

VILLAGE OF SENECA, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2018

Prepared by:

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CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF SENECA, ILLINOIS

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Mayor and
Village Council
Village of Seneca, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Seneca, Illinois, as of and for the year ended March 31, 2018, and the related notes to the basic financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Seneca, Illinois, as of March 31, 2018, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Village of Seneca, Illinois' basic financial statements. The Other Information, including the Notes to Other Information on pages 37-49, and the Supplemental Information on pages 50-75 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village of Seneca, Illinois, for the year ended March 31, 2017, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated July 20, 2017, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2018, on our consideration of the Village of Seneca, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Seneca, Illinois' internal control over financial reporting and compliance.

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

Morris, Illinois
July 3, 2018

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statement
Statement of Net Position - Modified Cash Basis
March 31, 2018

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2018	2017
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 929,986	561,931	1,491,917	1,436,700
Investments	2,239,857	83,350	2,323,207	2,127,972
Investments - restricted	-	654,719	654,719	722,013
Total current assets	<u>3,169,843</u>	<u>1,300,000</u>	<u>4,469,843</u>	<u>4,286,685</u>
Non-current assets:				
Capital assets:				
Land	654,689	-	654,689	591,689
Construction in progress	184,146	25,449	209,595	-
Equipment	321,446	390,645	712,091	707,071
Buildings and improvements	2,742,358	-	2,742,358	2,742,358
Vehicles	489,900	135,372	625,272	542,334
Infrastructure	1,166,720	8,285,698	9,452,418	9,327,542
Accumulated depreciation	<u>(2,279,948)</u>	<u>(5,822,797)</u>	<u>(8,102,745)</u>	<u>(7,704,927)</u>
Total non-current assets	<u>3,279,311</u>	<u>3,014,367</u>	<u>6,293,678</u>	<u>6,206,067</u>
Total assets	<u>\$ 6,449,154</u>	<u>4,314,367</u>	<u>10,763,521</u>	<u>10,492,752</u>
<u>Liabilities</u>				
Current liabilities:				
Customer deposits	\$ -	9,394	9,394	9,180
Due within one year:				
Notes payable	25,000	-	25,000	25,000
Bonds payable	56,000	15,000	71,000	120,000
IEPA loan payable	-	52,758	52,758	52,000
Total current liabilities	<u>81,000</u>	<u>77,152</u>	<u>158,152</u>	<u>206,180</u>
Long-term liabilities:				
Due in more than one year:				
Notes payable	-	-	-	25,000
Bonds payable	249,000	15,000	264,000	335,000
IEPA loan payable	-	546,126	546,126	598,990
Total long-term liabilities	<u>249,000</u>	<u>561,126</u>	<u>810,126</u>	<u>958,990</u>
Total liabilities	<u>330,000</u>	<u>638,278</u>	<u>968,278</u>	<u>1,165,170</u>
<u>Net Position</u>				
Net investment in capital assets	2,949,311	2,385,483	5,334,794	5,050,077
Unrestricted	1,804,034	664,916	2,468,950	1,885,580
Restricted	<u>1,365,809</u>	<u>625,690</u>	<u>1,991,499</u>	<u>2,391,925</u>
Total net position	<u>\$ 6,119,154</u>	<u>3,676,089</u>	<u>9,795,243</u>	<u>9,327,582</u>

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

VILLAGE OF SENECA, ILLINOIS

Government-wide Financial Statement
 Statement of Activities - Modified Cash Basis
 For the Year Ended March 31, 2018

