u> | <u>723,261.01</u> |
| Public Safety: | | | | |
| ESDA Division: | | | | |
| Salaries | 300.00 | 300.00 | - | 300.00 |
| Repairs | 200.00 | 200.00 | - | 200.00 |
| Insurance | 100.00 | 100.00 | - | 100.00 |
| Supplies | 50.00 | 50.00 | - | 50.00 |
| Miscellaneous | 250.00 | 250.00 | 25.00 | 225.00 |
| Equipment | 500.00 | 500.00 | - | 500.00 |
| | <u>1,400.00</u> | <u>1,400.00</u> | <u>25.00</u> | <u>1,375.00</u> |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 GENERAL FUND

(Includes General and Cemetery Maintenance Funds)

For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---|
| Police Division: | | | | |
| Salaries | 145,000.00 | 145,000.00 | 125,801.06 | 19,198.94 |
| Employee insurance | 15,000.00 | 15,000.00 | 16,522.12 | (1,522.12) |
| Training | 7,000.00 | 7,000.00 | 2,191.28 | 4,808.72 |
| Equipment | 20,000.00 | 20,000.00 | 5,285.60 | 14,714.40 |
| Clothing | 6,000.00 | 6,000.00 | 829.73 | 5,170.27 |
| Car expense | 10,000.00 | 10,000.00 | 4,281.97 | 5,718.03 |
| Repairs | 15,000.00 | 18,000.00 | 11,144.08 | 6,855.92 |
| Supplies | 3,000.00 | 3,000.00 | 2,305.64 | 694.36 |
| Utilities | 2,000.00 | 2,000.00 | 1,307.78 | 692.22 |
| Janitorial services | 1,000.00 | 1,000.00 | 600.00 | 400.00 |
| Miscellaneous | 11,150.00 | 11,650.00 | 5,193.35 | 6,456.65 |
| Software | 3,000.00 | 3,000.00 | 2,016.25 | 983.75 |
| Subscription/publication | 1,500.00 | 1,500.00 | - | 1,500.00 |
| Legal service | 40,000.00 | 40,000.00 | 45.00 | 39,955.00 |
| Telephone | 4,000.00 | 4,000.00 | 2,505.51 | 1,494.49 |
| | <u>283,650.00</u> | <u>287,150.00</u> | <u>180,029.37</u> | <u>107,120.63</u> |
| Building Inspection Division: | | | | |
| Legal service | 2,000.00 | 2,000.00 | - | 2,000.00 |
| Inspection fees | 7,000.00 | 7,000.00 | 5,400.00 | 1,600.00 |
| Miscellaneous | 500.00 | 500.00 | 170.00 | 330.00 |
| | <u>9,500.00</u> | <u>9,500.00</u> | <u>5,570.00</u> | <u>3,930.00</u> |
| | | | | |
| Total public safety disbursements | <u>294,550.00</u> | <u>298,050.00</u> | <u>185,624.37</u> | <u>112,425.63</u> |
| | | | | |
| Highways and Streets: | | | | |
| Street, Alley and Bridge Division: | | | | |
| Salaries | 65,000.00 | 65,000.00 | 43,892.04 | 21,107.96 |
| Employee insurance | 8,000.00 | 8,000.00 | 6,398.64 | 1,601.36 |
| Street maintenance, snow removal, etc. | 1,000,000.00 | 286,500.00 | 3,177.51 | 283,322.49 |
| Sidewalk replacement | 60,000.00 | 60,000.00 | 23,504.25 | 36,495.75 |
| Truck expense | 6,000.00 | 6,000.00 | 1,759.09 | 4,240.91 |
| Equipment repairs | 4,200.00 | 5,200.00 | 5,105.57 | 94.43 |
| Supplies | 7,000.00 | 7,000.00 | 2,843.76 | 4,156.24 |
| Uniforms | 1,000.00 | 1,000.00 | 55.44 | 944.56 |
| Utilities | 1,500.00 | 1,500.00 | 819.17 | 680.83 |
| Telephone | 100.00 | 100.00 | - | 100.00 |
| Equipment | 10,000.00 | 10,000.00 | 124.66 | 9,875.34 |
| Travel/mileage | 1,000.00 | 1,100.00 | 1,021.08 | 78.92 |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 GENERAL FUND

(Includes General and Cemetery Maintenance Funds)

For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Positive (Negative) <u>Final Budget</u> |
|---|----------------------------|-------------------------|-----------------------|---|
| Vehicle | 19,000.00 | 19,000.00 | 1,583.47 | 17,416.53 |
| Street lighting | 824,020.00 | 824,020.00 | 13,314.33 | 810,705.67 |
| Publishing | 1,000.00 | 1,000.00 | 182.54 | 817.46 |
| Software | 1,500.00 | 1,500.00 | 888.27 | 611.73 |
| Janitorial services | 1,500.00 | 1,500.00 | 600.00 | 900.00 |
| Engineering services | 15,000.00 | 15,000.00 | 3,614.36 | 11,385.64 |
| Legal fees | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Training | 1,000.00 | 1,000.00 | 67.27 | 932.73 |
| Building maintenance | 21,000.00 | 21,000.00 | 3,607.67 | 17,392.33 |
| Miscellaneous | 3,100.00 | 4,000.00 | 3,858.72 | 141.28 |
| Capital improvements | <u>500,000.00</u> | <u>500,000.00</u> | <u>-</u> | <u>500,000.00</u> |
| Total highways and streets disbursements | <u>2,551,920.00</u> | <u>1,840,420.00</u> | <u>116,417.84</u> | <u>1,724,002.16</u> |
| Sanitation: | | | | |
| Sanitation Division: | | | | |
| Disposal services | 2,000.00 | 2,000.00 | 1,080.00 | 920.00 |
| Dumpsters | 10,000.00 | 10,000.00 | 2,860.00 | 7,140.00 |
| Miscellaneous | <u>500.00</u> | <u>500.00</u> | <u>-</u> | <u>500.00</u> |
| Total sanitation disbursements | <u>12,500.00</u> | <u>12,500.00</u> | <u>3,940.00</u> | <u>8,560.00</u> |
| Health and Welfare: | | | | |
| Health and Safety Division: | | | | |
| Animal control | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Contract mowing | 2,500.00 | 2,500.00 | 2,100.00 | 400.00 |
| Salaries | - | - | 348.18 | (348.18) |
| Equipment repair | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Supplies/equipment | 11,500.00 | 12,500.00 | 5,461.42 | 7,038.58 |
| Postage | 100.00 | 100.00 | - | 100.00 |
| Legal service | 50,000.00 | 50,000.00 | 3,091.22 | 46,908.78 |
| Miscellaneous | <u>8,600.00</u> | <u>8,600.00</u> | <u>862.86</u> | <u>7,737.14</u> |
| Total health and welfare disbursements | <u>74,700.00</u> | <u>75,700.00</u> | <u>11,863.68</u> | <u>63,836.32</u> |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 GENERAL FUND

(Includes General and Cemetery Maintenance Funds)