Program Activities	Expenditures	Program Revenues			Governmental Activities	Net (Expense) and Change in Business-Type Activities
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
General government	\$ 1,018,177	49,360	-	-	(968,817)	
Public safety	668,176	-	17,475	-	(650,701)	
Highways and streets	307,940	63,687	-	-	(244,253)	
Culture and recreation	24,947	-	-	-	(24,947)	
Harbor construction	10,572	-	-	-	(10,572)	
Unallocated interest - expense	19,121	-	-	-	(19,121)	
Total governmental activities	<u>2,048,933</u>	<u>113,047</u>	<u>17,475</u>	<u>-</u>	<u>(1,918,411)</u>	
Business-type activities:						
Water	470,510	495,034	-	-	-	24,524
Sewer	451,791	454,778	-	-	-	2,987
Total business-type activities	<u>922,301</u>	<u>949,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,511</u>
Total primary government	<u>\$ 2,971,234</u>	<u>1,062,859</u>	<u>17,475</u>	<u>-</u>	<u>(1,918,411)</u>	<u>27,511</u>
		General revenues:				
		Taxes:				
		Property taxes				
					\$ 1,254,028	55,200
		Utility tax				
					293,199	
		Sales tax				
					263,418	
		Income tax				
					231,016	
		Replacement tax				
					10,347	
		Local use tax				
					61,330	
		Video gaming tax				
					43,809	
		Motor fuel tax				
					60,042	
		Reimbursements				
					7,417	
		Interest on investments				
					23,716	6,900
		Miscellaneous				
					48,046	
		Total general revenues				
					<u>2,296,368</u>	<u>62,100</u>
		Special items				
		Debt issuance premium				
					-	
		Debt issuance discount				
					-	
		Transfer (to) from				
					(38,500)	38,500
		Change in net position				
					339,457	128,200
		Net position at beginning of year				
					<u>5,779,697</u>	<u>3,547,800</u>
		Net position at end of year				
					<u>\$ 6,119,154</u>	<u>3,676,000</u>

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

VILLAGE OF SENECA, ILLINOIS

Statement of Assets, Liabilities, and Fund Balances
 Modified Cash Basis - Governmental Funds
 March 31, 2018

	Major Funds			
	General Fund	TIF Fund	Working Cash Fund	Non-major Governmental Funds
<u>Assets</u>				
Cash	\$ 742,283	115,078	1,311	71,314
Investments	348,009	571,688	464,369	855,791
Due from other funds	331,573	-	-	-
Total assets	<u>\$ 1,421,865</u>	<u>686,766</u>	<u>465,680</u>	<u>927,105</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Overdraft payable	\$ -	-	-	-
Due to other funds	-	331,573	-	-
Total liabilities	-	331,573	-	-
Fund balances:				
Unassigned	943,661	-	-	-
Assigned	132,778	-	465,680	233,203
Committed	28,712	-	-	-
Restricted	316,714	355,193	-	693,902
Total fund balances	<u>1,421,865</u>	<u>355,193</u>	<u>465,680</u>	<u>927,105</u>
Total liabilities and fund balances	<u>\$ 1,421,865</u>	<u>686,766</u>	<u>465,680</u>	<u>927,105</u>

Reconciliation to Statement of Net Position:

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

Capital assets used in governmental activities of \$5,559,259 (net of accumulated depreciation of \$2,279,948) are not financial resources and, therefore, are not reported in the funds.

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

Net position of governmental activities

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

VILLAGE OF SENECA, ILLINOIS

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended March 31, 2018

	Major Funds			
	General Fund	TIF Fund	Working Cash Fund	Non-major Governmental Funds
<u>Revenues received:</u>				
Property taxes	\$ 342,354	547,750	20,211	343,713
Utility tax	293,199	-	-	-
Sales tax	263,418	-	-	-
Income tax	231,016	-	-	-
Replacement tax	10,347	-	-	-
Local use tax	61,330	-	-	-
Video gaming tax	43,809	-	-	-
Interest income	7,373	3,189	4,039	9,115
Motor Fuel Tax	-	-	-	60,042
Reimbursements	1,928	-	-	5,489
Fines, Fees, and Forfeitures	49,360	-	-	-
Grants	17,475	-	-	-
Licenses and permits	63,687	-	-	-
Miscellaneous	48,046	-	-	-
Total revenues received	1,433,342	550,939	24,250	418,359
<u>Expenditures disbursed:</u>				
Current:				
General government	262,708	257,337	-	248,679
Public safety	667,394	-	-	782
Highways and streets	266,938	-	-	41,002
Culture and recreation	24,947	-	-	-
Harbor construction	10,572	-	-	-
Capital outlay	246,861	-	-	89,834
Debt service:				
Principal	25,000	-	-	71,500
Interest	1,500	-	-	17,621
Total expenditures disbursed	1,505,920	257,337	-	469,418
Excess (deficiency) of revenues received over (under) expenditures disbursed	(72,578)	293,602	24,250	(51,059)

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

VILLAGE OF SENECA, ILLINOIS

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2018**

	Major Funds			
	General Fund	TIF Fund	Working Cash Fund	Non-major Governmental Funds
<u>Other financing sources (uses):</u>				
Bond proceeds	\$ -	-	-	-
Bond issuance premiums	-	-	-	-
Bond issuance discounts	-	-	-	-
Transfers out	(165,635)	(421,573)	-	(103,789)
Transfers in	486,862	-	-	165,635
Total other financing sources (uses)	321,227	(421,573)	-	61,846
Net change in fund balance	248,649	(127,971)	24,250	10,787
Fund balances - beginning	1,173,216	483,164	441,430	916,318
Fund balances - ending	\$ 1,421,865	355,193	465,680	927,105

Reconciliation to the Statement of Activities:

Net change in fund balances - total governmental funds

\$

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

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

- Bonds and Notes Payable
- Loan Proceeds
- Capital lease payment

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.

- Purchase of capital assets
- Depreciation

Change in net position of governmental activities (Statement B)

\$

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

**Statement of Fund Net Position - Modified Cash Basis -
Proprietary Funds
March 31, 2018**

	Waterworks Fund	Sewer Fund	March 31,	
			2018	2017
<u>Assets</u>				
Current assets:				
Cash	\$ 300,655	261,276	561,931	517,370
Investments	9,858	73,492	83,350	33,174
Investments - restricted	241,197	413,522	654,719	722,013
Total current assets	<u>551,710</u>	<u>748,290</u>	<u>1,300,000</u>	<u>1,272,557</u>
Non-current assets:				
Equipment	163,018	227,627	390,645	390,645
Infrastructure	3,583,729	4,701,969	8,285,698	8,160,822
Vehicles	71,686	63,686	135,372	71,620
Construction in progress	25,449	-	25,449	-
Accumulated depreciation	(2,084,366)	(3,738,431)	(5,822,797)	(5,609,089)
Total non-current assets	<u>1,759,516</u>	<u>1,254,851</u>	<u>3,014,367</u>	<u>3,013,998</u>
Total assets	<u>\$ 2,311,226</u>	<u>2,003,141</u>	<u>4,314,367</u>	<u>4,286,555</u>
<u>Liabilities</u>				
Current liabilities:				
Customer deposits	\$ 9,394	-	9,394	9,180
Current portion of long-term debt	52,758	15,000	67,758	100,500
Total current liabilities	<u>62,152</u>	<u>15,000</u>	<u>77,152</u>	<u>109,680</u>
Long-term liabilities:				
Bonds payable - long term portion	-	15,000	15,000	30,000
EPA loan payable - long term portion	546,126	-	546,126	598,990
Total noncurrent liabilities	<u>546,126</u>	<u>15,000</u>	<u>561,126</u>	<u>628,990</u>
Total liabilities	<u>608,278</u>	<u>30,000</u>	<u>638,278</u>	<u>738,670</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	1,160,632	1,224,851	2,385,483	2,284,508
Restricted	242,168	383,522	625,690	724,499
Unrestricted	300,148	364,768	664,916	538,878
Total net position	<u>\$ 1,702,948</u>	<u>1,973,141</u>	<u>3,676,089</u>	<u>3,547,885</u>

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

**Statement of Revenues Received , Expenditures Disbursed, and
Changes in Fund Net Position - Proprietary Funds
For the Year Ended March 31, 2018**