For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|--|----------------------------|-------------------------|-------------------|---|
| Economic Development and Assistance: | | | | |
| Land | 60,000.00 | 120,000.00 | 115,517.56 | 4,482.44 |
| Engineering services | 10,000.00 | 10,000.00 | - | 10,000.00 |
| Utilities | 5,000.00 | 5,000.00 | - | 5,000.00 |
| Miscellaneous | <u>12,000.00</u> | <u>12,000.00</u> | <u>1,399.19</u> | <u>10,600.81</u> |
| Total economic development and assistance disbursements | <u>87,000.00</u> | <u>147,000.00</u> | <u>116,916.75</u> | <u>30,083.25</u> |
| | | | | |
| Total expense disbursements | <u>3,333,870.00</u> | <u>3,333,870.00</u> | <u>671,701.63</u> | <u>2,662,168.37</u> |
| | | | | |
| Non-Expense Disbursements: | | | | |
| Transfers to other funds | <u>25,000.00</u> | <u>25,000.00</u> | <u>15,000.00</u> | <u>10,000.00</u> |
| | | | | |
| Total disbursements | <u>3,358,870.00</u> | <u>3,358,870.00</u> | <u>686,701.63</u> | <u>2,672,168.37</u> |
| | | | | |
| Excess of receipts (disbursements) | <u>(229,070.00)</u> | <u>(198,070.00)</u> | <u>1,947.57</u> | <u>200,017.57</u> |
| | | | | |
| Cemetery Maintenance Fund: | | | | |
| RECEIPTS | | | | |
| Revenue: | | | | |
| Sale of lots | 20,000.00 | 20,000.00 | 1,400.00 | (18,600.00) |
| Interest received | 50.00 | 50.00 | 4.80 | (45.20) |
| Miscellaneous | <u>100.00</u> | <u>100.00</u> | <u>-</u> | <u>(100.00)</u> |
| Total revenue receipts | <u>20,150.00</u> | <u>20,150.00</u> | <u>1,404.80</u> | <u>(18,745.20)</u> |
| | | | | |
| Non-Revenue: | | | | |
| Transfers from other funds | <u>20,000.00</u> | <u>20,000.00</u> | <u>15,020.11</u> | <u>(4,979.89)</u> |
| | | | | |
| Total receipts | <u>40,150.00</u> | <u>40,150.00</u> | <u>16,424.91</u> | <u>(23,725.09)</u> |
| | | | | |
| DISBURSEMENTS | | | | |
| Cemetery: | | | | |
| Maintenance contract | 30,000.00 | 30,000.00 | 21,650.00 | 8,350.00 |
| Street maintenance | 6,000.00 | 6,000.00 | - | 6,000.00 |
| Printing deeds | 192.00 | 192.00 | - | 192.00 |
| Supplies | 700.00 | 700.00 | - | 700.00 |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 GENERAL FUND
 (Includes General and Cemetery Maintenance Funds)
 For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|--|----------------------------|----------------------------|--------------------------|---|
| Equipment | 500.00 | 500.00 | - | 500.00 |
| Legal fees | 500.00 | 500.00 | - | 500.00 |
| Miscellaneous | <u>25,000.00</u> | <u>25,000.00</u> | <u>44.00</u> | <u>24,956.00</u> |
| Total disbursements | <u>62,892.00</u> | <u>62,892.00</u> | <u>21,694.00</u> | <u>41,198.00</u> |
| Excess of receipts (disbursements) | <u>(22,742.00)</u> | <u>(22,742.00)</u> | <u>(5,269.09)</u> | <u>17,472.91</u> |
| Total excess of receipts (disbursements) | <u>\$ (251,812.00)</u> | <u>\$ (220,812.00)</u> | (3,321.52) | <u>\$ 217,490.48</u> |
| Cash deposits, beginning of year | | | <u>868,061.00</u> | |
| Cash Deposits, End of Year | | | <u>\$ 864,739.48</u> | |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
ECONOMIC DEVELOPMENT FUND
For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|--------------------------------------|----------------------------|-------------------------|------------------------|---|
| RECEIPTS | | | | |
| Revenue: | | | | |
| Miscellaneous | \$ 215,000.00 | \$ 215,000.00 | \$ - | \$ (215,000.00) |
| Interest received | - | - | 10,650.12 | 10,650.12 |
| Grant income | <u>-</u> | <u>-</u> | <u>8,912.21</u> | <u>8,912.21</u> |
| Total revenue receipts | <u>215,000.00</u> | <u>215,000.00</u> | <u>19,562.33</u> | <u>(195,437.67)</u> |
| Non-Revenue Receipts: | | | | |
| Loan repayments | <u>20,000.00</u> | <u>20,000.00</u> | <u>6,584.13</u> | <u>(13,415.87)</u> |
| Total receipts | <u>235,000.00</u> | <u>235,000.00</u> | <u>26,146.46</u> | <u>(208,853.54)</u> |
| DISBURSEMENTS | | | | |
| Economic Development and Assistance: | | | | |
| Engineering | 70,000.00 | 70,000.00 | 19,401.18 | 50,598.82 |
| Miscellaneous | <u>250,000.00</u> | <u>250,000.00</u> | <u>-</u> | <u>250,000.00</u> |
| Total expense disbursements | <u>320,000.00</u> | <u>320,000.00</u> | <u>19,401.18</u> | <u>300,598.82</u> |
| Non-Expense Disbursements: | | | | |
| Loans | <u>780,000.00</u> | <u>780,000.00</u> | <u>-</u> | <u>780,000.00</u> |
| Total disbursements | <u>1,100,000.00</u> | <u>1,100,000.00</u> | <u>19,401.18</u> | <u>1,080,598.82</u> |
| Excess of receipts (disbursements) | <u>\$ (865,000.00)</u> | <u>\$ (865,000.00)</u> | 6,745.28 | <u>\$ 871,745.28</u> |
| Cash deposits, beginning of year | | | <u>1,126,092.38</u> | |
| Cash Deposits, End of Year | | | <u>\$ 1,132,837.66</u> | |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 EMPLOYEE BENEFITS FUND
 For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Positive (Negative) <u>Final Budget</u> |
|------------------------------------|----------------------------|-------------------------|-----------------------|---|
| RECEIPTS | | | | |
| Revenue: | | | | |
| Property taxes | \$ 120,000.00 | \$ 120,000.00 | \$ 105,025.47 | \$ (14,974.53) |
| Miscellaneous | 1,000.00 | 1,000.00 | - | (1,000.00) |
| Interest received | <u>100.00</u> | <u>100.00</u> | <u>10.36</u> | <u>(89.64)</u> |
| Total revenue receipts | <u>121,100.00</u> | <u>121,100.00</u> | <u>105,035.83</u> | <u>(16,064.17)</u> |
| Non-Revenue Receipts: | | | | |
| Payroll withholding | - | - | 87.69 | 87.69 |
| Transfer from other funds | <u>480,000.00</u> | <u>480,000.00</u> | <u>-</u> | <u>(480,000.00)</u> |
| Total non-revenue receipts | <u>480,000.00</u> | <u>480,000.00</u> | <u>87.69</u> | <u>(479,912.31)</u> |
| Total receipts | <u>601,100.00</u> | <u>601,100.00</u> | <u>105,123.52</u> | <u>(495,976.48)</u> |
| DISBURSEMENTS | | | | |
| General Government: | | | | |
| Salaries | 480,000.00 | 480,000.00 | - | 480,000.00 |
| State unemployment insurance | 2,000.00 | 2,000.00 | 842.22 | 1,157.78 |
| Social security | 70,000.00 | 70,000.00 | 28,859.04 | 41,140.96 |
| Illinois Municipal Retirement Fund | 160,000.00 | 160,000.00 | 39,585.38 | 120,414.62 |
| Employee insurance | 8,500.00 | 8,500.00 | - | 8,500.00 |
| Payment of withholdings | 110,100.00 | 110,100.00 | - | 110,100.00 |
| Child support | 700.00 | 700.00 | - | 700.00 |
| Miscellaneous | <u>4,357.00</u> | <u>4,357.00</u> | <u>53.14</u> | <u>4,303.86</u> |
| Total disbursements | <u>835,657.00</u> | <u>835,657.00</u> | <u>69,339.78</u> | <u>766,317.22</u> |
| Excess of receipts (disbursements) | <u>\$ (234,557.00)</u> | <u>\$ (234,557.00)</u> | 35,783.74 | <u>\$ 270,340.74</u> |
| Cash deposits, beginning of year | | | <u>78,978.07</u> | |
| Cash Deposits, End of Year | | | <u>\$ 114,761.81</u> | |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 TAX INCREMENT FINANCING FUND
 For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|--|----------------------------|--------------------------|--------------------------|---|
| RECEIPTS | | | | |
| Revenue: | | | | |
| Property taxes | \$ 300,000.00 | \$ 300,000.00 | \$ 178,955.90 | \$ (121,044.10) |
| Interest received | <u>500.00</u> | <u>500.00</u> | <u>2,679.38</u> | <u>2,179.38</u> |
| Total receipts | <u>300,500.00</u> | <u>300,500.00</u> | <u>181,635.28</u> | <u>(118,864.72)</u> |
| DISBURSEMENTS | | | | |
| Economic Development and Assistance: | | | | |
| Professional fees | 5,000.00 | 5,000.00 | 767.50 | 4,232.50 |
| Developer reimbursement | - | - | 15,345.05 | (15,345.05) |
| Miscellaneous | <u>5,000.00</u> | <u>16,000.00</u> | <u>-</u> | <u>16,000.00</u> |
| Total expense disbursements | <u>10,000.00</u> | <u>21,000.00</u> | <u>16,112.55</u> | <u>4,887.45</u> |
| Non-Expense Disbursements: | | | | |
| Loans | <u>651,240.00</u> | <u>140,240.00</u> | <u>-</u> | <u>140,240.00</u> |
| Total disbursements | <u>661,240.00</u> | <u>161,240.00</u> | <u>16,112.55</u> | <u>145,127.45</u> |
| Excess of receipts (disbursements) | <u>\$ (360,740.00)</u> | <u>\$ 139,260.00</u> | 165,522.73 | <u>\$ 26,262.73</u> |
| Cash deposits, beginning of year | | | <u>360,739.99</u> | |
| Cash Deposits, End of Year | | | <u>\$ 526,262.72</u> | |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2017

| | Water Fund | Sewer Fund | Total |
|---|-----------------|-----------------|-----------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 820,463.50 | \$ 209,201.37 | \$ 1,029,664.87 |
| Receivables: | | | |
| Accounts receivable - users | 41,813.99 | 36,527.33 | 78,341.32 |
| Prepaid expenses | 4,836.67 | 4,762.22 | 9,598.89 |
| Inventory | 36,900.39 | 4,023.73 | 40,924.12 |
| Total current assets | 904,014.55 | 254,514.65 | 1,158,529.20 |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and cash equivalents | 10,421.10 | 4,167.26 | 14,588.36 |
| Capital assets, net of accumulated depreciation | 895,273.71 | 1,528,832.75 | 2,424,106.46 |
| Total noncurrent assets | 905,694.81 | 1,533,000.01 | 2,438,694.82 |
| Total assets | 1,809,709.36 | 1,787,514.66 | 3,597,224.02 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 4,324.17 | 4,365.31 | 8,689.48 |
| Accrued interest | - | 2,195.43 | 2,195.43 |
| Accrued salaries | 483.53 | 1,605.13 | 2,088.66 |
| Bonds payable - due within one year | - | 32,586.86 | 32,586.86 |
| Total current liabilities | 4,807.70 | 40,752.73 | 45,560.43 |
| Noncurrent liabilities: | | | |
| Accumulated vacation and sick pay | 9,393.49 | 7,699.69 | 17,093.18 |
| Meter deposits | 10,421.10 | - | 10,421.10 |
| Bonds payable - due in more than one year | - | 284,145.08 | 284,145.08 |
| Total noncurrent liabilities | 19,814.59 | 291,844.77 | 311,659.36 |
| Total liabilities | 24,622.29 | 332,597.50 | 357,219.79 |
| NET POSITION | | | |
| Net investment in capital assets | 895,273.71 | 1,212,100.81 | 2,107,374.52 |
| Restricted for: | | | |
| Water system improvements | 20,580.00 | - | 20,580.00 |
| Debt service | - | 2,715.57 | 2,715.57 |
| Unrestricted | 869,233.36 | 240,100.78 | 1,109,334.14 |
| Total Net Position | \$ 1,785,087.07 | \$ 1,454,917.16 | \$ 3,240,004.23 |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended April 30, 2017

| | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Total</u> |
|---|------------------------|------------------------|------------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 340,939.90 | \$ 281,715.46 | \$ 622,655.36 |
| Fees | 1,585.00 | - | 1,585.00 |
| Miscellaneous | 205.14 | - | 205.14 |
| Total operating revenues | <u>342,730.04</u> | <u>281,715.46</u> | <u>624,445.50</u> |
| Operating Expenses: | | | |
| Salaries and benefits | 84,460.87 | 82,853.07 | 167,313.94 |
| Contractual services | 6,226.90 | 57,328.52 | 63,555.42 |
| Utilities | 18,484.72 | 33,048.09 | 51,532.81 |
| Repairs and maintenance | 23,091.26 | 24,968.55 | 48,059.81 |
| Other supplies and expenses | 66,103.15 | 13,632.26 | 79,735.41 |
| Depreciation | 43,043.94 | 77,155.97 | 120,199.91 |
| Total operating expenses | <u>241,410.84</u> | <u>288,986.46</u> | <u>530,397.30</u> |
| Operating income (loss) | <u>101,319.20</u> | <u>(7,271.00)</u> | <u>94,048.20</u> |
| Non-Operating Revenues (Expenses): | | | |
| Interest income | 6,361.38 | 1,375.04 | 7,736.42 |
| Interest expense and fiscal agent fees | - | (18,905.00) | (18,905.00) |
| Total non-operating revenues (expenses) | <u>6,361.38</u> | <u>(17,529.96)</u> | <u>(11,168.58)</u> |
| Change in net position | 107,680.58 | (24,800.96) | 82,879.62 |
| Net position, beginning of year | <u>1,677,406.49</u> | <u>1,479,718.12</u> | <u>3,157,124.61</u> |
| Net Position, End of Year | <u>\$ 1,785,087.07</u> | <u>\$ 1,454,917.16</u> | <u>\$ 3,240,004.23</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2017

| | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Total</u> |
|--|-----------------------|-----------------------|------------------------|
| Cash Flows from Operating Activities: | | | |
| Cash received from customers | \$ 342,054.02 | \$ 278,930.40 | \$ 620,984.42 |
| Cash payments to suppliers for goods and services | (127,711.37) | (165,856.02) | (293,567.39) |
| Cash payments to employees for services | (71,096.66) | (68,350.36) | (139,447.02) |
| Other receipts (payments) | 205.14 | - | 205.14 |
| Net cash provided by operating activities | <u>143,451.13</u> | <u>44,724.02</u> | <u>188,175.15</u> |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Principal paid on capital debt | - | (30,888.02) | (30,888.02) |
| Interest and fees paid on capital debt | - | (19,119.10) | (19,119.10) |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>(50,007.12)</u> | <u>(50,007.12)</u> |
| Cash Flows from Investing Activities: | | | |
| Interest income | <u>6,361.38</u> | <u>1,375.04</u> | <u>7,736.42</u> |
| Net increase (decrease) in cash and cash equivalents | 149,812.51 | (3,908.06) | 145,904.45 |
| Cash and cash equivalents, beginning of year | <u>681,072.09</u> | <u>217,276.69</u> | <u>898,348.78</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 830,884.60</u> | <u>\$ 213,368.63</u> | <u>\$ 1,044,253.23</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Operating income (loss) | \$ 101,319.20 | \$ (7,271.00) | \$ 94,048.20 |
| Noncash items included in operating income (loss): | | | |
| Depreciation | 43,043.94 | 77,155.97 | 120,199.91 |
| Net (increase) decrease in: | | | |
| Accounts receivable | (370.88) | (2,785.06) | (3,155.94) |
| Prepaid expenses | (480.64) | 1,981.57 | 1,500.93 |
| Inventory | 3,539.65 | 1,341.29 | 4,880.94 |
| Net increase (decrease) in: | | | |
| Accounts payable | (2,405.91) | (26,886.81) | (29,292.72) |
| Meter deposits | (100.00) | - | (100.00) |
| Accrued salaries | (957.11) | 417.29 | (539.82) |
| Accumulated vacation and sick pay | (137.12) | 770.77 | 633.65 |
| Net Cash Provided by Operating Activities | <u>\$ 143,451.13</u> | <u>\$ 44,724.02</u> | <u>\$ 188,175.15</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Neoga, Illinois, conform to U.S. generally accepted accounting principles as applicable to governments.

The following is a summary of the City's more significant accounting policies:

- a) Reporting Entity – The City is governed by an elected Mayor and Commissioners. The City is considered to be a primary government and has no component units over which it exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City.
- b) Basis of Presentation – The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City's basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, and permanent funds are classified as governmental activities, while the City's proprietary funds are classified as business-type activities.

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements:

Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements. All non-major funds are aggregated and presented in a single column. The following fund types are used by the City:

Governmental Funds:

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources, use and balances of financial resources). The City presented the following major governmental funds:

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

General Fund – is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The Cemetery Maintenance Fund is combined with the General Fund for financial statement purposes because this fund no longer has substantial restricted or committed inflows.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Economic Development Fund – is a special revenue fund used to account for the economic development loans and assistance made to local businesses. The major source of revenue is interest income from loan repayments.

Employee Benefits Fund – is a special revenue fund used to account for employee payroll withholdings and expenditures related to payroll taxes and retirement contributions. The major source of revenue includes the City's dedicated property tax levy.

Tax Increment Financing Fund – is a special revenue fund used to account for revenues and expenditures related to redevelopment projects within the Neoga tax increment financing area.

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

Motor Fuel Tax Fund – is a special revenue fund used to account for revenues and expenditures related to projects financed by the state gasoline tax collected and distributed by the State of Illinois.

Business District Fund – is a special revenue fund used to account for revenues and expenditures related to redevelopment projects within the Neoga business district area.

Permanent Funds – are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support programs of the City.

Cemetery Perpetual Fund – is a permanent fund used to account for interest earned on principal, which is restricted for use on expenditures for the maintenance of City cemeteries.

Proprietary Funds

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, which is similar to businesses in the private sector. The measurement focus is upon income determination, financial position and cash flows. The City presented the following major proprietary funds:

Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has 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 purposes.

Water Fund – is an enterprise fund used to account for the operations of providing a safe and adequate water supply for fire protection, domestic and industrial use.

Sewer Fund – is an enterprise fund used to account for the operations of providing an adequate sewerage system for the City.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

- c) Measurement Focus and Basis of Accounting – Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus is used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. All assets and liabilities, including capital assets and long-term liabilities, are included. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position and cash flows.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period to be used to pay current liabilities. The City uses the following collection periods for determining availability of revenues: within 60 days for property taxes and 120 days for all other revenue sources. Expenditures generally are recorded when a liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due and payable.

The proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. This is the same measurement focus and basis of accounting used on the government-wide financial statements.

- d) Budgets and Budgetary Accounting – The City follows these procedures in establishing the budgetary data reflected in the financial statements:
1. A proposed operating budget is submitted to the City council for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
 2. Public hearings are conducted to obtain taxpayer comments.
 3. Prior to August 1, the appropriations are legally enacted through passage of an appropriation ordinance.
 4. The tax levy ordinance is adopted and filed with the county clerk on or before the last Tuesday in December.
 5. All annual appropriations lapse at fiscal year-end.
 6. All budgets are adopted on a cash basis which is inconsistent with U.S. generally accepted accounting principles (GAAP) which require accrual basis reporting. All budget comparisons presented in this report are on a non-GAAP budgetary basis and are compared with actual cash receipts and disbursements. A reconciliation of the timing differences in excess of revenues over (under) expenditures for the year ended April 30, 2017, is presented below:

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

| | <u>General</u> | <u>Economic Development</u> | <u>Employee Benefits</u> | <u>Tax Increment Financing</u> |
|---|-----------------------|---------------------------------|------------------------------|------------------------------------|
| Excess of receipts (disbursements) (budgetary basis) | \$ (3,321.52) | \$ 6,745.28 | \$ 35,783.74 | \$ 165,522.73 |
| Increase (decrease) in receivables, prepaid expenditures, and inventory | (522.81) | (4,896.10) | 717.82 | 69,989.94 |
| (Increase) decrease in payables and other liabilities | (2,014.92) | (1,817.11) | 50.42 | 90.00 |
| (Increase) decrease in deferred inflows of resources | <u>(4,225.11)</u> | <u>-</u> | <u>(717.82)</u> | <u>(69,989.94)</u> |
| Net Change in Fund Balance | <u>\$ (10,084.36)</u> | <u>\$ 32.07</u> | <u>\$ 35,834.16</u> | <u>\$ 165,612.73</u> |

- e) Cash and Cash Equivalents – For purposes of the statement of cash flows, all demand and savings accounts and certificates of deposit or short-term investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.
- f) Inventory – Inventory held by the City is priced at cost (first-in, first-out) which approximates market.
- g) Interfund Activity – Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a 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 between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund transfers during the year ended April 30, 2017, were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------------------|---------------------|----------------------|
| Governmental Activities: | | |
| General Fund | \$ 20.11 | \$ - |
| Cemetery Perpetual Fund | <u>-</u> | <u>20.11</u> |
| Total Governmental Activities | <u>\$ 20.11</u> | <u>\$ 20.11</u> |

A transfer of \$20.11 was made from the Cemetery Perpetual Fund to the General Fund to provide funding for cemetery maintenance expenditures.

- h) Property Taxes – Property taxes are deferred in the fiscal year for which they are levied and are recorded as revenue in the fiscal year in which they are received. Taxes levied and uncollected are carried as an asset of the appropriate fund. The City's property tax calendar is as follows:
1. Property is assessed on January 1 each year.
 2. The tax levy ordinance was adopted and filed with the county clerk on December 16, 2016.
 3. Property taxes are due to be collected by the County from July through September in two installments in the year following the levy year.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

- i) Capital Assets and Depreciation – Capital assets, which includes property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. Land, buildings, storm sewers, sidewalks, traffic signals, water system and improvements, sewer system and improvements, vehicles, and all other infrastructure and improvements other than buildings with an original cost of \$10,000 or more are capitalized. Streets, curbs, bridges and fire apparatus with an original cost of \$50,000 or more are capitalized. Machinery, equipment and computer software with an original cost of \$2,500 or more and office equipment with an original cost of \$1,000 or more are capitalized. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are stated at their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City reports all major general infrastructure assets constructed or acquired in fiscal years ending after April 30, 2004, or that received major renovations, restorations, or improvements during that period. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|--|----|
| Buildings | 50 |
| Bridges | 50 |
| Storm sewers | 50 |
| Water/sewer system and improvements | 30 |
| Sidewalks/bike paths | 20 |
| Traffic signals | 20 |
| All other infrastructure and improvements other than buildings | 20 |
| Streets/curbs/gutters | 20 |
| Fire apparatus | 20 |
| Vehicles | 7 |
| Machinery and equipment | 5 |
| Computer software | 5 |
| Office equipment | 3 |

- j) Operating Revenues and Expenses – The City’s proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the City’s water and sewer funds consist of charges for services (including tap fees) and the cost of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.
- k) Deferred Outflows and Inflows of Resources – The City reports a decrease in net position/fund balance that applies to a future period as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position and the governmental funds balance sheet. The City reported deferred outflows of resources on the government-wide financial statements for unrecognized items not yet charged to pension expense and pension contributions from the City after the measurement date but before the end of the City’s reporting period. The City had no deferred outflows of resources that affect the proprietary fund financial statements in the current year.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

The City reports an increase in net position/fund balance that applies to a future period as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position and the governmental funds balance sheet. The City will not recognize the related revenues until a future event occurs. Under the modified accrual basis of accounting, governmental fund revenues are not recognized until available. Accordingly, unavailable grant revenue and unavailable property taxes are reported in the government-wide statement of net position and the governmental funds balance sheet. The City reported deferred inflows of resources on the government-wide financial statements for unrecognized items not yet charged to pension expense. The City had no deferred inflows of resources that affect the proprietary fund financial statements in the current year.

- l) Net Position – Government-wide and proprietary fund net position is divided into three components:
1. Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
 2. Restricted – consists of net position that is restricted by the City’s creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by both federal and state grantors and by other contributors.
 3. Unrestricted – all other net position is reported in this category.
- m) Fund Balance - The following classifications describe the constraints placed on the purposes for which resources can be used:
1. Nonspendable fund balance – consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
 2. Restricted fund balance – consists of amounts that are subject to outside restrictions, such as those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.
 3. Committed fund balance – consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the City Council Members). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.
 4. Assigned fund balance – consists of amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. The intent can be expressed by the City Council Members or by an official or body which the Council delegates authority.
 5. Unassigned fund balance - consists of amounts available for any purpose and positive amounts are reported only in the General Fund.

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

- n) Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

NOTE B - RESTRICTED ASSETS

The amounts reported as restricted assets are cash deposits related to their required bond debt service accounts as described in Note I and amounts held for customer utility meter deposits. The restricted assets as of April 30, 2017 are as follows:

| <u>Type of Restricted Assets</u> | <u>Cash</u> |
|----------------------------------|---------------------|
| Meter deposits | \$ 10,421.10 |
| Sewerage system debt service | <u>4,167.26</u> |
| Total | <u>\$ 14,588.36</u> |

NOTE C - CASH DEPOSITS AND INVESTMENTS

The City is allowed to invest in securities as authorized by 30 ILCS 235/2 and 235/6. At April 30, 2017, the City had the following cash and cash deposits:

| | |
|---------------------------|-----------------------|
| Governmental Activities: | |
| Cash on hand | \$ 250.00 |
| Cash deposits | 2,673,258.07 |
| Certificates of deposit | <u>13,400.00</u> |
| | <u>\$2,686,908.07</u> |
| Business-Type Activities: | |
| Cash Deposits | <u>\$1,044,253.23</u> |

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City minimizes its exposure to interest rate risk by limiting its purchases of long term investments and by structuring investments to mature to meet cash requirements. At April 30, 2017, the City had no investments but cash deposits consisted of a certificate of deposit with a local financial institution having a maturity of 12 months.

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has no investments which are subject to credit risk rating.

Concentration of Credit Risk:

The City's investment policy does not place limitations on the amount that can be invested in any one issuer. Cash deposits held with local financial institutions are exempt from the 5% investment in any one issuer disclosure.

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NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits in federally insured banks and savings and loans are insured up to \$250,000 for demand deposits and \$250,000 for time deposits per custodian. The City's investment policy requires that all amounts deposited or invested with financial institutions in excess of any insurance limit be collateralized by securities held by the City in the City's name. As of April 30, 2017, of the City of Neoga's total bank balances, \$623,892.21 was secured by federal depository insurance and \$3,108,826.08 was collateralized with securities held by the pledging financial institution's trust department in the City of Neoga's name.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of deposits or investments. None of the City's deposits are directly subject to foreign currency risk.

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2017, was as follows:

| | <u>Balance May 1, 2016</u> | <u>Additions/ Completions</u> | <u>Retirements/ Adjustments</u> | <u>Balance April 30, 2017</u> |
|---------------------------------------|------------------------------------|-----------------------------------|-------------------------------------|---------------------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 281,039.71 | \$ 116,448.00 | \$ (34,836.98) | \$ 362,650.73 |
| Construction in progress | <u>12,898.67</u> | <u>21,538.24</u> | <u>-</u> | <u>34,436.91</u> |
| Capital assets being depreciated: | | | | |
| Building and improvements | 288,089.10 | - | - | 288,089.10 |
| Accumulated depreciation | <u>(165,810.61)</u> | <u>(5,761.79)</u> | <u>-</u> | <u>(171,572.40)</u> |
| Building and improvements, net | <u>122,278.49</u> | <u>(5,761.79)</u> | <u>-</u> | <u>116,516.70</u> |
| Equipment | 373,285.75 | 3,199.00 | (2,999.88) | 373,484.87 |
| Accumulated depreciation | <u>(332,369.75)</u> | <u>(22,511.35)</u> | <u>2,999.88</u> | <u>(351,881.22)</u> |
| Equipment, net | <u>40,916.00</u> | <u>(19,312.35)</u> | <u>-</u> | <u>21,603.65</u> |
| Infrastructure | 1,307,366.71 | - | - | 1,307,366.71 |
| Accumulated depreciation | <u>(182,162.66)</u> | <u>(65,368.33)</u> | <u>-</u> | <u>(247,530.99)</u> |
| Infrastructure, net | <u>1,125,204.05</u> | <u>(65,368.33)</u> | <u>-</u> | <u>1,059,835.72</u> |
| Total Governmental Activities | | | | |
| Net Capital Assets | <u>\$1,582,336.92</u> | <u>\$ 47,543.77</u> | <u>\$ (34,836.98)</u> | <u>\$1,595,043.71</u> |

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

| | Balance May 1, 2016 | Additions/ Completions | Retirements/ Adjustments | Balance April 30, 2017 |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|
| Business-Type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 31,757.73 | \$ - | \$ - | \$ 31,757.73 |
| Construction in progress | <u>82,812.69</u> | <u>-</u> | <u>-</u> | <u>82,812.69</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 4,430,482.12 | - | - | 4,430,482.12 |
| Accumulated depreciation | <u>(2,005,975.81)</u> | <u>(118,148.49)</u> | <u>-</u> | <u>(2,124,124.30)</u> |
| Infrastructure, net | <u>2,424,506.31</u> | <u>(118,148.49)</u> | <u>-</u> | <u>2,306,357.82</u> |
| Equipment | 186,840.00 | - | (1,999.91) | 184,840.09 |
| Accumulated depreciation | <u>(181,610.36)</u> | <u>(2,051.42)</u> | <u>1,999.91</u> | <u>(181,661.87)</u> |
| Equipment, net | <u>5,229.64</u> | <u>(2,051.42)</u> | <u>-</u> | <u>3,178.22</u> |
| Total Business-Type Activities | | | | |
| Net Capital Assets | <u>\$2,544,306.37</u> | <u>\$ (120,199.91)</u> | <u>\$ -</u> | <u>\$2,424,106.46</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|---|----------------------|
| Governmental Activities: | |
| General government | \$ 5,412.04 |
| Cemetery maintenance | 775.00 |
| Public safety | 5,112.59 |
| Health and welfare | 1,793.20 |
| Economic development | 13,166.15 |
| Highways and streets | <u>67,382.49</u> |
| Total Governmental Activities Depreciation Expense | <u>\$ 93,641.47</u> |
| Business-Type Activities: | |
| Water | \$ 43,043.94 |
| Sewer | <u>77,155.97</u> |
| Total Business-Type Activities Depreciation Expense | <u>\$ 120,199.91</u> |

The City has the following active construction in progress projects:

Construction in progress for governmental activities includes the Safe Routes to School Project to construct sidewalks to connect two residential areas to the elementary school. The project is funded by the IDOT Safe Routes to School grant which includes up to \$15,577.25 for preliminary engineering and \$160,000.00 for construction. As of April 30, 2017, \$13,218.62 has been expended for preliminary engineering costs. The estimated cost of the project and expected completion date are unknown at this time.