	Waterworks Fund	Sewer Fund	Year Ended March 31,	
			2018	2017
Operating revenues:				
Sewer charges	\$ -	443,761	443,761	474,528
Water charges	457,666	-	457,666	412,398
Other	37,368	11,017	48,385	33,042
Total operating revenues:	495,034	454,778	949,812	919,968
Operating expenses:				
Water and sewer operations	155,441	274,595	430,036	392,098
Supplies	151,053	49,099	200,152	183,504
Depreciation	148,065	126,247	274,312	300,149
Total operating expenses	454,559	449,941	904,500	875,751
Operating income (loss)	40,475	4,837	45,312	44,217
Non-operating revenues (expenses):				
Property taxes	6,713	48,509	55,222	19,522
Agent fees	-	(500)	(500)	(500)
Interest income	2,609	4,362	6,971	5,850
Interest expense	(15,951)	(1,350)	(17,301)	(18,730)
Total non-operating revenues (expenses)	(6,629)	51,021	44,392	6,142
Income (loss) before contributions and transfers	33,846	55,858	89,704	50,359
Other financing sources(uses):				
Transfers in	48,629	38,500	87,129	84,130
Transfers out	-	(48,629)	(48,629)	-
Total other financing sources(uses)	48,629	(10,129)	38,500	84,130
Change in net position	82,475	45,729	128,204	134,489
Total net position - beginning	1,620,473	1,927,412	3,547,885	3,413,396
Total net position - ending	\$ 1,702,948	1,973,141	3,676,089	3,547,885

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

**Statement of Cash Flows - Modified Cash Basis -
Proprietary Funds
For the Year Ended March 31, 2018**

	Year Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Receipts from customers	\$ 1,005,034	939,490
Payments for goods and services	(495,188)	(496,880)
Payments to employees	(134,786)	(122,911)
Net cash provided by operating activities	375,060	319,699
Cash flows from noncapital financing activities:		
Transfers (to) from other funds	38,500	84,130
Net cash used in noncapital financing activities	38,500	84,130
Cash flows from capital financing activities:		
Capital purchases	(274,681)	(19,950)
Principal paid on capital debt	(100,606)	(102,828)
Interest paid on capital debt	(17,801)	(19,230)
Net cash provided by capital financing activities	(393,088)	(142,008)
Cash flows from investing activities:		
Interest	6,971	5,850
Net cash provided by investing activities	6,971	5,850
Net increase in cash and cash equivalents	27,443	267,671
Cash and cash equivalents - beginning of the year	1,272,557	1,004,886
Cash and cash equivalents - end of the year	\$ 1,300,000	1,272,557

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

Statement of Fiduciary Net Position
 Agency Funds
 March 31, 2018

		Total Agency Funds	
		2018	2017
	<u>Assets</u>		
Cash		\$ 18,242	12,540
	<u>Liabilities</u>		
Due to Others		\$ 18,242	12,540

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

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Village Board is the basic level of government which has oversight responsibility and control over all activities related to the operation of the Village of Seneca, the primary government unit. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding sources entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. There are no component units to be included with the primary government.

Government-wide and Fund Financial Statements:

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

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

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

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

A. *Reporting Entity (continued)*

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

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

B. *Fund Accounting*

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

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

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

TIF Fund - The TIF Fund is described in detail in Note 15 to these financial statements.

Working Cash – This fund is designated for cash flow purposes only.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

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

B. Fund Accounting - (Continued)

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

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of specific revenue sources (other than assessments, fiduciary, or major capital projects) that are legally restricted to expenditures for specified purposes. The Village's non-major Special Revenue Funds are the Audit Fund, IMRF Fund, Social Security Fund, Liability Insurance Fund, Garbage Fund, Public Benefit Fund, Public Comfort Fund, 911 Fund, TIF III Fund, Grundy County Consolidation Fund, Police Building Restoration Fund, and Motor Fuel Tax Fund.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. The 2012B, 2012C and 2016 G.O. Bond Funds are the Village's Debt Service funds. The fund balances are reserved to signify the amounts that are restricted exclusively for debt service expenses.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges. The Waterworks Fund and the Sewer Fund are the major enterprise funds of the Village. Operating revenues include user charges and reimbursements, and operating expenses include the costs associated with providing goods and services to the public. Non-operating revenues and expenses include interest and fiscal agent fees.