Construction in progress for governmental activities also includes drainage improvements on Kepp Avenue. The City was awarded an Economic Development Program grant through the Illinois Department of Transportation to correct drainage issues associated with the extension of Kepp Avenue. The grant is for reimbursement of 50% of the construction and engineering costs. As of April 30, 2017, \$21,218.29 had been expended for preliminary engineering costs. The estimated total cost of the project is \$198,575.00 with an expected completion date of fall 2018.

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Construction in progress for business-type activities includes a project for sewer system improvements. The design engineering for the project is funded by a \$100,000 Community Development Assistance Program grant. The City was awarded a \$350,000 Community Development Assistance Program grant in June 2004 for interceptor sewer upsizing and wastewater treatment plant improvements. The City was awarded an additional \$350,000 Community Development Assistance Program grant in fiscal year 2007. Phase I of the project was completed April 2007 for a total of \$864,878.79. Phase II of the project was completed November 2008 for a total of \$666,438.91. As of April 30, 2017, \$8,015.19 has been expended for Phase III of this project. The estimated cost of the project and expected completion date are unknown at this time.

Construction in progress for business-type activities also includes a project for water main improvements on 6th Street. The City was awarded a \$46,980.00 Water Main Improvement Design grant and a \$450,000.00 Water Main Improvement grant from the Illinois Department of Commerce and Economic Opportunity. As of April 30, 2017, \$56,200.00 has been expended for design engineering costs. The total estimated cost of the project is \$552,595.00 and expected completion date is unknown at this time.

Construction in progress for business-type activities also includes a project to replace an existing water main from 6th Street to 9th Street. The City was awarded a \$100,000.00 grant from the Illinois Department of Commerce and Economic Opportunity for design engineering and construction costs. As of April 30, 2017, \$18,010.00 has been expended for design engineering costs. The total estimated cost of the project is \$106,000.00. The project is on hold due to the State suspending available grant monies.

Construction in progress for business-type activities also includes a project to upgrade the wastewater treatment plant to meet IEPA compliance with ammonia levels. The City will be constructing an aerated basin system to improve wastewater treatment in order to meet the requirements. The project will be funded with a \$1,100,000.00 loan and \$480,000.00 grant from USDA Rural Development. As of April 30, 2017, \$587.50 has been expended for design engineering costs. It is estimated to cost \$1,580,000.00 with an expected completion date of fall 2018.

NOTE E - DEFERRED COMPENSATION PLAN

The City maintains a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan is available to all City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Amendments to the laws governing Section 457, deferred compensation plans, substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust, with the City serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. The City's beneficial ownership of plan assets will be held for the further exclusive benefit of the plan for the exclusive benefit of participants and beneficiaries.

It is the opinion of the City's legal counsel that the City, as trustee, has no liability for plan losses but does have the duty of due care that would be required of an ordinary prudent investor.

Total plan assets as of March 31, 2017 (latest information available) held by Nationwide Retirement Solutions was \$196,046.51.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

NOTE F - VACATION, SICK PAY AND OTHER EMPLOYEE BENEFITS

Accumulated unpaid vacation and sick pay amounts for governmental fund types are not accrued in the fund financial statements because they would not normally be liquidated with expendable available financial resources. The accumulated amount is recorded on the accrual basis in those funds on the government-wide financial statements.

Accumulated unpaid vacation and sick pay amounts for proprietary funds are recorded on the accrual basis in those funds on both the fund financial statements and government-wide financial statements.

Accumulated vacation and sick pay liability at April 30, 2017 is as follows:

| | Accrued Vacation Pay | Accrued Comp and Sick Pay | Total |
|---------------------------|-------------------------|---------------------------------|--------------|
| Governmental Activities: | | | |
| General Fund | \$ 12,697.16 | \$ 3,856.03 | \$ 16,553.19 |
| Business-Type Activities: | | | |
| Water Fund | 6,081.35 | 3,312.14 | 9,393.49 |
| Sewer Fund | 4,387.55 | 3,312.14 | 7,699.69 |
| | 10,468.90 | 6,624.28 | 17,093.18 |
| Total | \$ 23,166.06 | \$ 10,480.31 | \$ 33,646.37 |

NOTE G - DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

Employees Covered by Benefit Terms - As of December 31, 2016, the following employees were covered by the benefit terms:

| | |
|--|----|
| Retirees and beneficiaries currently receiving benefits | 14 |
| Inactive plan members entitled to but not yet receiving benefits | 9 |
| Active plan members | 8 |
| Total | 31 |

Contributions - As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2016 and 2017 was 11.65% and 10.85%. For the fiscal year ended April 30, 2017, the City contributed \$39,480 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The City's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to

CITY OF NEOGA, ILLINOIS
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produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|------------------------------------|---|
| Domestic Equity | 38% | 6.85% |
| International Equity | 17% | 6.75% |
| Fixed Income | 27% | 3.00% |
| Real Estate | 8% | 5.75% |
| Alternative Investments | 9% | 2.65-7.35% |
| Cash Equivalents | <u>1%</u> | 2.25% |
| Total | 100% | |

Single Discount Rate - A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

| | Pension Liability <u>(A)</u> | Plan Net Position <u>(B)</u> | Net Pension Liability <u>(A) – (B)</u> |
|---|---------------------------------|---------------------------------|---|
| Changes in the Net Pension Liability: | | | |
| Balances at December 31, 2015 | \$ 2,355,379.00 | \$ 2,092,692.00 | \$ 262,687.00 |
| Changes for the year: | | | |
| Service Cost | 38,928.00 | - | 38,928.00 |
| Interest on the Total Pension Liability | 173,267.00 | - | 173,267.00 |
| Changes of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience of the Total Pension Liability | 3,410.00 | - | 3,410.00 |
| Changes of Assumptions | (6,352.00) | - | (6,352.00) |
| Contributions – Employer | - | 40,172.00 | (40,172.00) |
| Contributions – Employees | - | 15,516.00 | (15,516.00) |
| Net Investment Income | - | 145,967.00 | (145,967.00) |
| Benefit Payments, Including Refunds of Employee Contributions | (116,877.00) | (116,877.00) | - |
| Other (Net Transfer) | - | 28,610.00 | (28,610.00) |
| Net Changes | <u>92,376.00</u> | <u>113,388.00</u> | <u>(21,012.00)</u> |
| Balances at December 31, 2016 | <u>\$ 2,447,755.00</u> | <u>\$ 2,206,080.00</u> | <u>\$ 241,675.00</u> |

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | <u>1% Lower</u> 6.50% | <u>Current</u> 7.50% | <u>1% Higher</u> 8.50% |
|-------------------------------|--------------------------|-------------------------|---------------------------|
| Net Pension Liability/(Asset) | \$ 584,596.00 | \$ 241,675.00 | \$ (38,711.00) |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2017, the City recognized pension expense of \$(70,260). At April 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred</u> <u>Outflows of</u> <u>Resources</u> | <u>Deferred</u> <u>Inflows of</u> <u>Resources</u> |
|--|---|--|
| Deferred Amounts Related to Pensions: | | |
| Deferred Amounts to be Recognized in Pension Expense in Future Periods: | | |
| Differences between expected and actual experience | \$ 2,316.00 | \$ 123,344.00 |
| Changes of assumptions | 2,141.00 | 4,313.00 |
| Net difference between projected and actual earnings on pension plan investments | <u>102,667.00</u> | <u>-</u> |
| Total deferred amounts to be recognized in pension expense in future periods | <u>107,124.00</u> | <u>127,657.00</u> |
| Pension contributions made subsequent to the measurement date | <u>12,944.75</u> | <u>-</u> |
| Total Deferred Amounts Related to Pensions | <u>\$ 120,068.75</u> | <u>\$ 127,657.00</u> |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future periods as follows:

| | <u>Net Deferred</u> <u>Outflows</u> <u>of Resources</u> |
|----------------------|---|
| Year Ending April 30 | |
| 2018 | \$ (82,598.00) |
| 2019 | 26,649.00 |
| 2020 | 33,465.00 |
| 2021 | <u>1,951.00</u> |
| Total | <u>\$ (20,533.00)</u> |

NOTE H - CDAP LOANS RECEIVABLES

As a part of the Illinois Community Development Assistance Grant program, loans at an interest rate of 3-5% were made available to the property owners and local businesses. Principal and interest collected on these loans is considered to be program income and must be spent in the same area as the original grant. Original balance of the loans was \$1,440,000.00. At April 30, 2017, the balance was \$132,070.80.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

NOTE I - LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended April 30, 2017:

| | <u>Balance</u> <u>May 1,</u> <u>2016</u> | <u>Additions</u> | <u>Retired</u> | <u>Balance</u> <u>April 30,</u> <u>2017</u> | <u>Amount</u> <u>Due Within</u> <u>One Year</u> |
|---------------------------|--|------------------|----------------|---|---|
| Business-Type Activities: | | | | | |
| Bonds Payable | \$ 347,619.96 | \$ - | \$ 30,888.02 | \$ 316,731.94 | \$ 32,586.86 |

\$600,000 general obligation waterworks and sewerage bonds, Series 2005. First Neighbor Bank, National Association (Branch of Toledo) is bond registrar and paying agent. Bonds are dated March 15, 2005, with final payment due March 15, 2025. Principal and interest payments at 5.50% are due annually on March 15.