C. Basis of Accounting

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

All governmental funds are accounted for using the cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recognized when checks are written. The proprietary fund financial statements are reported using the modified cash basis of accounting. Revenues are recorded when cash is received and expenses are recorded when cash is paid, except for disbursements for capital assets and long-term debt, which are recorded as assets and liabilities, respectively within the funds. Cash basis and modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

D. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. Certain amounts for 2017 may have been reclassified to conform to the 2018 presentation.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

E. Assets, Liabilities, and Net Positions

Cash and Investments

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

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

Capital Assets and Long-term Liabilities

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

Depreciation is provided in amounts sufficient to relate costs of the depreciable assets to operations over their estimated service lives on the straight-line basis. A capitalization threshold of \$5,000 for equipment, \$10,000 for improvements, and \$50,000 for infrastructure is used to report capital assets. The service lives by type of asset are as follows:

Road Improvements	10 years
Other Improvements	20 years
Infrastructure	40 years
Buildings	40 years
Equipment/Vehicles	5-7 years

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

E. Assets, Liabilities, and Net Positions – (Continued)

Net Position

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

- a. Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. At March 31, 2018, net investment in capital assets consists of the following:

	Governmental Activities	Business-Type Activities
Capital assets, at cost	\$ 5,559,259	8,837,164
Less: Accumulated depreciation	(2,279,948)	(5,822,797)
Less: Notes and bonds payable	(330,000)	(30,000)
Less: IEPA loan payable	-	(598,884)
Net investment in capital assets	<u>\$ 2,949,311</u>	<u>2,385,483</u>

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

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

F. Property Taxes

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

The 2016 property tax levy, in the amount of \$701,144, increased by the bond & interest levy and reduced by statutory limitations to \$732,810, was received by the Village in the current fiscal year. The 2017 tax levy of \$709,540, increased by the bond & interest levy and reduced by statutory limitations to \$709,586, was adopted on December 5, 2017 and will be received by the Village in the subsequent fiscal year.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 2: CASH AND INVESTMENTS

Cash

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

Occasionally funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board. Such overdrafts constitute unauthorized interfund loans, since they were not authorized by the Village Council.

The Village's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the Village's deposits at each financial institution. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution. At March 31, 2018, the carrying amount of the Village's deposits was \$1,491,717 (excluding petty cash of \$200) and the bank balance was \$1,543,626. At March 31, 2018, all of the Village's uninsured deposits (\$995,171) were fully collateralized.

For financial statement purposes, the Village reports Illinois Funds balances as cash equivalents.

Investments

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

As of March 31, 2018, the Village's investments were as follows:

	<u>Carrying Amount</u>
Money Market	\$ 472,996
U.S. Government Obligations	490,831
Taxable Municipal Bonds	148,979
Certificates of Deposit	<u>1,865,120</u>
Total	<u>\$ 2,977,926</u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 2: CASH AND INVESTMENTS – (Continued)

Investments – (Continued)

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 Village has no specific policy on the interest rate risk at year-end.

Information about the sensitivity of the fair values of the Village investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity.

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13-24 Months	25+ Months	
Money Market	\$ 472,996	-	-	472,996
U.S. Government Obligations	99,409	-	391,422	490,831
Taxable Municipal Bonds	35,000	-	113,979	148,979
Certificates of deposit	1,720,120	145,000	-	1,865,120
	<u>\$ 2,327,525</u>	<u>145,000</u>	<u>505,401</u>	<u>2,977,926</u>

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.