In October 2017, the City Council approved an ordinance amending the terms and provisions of the general obligation waterworks and sewerage bonds, Series 2005. The City made an additional principal and interest payment of \$100,000.00 in October 2017. Final payment is now due March 15, 2022. Principal and interest payments at 2.50% are due annually on March 15.

Annual future maturities are summarized as follows:

| <u>Year Ended</u> <u>April 30</u> | <u>Business-Type Activities</u> | | |
|--------------------------------------|---------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2018 | \$ 32,586.86 | \$ 17,420.26 | \$ 50,007.12 |
| 2019 | 34,379.14 | 15,627.98 | 50,007.12 |
| 2020 | 36,232.36 | 13,774.76 | 50,007.12 |
| 2021 | 38,262.77 | 11,744.35 | 50,007.12 |
| 2022 | 40,367.23 | 9,639.89 | 50,007.12 |
| 2023-2025 | <u>134,903.58</u> | <u>15,118.02</u> | <u>150,021.60</u> |
| | <u>\$ 316,731.94</u> | <u>\$ 83,325.26</u> | <u>\$ 400,057.20</u> |

The bond ordinance authorizing the revenue bond issue provides in detail the method of accounting and handling of funds and provides for establishing two (2) separate accounts in the priority indicated by the order of the following:

| <u>Account</u> | <u>Amount Required</u> | <u>Nature of Authorized</u> <u>Expenditure</u> |
|--|---|--|
| a) Sewerage System Operation and Maintenance Account | Sufficient amount to pay reasonable expenses for the current month. | Expenses of operating, maintaining and repairing the system. |
| b) Sewerage System Debt Service Account | Monthly a fractional amount of interest and principal due on the next payment date. | Paying principal and interest on bonds. |

All of the above accounts have been established substantially in accordance with the provisions of this bond ordinance.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

NOTE J - OTHER LONG-TERM LIABILITIES

The following is a summary of other long-term liabilities transactions for the year ended April 30, 2017:

| | Balance May 1, <u>2016</u> | <u>Additions</u> | <u>Payments</u> | Balance April 30, <u>2017</u> | Amount Due Within <u>One Year</u> |
|---|----------------------------------|------------------|---------------------|-------------------------------------|---|
| Governmental Activities: | | | | | |
| TIF District redevelopment project | \$ 205,031.83 | \$ - | \$ 15,345.05 | \$ 189,686.78 | \$ 15,409.83 |
| Business District redevelopment project | <u>127,081.93</u> | <u>-</u> | <u>8,532.53</u> | <u>118,549.40</u> | <u>8,692.69</u> |
| Total Governmental Activities | <u>\$ 332,113.76</u> | <u>\$ -</u> | <u>\$ 23,877.58</u> | <u>\$ 308,236.18</u> | <u>\$ 24,102.52</u> |

The City signed a redevelopment agreement with Westmore Equities, LLC in January 2011 to reimburse costs for the construction of a new building for a retail business in the City's TIF District. The City is to reimburse Westmore Equities, LLC 75% of TIF property tax revenues on the property annually until the Neoga Tax Increment Financing District #1 expires in 21 years. The maximum amount to be paid over that period is \$250,000.00. It can be reasonably estimated that the City will pay the maximum amount in the agreement.

The City signed a redevelopment agreement with Westmore Equities, LLC in September 2010 to reimburse costs for the construction of a new building for a retail business in the City's Business District. The City is to reimburse Westmore Equities, LLC 100% of the Business District sales tax revenues collected on the property annually until the Neoga Business District expires in 21 years. The maximum amount to be paid over that period is \$158,000.00. It can be reasonably estimated that the City will pay the maximum amount in the agreement.

NOTE K - MAJOR CUSTOMER

On March 30, 2000, the City signed an agreement with Reliant Energy Shelby County, LP for its water usage at \$0.315 per 1,000 gallons with a minimum monthly water fee of \$600 per month to be adjusted annually. As consideration of discharge, the user fee will equal \$2.65 per 1,000 gallons of water discharged by Reliant to Neoga Wastewater Treatment System with a minimum fee of \$3,500 per month to be adjusted annually. Reliant paid \$88,176.21 or 15.00% of water and sewer revenue to the City during the fiscal year ended April 30, 2017.

NOTE L - LEASING AGREEMENT

The City signed a cash rent farm lease dated April 7, 2015 for farm land owned by the City. The term of the lease is from March 1, 2015 to February 28, 2018. The tenant will pay the City \$297.00 per acre for a total of \$13,985.73 annually. The lease will not automatically renew each year and the City has the option to extend the lease or sign a new lease agreement. The City recognized lease revenue of \$13,787.73 for the year ending April 30, 2017. The City approved an ordinance for the partial release of the lease in December 2016 due to the sale of the farm land.

The City signed a real estate lease agreement dated February 11, 2013 for real estate owned by the City. The term of the lease is from February 1, 2013 to January 30, 2112. The tenant will pay the City \$10.00 per year. Either party has the right to terminate the lease on December 1, 2019, and on December 1 of every third year thereafter. The City recognized lease revenue of \$10.00 for the year ending April 30, 2017.

CITY OF NEOGA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

NOTE M - RISK MANAGEMENT

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

NOTE N - SUBSEQUENT EVENT

On July 24, 2017, the City was approved for a USDA Rural development loan of \$1,100,000.00 and grant of \$480,000.00. These funds are to be used to defray the costs of upgrading the wastewater treatment plant in order to be in compliance with the IEPA guidelines for ammonia levels.

On November 27, 2017, the City approved a water supply agreement with EJ Water Cooperative, Inc. The City will pay to EJ Water Cooperative, Inc. a \$100,000.00 tap fee to contribute toward the cost of upsizing and extending the water main and constructing the booster and metering station equipment. The City will pay an initial rate of \$2.90 per 1,000 gallons to purchase water. An annual adjustment will be made to the rate beginning January 1, 2021 in accordance with the consumer price index. The term of the agreement is 40 years beginning on the 1st day of delivery of water.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
REGULAR PLAN
December 31, 2016

| | 2016 | 2015 |
|---|--------------|--------------|
| Total Pension Liability: | | |
| Service cost | \$ 38,928 | \$ 37,953 |
| Interest | 173,267 | 191,436 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | 3,410 | (357,862) |
| Changes of assumptions | (6,352) | 6,209 |
| Benefit payments, including refunds of employee contributions | (116,877) | (111,731) |
| Net change in total pension liability | 92,376 | (233,995) |
| Total pension liability, beginning of year | 2,355,379 | 2,589,374 |
| Total Pension Liability, End of Year | \$ 2,447,755 | \$ 2,355,379 |
| Plan Fiduciary Net Position: | | |
| Contributions - employer | \$ 40,172 | \$ 44,824 |
| Contributions - employees | 15,516 | 15,773 |
| Net investment income | 145,967 | 12,172 |
| Benefit payments, including refunds of employee contributions | (116,877) | (111,731) |
| Other (net transfer) | 28,610 | (328,273) |
| Net change in fiduciary net position | 113,388 | (367,235) |
| Plan net position, beginning of year | 2,092,692 | 2,459,927 |
| Plan Net Position, End of Year | \$ 2,206,080 | \$ 2,092,692 |
| Employer's Net Pension Liability | \$ 241,675 | \$ 262,687 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 90.13% | 88.85% |
| Covered Employee Payroll | \$ 344,820 | \$ 349,099 |
| Employer's Net Pension Liability as a Percentage of Covered Employee Payroll | 70.09% | 75.25% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF NEOGA, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 December 31, 2016

| Calendar Year Ending December 31, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Actual Contribution as a % of Covered Employee Payroll |
|--|---|------------------------|--|--------------------------------|--|
|--|---|------------------------|--|--------------------------------|--|

Illinois Municipal Retirement Fund - Regular Plan:

| | | | | | |
|------|-----------|-----------|-----------|------------|--------|
| 2015 | \$ 65,491 | \$ 44,824 | \$ 20,667 | \$ 349,099 | 12.84% |
| 2016 | 40,172 | 40,172 | - | 344,820 | 11.65% |

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2016

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate *

Valuation Date:

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

Methods and Assumptions Used to Determine 2016 Contributions Rates:

| | |
|--------------------------------|---|
| Actuarial Cost Method: | Aggregate entry age normal |
| Amortization Method: | Level percentage of payroll, closed |
| Remaining Amortization Period: | 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). |
| Asset Valuation Method: | 5-year smoothed market; 20% corridor |
| Wage Growth: | 3.50% |
| Price Inflation: | 2.75%, approximate; no explicit price inflation assumption is used in this valuation. |
| Salary Increases: | 3.75% to 14.50%, including inflation |
| Investment Rate of Return: | 7.5% |
| Retirement Age: | Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013. |
| Mortality: | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustment to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |
| Other Information: | There were no benefit changes during the year. |

*Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTARY INFORMATION

CITY OF NEOGA, ILLINOIS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 April 30, 2017

| | <u>Motor Fuel Tax Fund</u> | <u>Cemetery Perpetual Fund</u> | <u>Business District Fund</u> | <u>Total Non-Major Governmental Funds</u> |
|--------------------------------------|--------------------------------|--|---------------------------------------|---|
| ASSETS | | | | |
| Cash deposits | \$ 31,953.78 | \$ 13,400.00 | \$ 2,952.62 | \$ 48,306.40 |
| Receivables: | | | | |
| Due from other governmental agencies | <u>3,581.97</u> | <u>-</u> | <u>1,363.54</u> | <u>4,945.51</u> |
| Total Assets | <u>\$ 35,535.75</u> | <u>\$ 13,400.00</u> | <u>\$ 4,316.16</u> | <u>\$ 53,251.91</u> |
| LIABILITIES | | | | |
| None | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| FUND BALANCE | | | | |
| Nonspendable | - | 13,400.00 | - | 13,400.00 |
| Restricted for: | | | | |
| Economic development and assistance | - | - | 4,286.90 | 4,286.90 |
| Street maintenance | 35,535.75 | - | - | 35,535.75 |
| Assigned for: | | | | |
| Economic development and assistance | <u>-</u> | <u>-</u> | <u>29.26</u> | <u>29.26</u> |
| Total fund balance | <u>35,535.75</u> | <u>13,400.00</u> | <u>4,316.16</u> | <u>53,251.91</u> |
| Total Liabilities and Fund Balance | <u>\$ 35,535.75</u> | <u>\$ 13,400.00</u> | <u>\$ 4,316.16</u> | <u>\$ 53,251.91</u> |

CITY OF NEOGA, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended April 30, 2017

| | <u>Motor Fuel Tax Fund</u> | <u>Cemetery Perpetual Fund</u> | <u>Business District Fund</u> | <u>Total Non-Major Governmental Funds</u> |
|--|--------------------------------|--|---------------------------------------|---|
| Revenues: | | | | |
| Municipal retailers' occupation tax | \$ - | \$ - | \$ 8,644.32 | \$ 8,644.32 |
| Illinois motor fuel tax | 41,466.87 | - | - | 41,466.87 |
| Interest income | <u>22.39</u> | <u>20.11</u> | <u>1.65</u> | <u>44.15</u> |
| Total revenues | <u>41,489.26</u> | <u>20.11</u> | <u>8,645.97</u> | <u>50,155.34</u> |
| Expenditures: | | | | |
| Highways and streets | 42,950.18 | - | - | 42,950.18 |
| Economic development and assistance | <u>-</u> | <u>-</u> | <u>8,532.53</u> | <u>8,532.53</u> |
| Total expenditures | <u>42,950.18</u> | <u>-</u> | <u>8,532.53</u> | <u>51,482.71</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,460.92)</u> | <u>20.11</u> | <u>113.44</u> | <u>(1,327.37)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers out | <u>-</u> | <u>(20.11)</u> | <u>-</u> | <u>(20.11)</u> |
| Net change in fund balance | (1,460.92) | - | 113.44 | (1,347.48) |
| Fund balance, beginning of year | <u>36,996.67</u> | <u>13,400.00</u> | <u>4,202.72</u> | <u>54,599.39</u> |
| Fund Balance, End of Year | <u>\$ 35,535.75</u> | <u>\$ 13,400.00</u> | <u>\$ 4,316.16</u> | <u>\$ 53,251.91</u> |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 MOTOR FUEL TAX FUND
 For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|--|----------------------------|---------------------------|-------------------------|---|
| RECEIPTS | | | | |
| Revenue: | | | | |
| Illinois motor fuel tax | \$ 60,000.00 | \$ 60,000.00 | \$ 41,608.13 | \$ (18,391.87) |
| Interest received | <u>100.00</u> | <u>100.00</u> | <u>22.39</u> | <u>(77.61)</u> |
| Total receipts | <u>60,100.00</u> | <u>60,100.00</u> | <u>41,630.52</u> | <u>(18,469.48)</u> |
| DISBURSEMENTS | | | | |
| Highways and Streets: | | | | |
| Engineering | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Street maintenance | 91,873.00 | 91,873.00 | 42,950.18 | 48,922.82 |
| Miscellaneous | <u>500.00</u> | <u>500.00</u> | <u>-</u> | <u>500.00</u> |
| Total disbursements | <u>93,373.00</u> | <u>93,373.00</u> | <u>42,950.18</u> | <u>50,422.82</u> |
| Excess of receipts (disbursements) | <u>\$ (33,273.00)</u> | <u>\$ (33,273.00)</u> | (1,319.66) | <u>\$ 31,953.34</u> |
| Cash deposits, beginning of year | | | <u>33,273.44</u> | |
| Cash Deposits, End of Year | | | <u>\$ 31,953.78</u> | |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 CEMETERY PERPETUAL FUND
 For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|------------------------------------|----------------------------|-------------------------|---------------------|---|
| RECEIPTS | | | | |
| Revenue: | | | | |
| Interest received | <u>\$ 100.00</u> | <u>\$ 100.00</u> | <u>\$ 20.11</u> | <u>\$ (79.89)</u> |
| DISBURSEMENTS | | | | |
| Cemetery: | | | | |
| Non-Expense Disbursements: | | | | |
| Transfers to other funds | <u>-</u> | <u>-</u> | <u>20.11</u> | <u>(20.11)</u> |
| Excess of receipts (disbursements) | <u>\$ 100.00</u> | <u>\$ 100.00</u> | <u>-</u> | <u>\$ (100.00)</u> |
| Cash deposits, beginning of year | | | <u>13,400.00</u> | |
| Cash Deposits, End of Year | | | <u>\$ 13,400.00</u> | |

CITY OF NEOGA, ILLINOIS
 CASH RECEIPTS AND DISBURSEMENTS AND COMPARISON TO BUDGET
 BUSINESS DISTRICT FUND
 For the Year Ended April 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Positive (Negative) Final Budget</u> |
|--------------------------------------|----------------------------|-------------------------|--------------------|---|
| RECEIPTS | | | | |
| Revenue: | | | | |
| Municipal retailers' occupation tax | \$ 15,000.00 | \$ 15,000.00 | \$ 8,715.61 | \$ (6,284.39) |
| Interest received | <u>50.00</u> | <u>50.00</u> | <u>1.65</u> | <u>(48.35)</u> |
| Total receipts | <u>15,050.00</u> | <u>15,050.00</u> | <u>8,717.26</u> | <u>(6,332.74)</u> |
| DISBURSEMENTS | | | | |
| Economic Development and Assistance: | | | | |
| Professional fees | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Developer reimbursement | 7,000.00 | 7,000.00 | 8,532.53 | (1,532.53) |
| Miscellaneous | <u>9,818.00</u> | <u>9,818.00</u> | <u>-</u> | <u>9,818.00</u> |
| Total disbursements | <u>17,818.00</u> | <u>17,818.00</u> | <u>8,532.53</u> | <u>9,285.47</u> |
| Excess of receipts (disbursements) | <u>\$ (2,768.00)</u> | <u>\$ (2,768.00)</u> | 184.73 | <u>\$ 2,952.73</u> |
| Cash deposits, beginning of year | | | <u>2,767.89</u> | |
| Cash Deposits, End of Year | | | <u>\$ 2,952.62</u> | |

CITY OF NEOGA, ILLINOIS
 COMBINING BALANCE SHEET - GENERAL FUND
 April 30, 2017

| | General | Cemetery Maintenance Fund | Total General Fund |
|---|---------------------|---------------------------------|--------------------------|
| ASSETS | | | |
| Cash deposits | \$ 860,766.63 | \$ 3,972.85 | \$ 864,739.48 |
| Receivables: | | | |
| Property taxes | 104,196.27 | - | 104,196.27 |
| Utility taxes | 5,875.76 | - | 5,875.76 |
| Due from other governmental agencies | 79,226.49 | - | 79,226.49 |
| Prepaid expenditures | 5,780.57 | - | 5,780.57 |
| Inventory | 18,780.07 | - | 18,780.07 |
| Total Assets | \$ 1,074,625.79 | \$ 3,972.85 | \$1,078,598.64 |
| LIABILITIES | | | |
| Accounts payable | \$ 9,377.65 | \$ 500.00 | \$ 9,877.65 |
| Accrued salaries | 5,843.37 | - | 5,843.37 |
| Unearned revenue | 23,998.11 | - | 23,998.11 |
| Total liabilities | 39,219.13 | 500.00 | 39,719.13 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable grant revenue | 3,147.45 | - | 3,147.45 |
| Unavailable property taxes | 104,196.27 | - | 104,196.27 |
| Total deferred inflows of resources | 107,343.72 | - | 107,343.72 |
| FUND BALANCES | | | |
| Nonspendable | 24,560.64 | - | 24,560.64 |
| Restricted for: | | | |
| Public safety | 6,884.01 | - | 6,884.01 |
| Committed for: | | | |
| Public safety | 34,722.84 | - | 34,722.84 |
| Equipment | 89,869.10 | - | 89,869.10 |
| Assigned for: | | | |
| Cemetery maintenance | - | 3,472.85 | 3,472.85 |
| Unassigned | 772,026.35 | - | 772,026.35 |
| Total fund balances | 928,062.94 | 3,472.85 | 931,535.79 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,074,625.79 | \$ 3,972.85 | \$1,078,598.64 |