Concentration of Credit Risk:

The Village places no limit on the amount the Village may invest in any one issuer.

Custodial Credit Risk:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. At March 31, 2018, the Village had no custodial credit risk.

Foreign Currency Risk:

The Village has no foreign currency risk for investments at year end.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 2: CASH AND INVESTMENTS – (Continued)

Investments – (Continued)

Other Investments:

The Village has \$299,163 in the “Illinois Money Market Fund,” formerly known as IPTIP. It is a money market fund that was created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the custodians of public funds with an alternative investment vehicle which enables them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds. The monies invested by the individual participants are pooled together and invest in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The time deposits are collateralized 110% over FDIC or FSLIC \$100,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations, and the collateral is checked daily to determine sufficiency.

The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant’s account.

Fair Value Measurements

For disclosure purposes, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village’s assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 2: CASH AND INVESTMENTS – (Continued)

Fair Value Measurements – (Continued)

Investments measured at fair value (for disclosure purposes only) on a recurring basis are disclosed below:

	Balance at March 31, 2018	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Village Investments:				
Cash & Money Market	\$ 472,996	-	472,996	-
Certificate of Deposit	490,831	-	490,831	-
Municipal Bonds	148,979	-	148,979	-
US Government Obligations	1,865,120	-	1,865,120	-
Total Village Investments	<u>\$ 2,977,926</u>	<u>-</u>	<u>2,977,926</u>	<u>-</u>

Cash, money market funds, municipal bonds and US Treasury Obligations classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of certificates of deposit at March 31, 2018 was determined primarily based on level 2 inputs. The Village estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

NOTE 3: PERSONAL PROPERTY REPLACEMENT TAX

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

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 591,689	63,000	-	654,689
Construction in progress	-	184,146	-	184,146
Total capital assets not being depreciated	<u>591,689</u>	<u>247,146</u>	<u>-</u>	<u>838,835</u>
Capital assets being depreciated:				
Vehicles	470,714	44,186	(25,000)	489,900
Equipment	316,426	5,020	-	321,446
Buildings & Improvements	2,742,358	-	-	2,742,358
Infrastructure	1,166,720	-	-	1,166,720
Total capital assets being depreciated	<u>4,696,218</u>	<u>49,206</u>	<u>(25,000)</u>	<u>4,720,424</u>
Total capital assets	<u>5,287,907</u>	<u>296,352</u>	<u>(25,000)</u>	<u>5,559,259</u>
Total accumulated depreciation	<u>(2,095,838)</u>	<u>(209,110)</u>	<u>25,000</u>	<u>(2,279,948)</u>
Total governmental activities, net	<u>\$ 3,192,069</u>	<u>87,242</u>	<u>-</u>	<u>3,279,311</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	25,449	-	25,449
Total capital assets not being depreciated	<u>-</u>	<u>25,449</u>	<u>-</u>	<u>25,449</u>
Capital assets being depreciated:				
Vehicles	71,620	88,372	(24,620)	135,372
Equipment	390,645	-	-	390,645
Infrastructure	8,160,822	160,860	(35,984)	8,285,698
Total capital assets being depreciated	<u>8,623,087</u>	<u>249,232</u>	<u>(60,604)</u>	<u>8,811,715</u>
Total capital assets	<u>8,623,087</u>	<u>274,681</u>	<u>(60,604)</u>	<u>8,837,164</u>
Total accumulated depreciation	<u>(5,609,089)</u>	<u>(274,312)</u>	<u>60,604</u>	<u>(5,822,797)</u>
Total business-type activities, net	<u>\$ 3,013,998</u>	<u>369</u>	<u>-</u>	<u>3,014,367</u>
Total governmental & business-type	<u>\$ 6,206,067</u>	<u>87,611</u>	<u>-</u>	<u>6,293,678</u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 4: CAPITAL ASSETS – (Continued)

Depreciation expense was charged to the following functions:

Governmental activities	
General government	\$ 22,541
Public health and safety	56,899
Streets and alleys	124,230
Culture and recreation	5,440
Total depreciation expense-governmental activities	<u>209,110</u>
Business-type activities	
Water	148,065
Sewer	126,247
Total depreciation expense-business type activities	<u>274,312</u>
Total depreciation expense	<u>\$ 483,422</u>

Capital asset purchases included the following:

Governmental:	
Boat Launch Restrooms (CIP)	\$ 5,594
Graves Park Improvements (CIP)	178,552
Land	63,000
Business-Type:	
Graves Park Improvements (CIP)	\$ 25,449
Water System Improvements	104,113
Sewer Extension	56,746

The Village also purchased two International Trucks for a total of \$123,558, which was split equally between Streets (governmental), Water (business-type), and Sewer (business-type).

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt transactions of the Village for the year ended March 31, 2018:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Governmental Activities:					
G.O. Refunding Bonds - 2012B	\$ 60,000	-	30,000	30,000	30,000
G.O. Refunding Bonds - 2012C	16,500	-	16,500	-	-
G.O. Bonds 2016	300,000	-	25,000	275,000	26,000
Seneca Regional Port District	50,000	-	25,000	25,000	25,000
Total Governmental Activities	\$ 426,500	-	96,500	330,000	81,000
Business-type Activities:					
G.O. Refunding Bonds - 2012A	\$ 40,000	-	10,000	30,000	15,000
G.O. Refunding Bonds - 2012C	38,500	-	38,500	-	-
IEPA Loan Payable	650,990	-	52,106	598,884	52,758
Total Business-type Activities	\$ 729,490	-	100,606	628,884	67,758

Series 2012B General Obligation Refunding Bonds:

On April 17, 2012, the Village Board of Trustees passed Ordinance 12-05 authorizing the issuance of \$165,000 of general obligation refunding bonds, Series 2012B, for the purpose of refunding general obligation revenue bonds, Series 2003C.

The bonds are payable annually beginning January 1, 2014. Interest is charged at 2.70% per annum, payable semi-annually beginning July 1, 2012.

During the current fiscal year, principal of \$30,000 and interest of \$1,620 was paid on the obligation. Future payment requirements are as follows:

	Due During			
	Year Ended	Principal	Interest	Total
March 31,				
2019	\$ 30,000	810	30,810	
	\$ 30,000	810	30,810	

It is the Village's intent to repay the bonds and interest through the use of sales tax receipts. Therefore, the bonds payable are shown as a liability of governmental activities in the Statement of Net Position.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

Series 2012C General Obligation Refunding Bonds:

On April 17, 2012, the Village Board of Trustees passed Ordinance 12-05 authorizing the issuance of \$330,000 of general obligation refunding bonds, Series 2012C, for the purpose of refunding general obligation revenue bonds, Series 2003D.

The bonds were payable annually beginning January 1, 2013. Interest is charged at 2.11% per annum, payable semi-annually beginning July 1, 2012.

During the current fiscal year, the bonds were paid in full.

A portion of the Series 2012C bonds (approximately 30%) was financed through property tax receipts and was shown as a liability of governmental activities in the Statement of Net Position. It was the Village's intent to repay the remaining portion (approximately 70%) of the bonds and interest from sewer receipts. Therefore, 70% of the Series 2012C bonds were shown as a liability of the Sewer Fund.

Seneca Regional Port District Note Payable - Parks:

On December 17, 2014, the Village entered into an agreement with the Seneca Regional Port District for financial assistance related to park and recreation improvements. The Port District agreed to loan the Village \$100,000, to be paid back over four years with payments to begin on June 16, 2016. The final payment is due May 19, 2018. Annual principal payments of \$25,000 are due May 19 of each year, with interest accruing at the rate of 2.0% of the outstanding loan balance. Principal and interest payments are made from the General Fund.