CITY OF NEOGA, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 GENERAL FUND
 For the Year Ended April 30, 2017

| | General | Cemetery Maintenance Fund | Total General Fund |
|--|--------------------|---------------------------------|--------------------------|
| Revenues: | | | |
| Property taxes | \$ 103,118.40 | \$ - | \$ 103,118.40 |
| Personal property replacement tax | 10,911.27 | - | 10,911.27 |
| Municipal retailers' occupation tax | 103,135.87 | - | 103,135.87 |
| Local use tax | 40,337.94 | - | 40,337.94 |
| Illinois income tax | 154,254.92 | - | 154,254.92 |
| Utility tax | 73,226.08 | - | 73,226.08 |
| Telecommunications tax | 33,680.78 | - | 33,680.78 |
| Video gaming tax | 22,598.45 | - | 22,598.45 |
| Franchise tax | 24,942.43 | - | 24,942.43 |
| Other governmental agencies | 1,336.62 | - | 1,336.62 |
| Licenses, permits and fees | 10,176.47 | - | 10,176.47 |
| Fines | 24,832.25 | - | 24,832.25 |
| Rental income | 16,082.73 | - | 16,082.73 |
| Interest income | 10,216.55 | 4.80 | 10,221.35 |
| Other income | 9,452.25 | 1,400.00 | 10,852.25 |
| | <u>638,303.01</u> | <u>1,404.80</u> | <u>639,707.81</u> |
| | | | |
| Expenditures: | | | |
| General government | 240,787.36 | - | 240,787.36 |
| Cemetery | - | 21,694.00 | 21,694.00 |
| Public safety | 186,244.01 | - | 186,244.01 |
| Highways and streets | 112,009.60 | - | 112,009.60 |
| Sanitation | 3,940.00 | - | 3,940.00 |
| Health and welfare | 10,916.38 | - | 10,916.38 |
| Economic development and assistance | 118,770.93 | - | 118,770.93 |
| Total expenditures | <u>672,668.28</u> | <u>21,694.00</u> | <u>694,362.28</u> |
| | | | |
| Excess (deficiency) of revenues over expenditures | <u>(34,365.27)</u> | <u>(20,289.20)</u> | <u>(54,654.47)</u> |

CITY OF NEOGA, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 GENERAL FUND
 For the Year Ended April 30, 2017

| | General | Cemetery Maintenance Fund | Total General Fund |
|--------------------------------------|-------------------|---------------------------------|--------------------------|
| Other Financing Sources (Uses): | | | |
| Gain on sale of capital assets | 44,550.00 | - | 44,550.00 |
| Transfers in | - | 15,020.11 | 15,020.11 |
| Transfers out | (15,000.00) | - | (15,000.00) |
| Total other financing sources (uses) | 29,550.00 | 15,020.11 | 44,570.11 |
| Net change in fund balance | (4,815.27) | (5,269.09) | (10,084.36) |
| Fund balance, beginning of year | 932,878.21 | 8,741.94 | 941,620.15 |
| Fund Balance, End of Year | \$ 928,062.94 | \$ 3,472.85 | \$ 931,535.79 |

OTHER INFORMATION

CITY OF NEOGA, ILLINOIS
 ASSESSED VALUATION, TAX RATES, TAXES EXTENDED AND COLLECTED

| | Tax Levy Year | | |
|--|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 |
| Assessed Valuation (Excludes TIF District) | \$ 14,356,849 | \$ 13,825,838 | \$ 13,434,472 |
| Tax Rates: | | | |
| General corporate | 0.40211 | 0.42053 | 0.42360 |
| Police protection | 0.00385 | 0.00419 | 0.00410 |
| Garbage | 0.00129 | 0.00105 | 0.00113 |
| Audit | 0.06404 | 0.05575 | 0.05429 |
| IMRF | 0.51224 | 0.53648 | 0.55769 |
| Unemployment insurance | 0.02562 | 0.02788 | 0.02977 |
| Liability insurance | 0.08965 | 0.09058 | 0.08925 |
| Social security | 0.15368 | 0.15329 | 0.15618 |
| Workers' compensation insurance | 0.07044 | 0.07665 | 0.07660 |
| ESDA | 0.00129 | 0.00109 | 0.00113 |
| Medicare | 0.04483 | 0.04181 | 0.04017 |
| Total | <u>1.36904</u> | <u>1.40930</u> | <u>1.43391</u> |
| Taxes Extended: | | | |
| General corporate | \$ 57,730.33 | \$ 58,141.80 | \$ 56,908.42 |
| Street and bridge * | 13,364.79 | 13,272.80 | 13,242.36 |
| Police protection | 552.74 | 579.30 | 550.81 |
| Garbage | 185.20 | 145.17 | 151.81 |
| Audit | 9,194.13 | 7,707.90 | 7,293.57 |
| IMRF | 73,541.52 | 74,172.86 | 74,922.71 |
| Unemployment insurance | 3,678.22 | 3,854.64 | 3,999.44 |
| Liability insurance | 12,870.92 | 12,523.44 | 11,990.27 |
| Social security | 22,063.61 | 21,193.63 | 20,981.96 |
| Workers' compensation insurance | 10,112.96 | 10,597.50 | 10,290.81 |
| ESDA | 185.20 | 150.70 | 151.81 |
| Medicare | 6,436.18 | 5,780.58 | 5,396.63 |
| Total | <u>\$ 209,915.80</u> | <u>\$ 208,120.32</u> | <u>\$ 205,880.60</u> |
| Net Taxes Collected: | | | |
| Municipal levy | | \$ 194,330.87 | \$ 192,133.46 |
| City's share of township road and bridge | | <u>13,252.02</u> | <u>13,247.76</u> |
| Total | | <u>\$ 207,582.89</u> | <u>\$ 205,381.22</u> |
| Percent Collected | | 99.74% | 99.76% |

* Includes City's estimated share of township road and bridge tax of \$13,364.79 for 2016, \$13,272.80 for 2015, and \$13,242.36 for 2014.

CITY OF NEOGA, ILLINOIS
LEGAL DEBT MARGIN

| | April 30 | | |
|---|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 |
| Assessed Valuation (Includes TIF District) | <u>\$ 17,308,914</u> | <u>\$ 15,891,954</u> | <u>\$ 15,360,390</u> |
| Statutory debt limitation (8.625% of assessed value) | <u>\$ 1,492,894</u> | <u>\$ 1,370,681</u> | <u>\$ 1,324,834</u> |
| Total Debt: | | | |
| Water and sewer general obligation bonds | 316,732 | 347,620 | 376,844 |
| Less debt to be paid from water and sewer utility revenue, exempt from legal debt computation | <u>316,732</u> | <u>347,620</u> | <u>376,844</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Legal Debt Margin | <u>\$ 1,492,894</u> | <u>\$ 1,370,681</u> | <u>\$ 1,324,834</u> |

CITY OF NEOGA, ILLINOIS
OTHER ADDITIONAL INFORMATION
April 30, 2017

| City Officials: | | <u>Term Expires</u> |
|-----------------|----------------|---------------------|
| Mayor | Tony Kepp | 4/30/2019 |
| Commissioners | Ronald Edwards | 4/30/2019 |
| | Marty Hartke | 4/30/2019 |
| | Larry Lindley | 4/30/2019 |
| | Carmen Stokes | 4/30/2019 |
| Clerk | Brenda Evans | 4/30/2017 |
| Treasurer | Diana Foor | 4/30/2017 |

Board Meetings - 2nd and 4th Monday of each month at 7:00 p.m.

Population - 1,636 (2010 Census)

Water and Sewer Rates:

| | <u>Water</u> | | <u>Sewer</u> | |
|---|--------------------|--------------------|------------------|-------------------|
| | <u>Inside</u> | <u>Outside</u> | | |
| | <u>City Limits</u> | <u>City Limits</u> | <u>Effective</u> | <u>Effective</u> |
| | | | <u>4/15/2016</u> | <u>12/15/2016</u> |
| First 2,000 gallons (minimum) | \$ 21.440 | \$ 34.850 | \$ 16.870 | \$ 17.710 |
| Over 2,000 gallons - per thousand gallons | 10.300 | 15.100 | 6.400 | 6.710 |
| Per hundred gallons or any part thereof | 1.030 | 1.510 | 0.640 | 0.671 |
| | | | <u>Effective</u> | <u>Effective</u> |
| | | | <u>4/15/2017</u> | <u>4/15/2017</u> |
| First 2,000 gallons (minimum) | \$ 22.510 | \$ 36.590 | \$ 18.600 | |
| Over 2,000 gallons - per thousand gallons | 10.800 | 15.900 | 7.000 | |
| Per hundred gallons or any part thereof | 1.080 | 1.590 | 0.700 | |

Water and Sewer Customers:

| <u>Date</u> | <u>Water</u> | <u>Sewer</u> |
|-------------|--------------|--------------|
| 4/30/2008 | 668 | 662 |
| 4/30/2009 | 667 | 660 |
| 4/30/2010 | 669 | 662 |
| 4/30/2011 | 675 | 668 |
| 4/30/2012 | 667 | 661 |
| 4/30/2013 | 662 | 654 |
| 4/30/2014 | 653 | 644 |
| 4/30/2015 | 652 | 640 |
| 4/30/2016 | 660 | 648 |
| 4/30/2017 | 652 | 643 |