Due During Year Ended March 31,	Principal	Interest	Total
2019	\$ 25,000	500	25,500
	<u>\$ 25,000</u>	<u>500</u>	<u>25,500</u>

Series 2012A General Obligation Refunding Bonds:

On April 17, 2012, the Village Board of Trustees passed Ordinance 12-05 authorizing the issuance of \$80,000 of general obligation refunding bonds, Series 2012A, for the purpose of refunding general obligation revenue bonds, Series 2003B.

The bonds are payable annually beginning January 1, 2014. Interest is charged at 2.00% per annum, payable semi-annually beginning July 1, 2012.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

Series 2012A General Obligation Refunding Bonds – (Continued):

During the current fiscal year, principal of \$10,000 and interest of \$1,200 was paid on the obligation. Future payment requirements are as follows:

	Due During			Total
	Year Ended	Principal	Interest	
	March 31,			
2019	\$ 15,000	900	15,900	
2020	15,000	500	15,500	
	<u>\$ 30,000</u>	<u>1,400</u>	<u>31,400</u>	

It is the Village’s intent to repay the bonds and interest from sewer receipts. Therefore, the bonds payable are shown as a liability of the Sewer Fund.

Illinois Environmental Protection Agency Loan Payable:

On August 15, 2007, the Village obtained a loan from the Illinois Environmental Protection Agency (IEPA), the proceeds of which are being used to fund a large water and sewer improvement project. The project was awarded to Vanguard Contractors, Inc. in the amount of \$943,000. In accordance with the terms of the loan, the Village was authorized to draw funds from the IEPA in an amount not to exceed \$1,042,000. The total amount borrowed was \$1,042,000, and the payment schedule calls for semi-annual payments of \$34,029, principal and interest, with payments due on April 3 and October 4 of each fiscal year. The final payment is due April 4, 2028. Interest on each payment is calculated at the rate of 2.5% of the outstanding loan balance.

During the current fiscal year, principal of \$52,106 and interest of \$15,951 was paid. The current balance of the loan is \$598,884. Future payment requirements are as follows:

Due During	Year Ended	Principal	Interest		Total
			July 1	January 1	
	March 31,				
2019	\$ 52,758	7,813	7,486	68,057	
2020	54,085	7,154	6,818	68,057	
2021	55,446	6,478	6,133	68,057	
2022	57,109	5,646	5,302	68,057	
2023	58,936	4,744	4,378	68,057	
Later years	320,551	14,075	12,587	347,213	
	<u>\$ 598,884</u>	<u>45,910</u>	<u>42,704</u>	<u>687,498</u>	

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 5: CHANGE IN LONG-TERM OBLIGATIONS – (Continued)

Series 2016 General Obligation Bonds:

On December 15, 2016, the Village Board of Trustees passed Ordinance 16-10, authorizing the issuance of \$300,000 of general obligation bonds, Series 2016, for the purpose of financing land acquisition and construction of public works facilities.

The bonds are payable annually beginning January 1, 2018. Interest is charged at 4.00% per annum, payable semi-annually beginning July 1, 2017.

Future payment requirements are as follows:

Due During Year Ended March 31,	Principal	Interest	Total
2019	\$ 26,000	11,180	37,180
2020	27,000	10,140	37,140
2021	28,000	9,060	37,060
2022	29,000	7,940	36,940
2023	30,000	5,580	35,580
2024-2027	135,000	8,900	143,900
	<u>\$ 275,000</u>	<u>52,800</u>	<u>327,800</u>

NOTE 6: INDIVIDUAL FUND DISCLOSURES

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

The proprietary funds record operating subsidies as other income whereas the fund paying the subsidy records it as either an expenditure or transfer.

During the year ended March 31, 2018, the Village recorded an inter-fund receivable / payable between the TIF Fund and the General Fund in the amount of \$331,573 for projects completed within the TIF district in prior years that were paid out of the General Fund. A transfer was recorded in the current year to record the inter-fund balance, the balance will be repaid over time as TIF money is collected.

Transfers among funds represent both routine and non-routine items. Generally, transfers occur to meet the operating purposes of another fund. Transfers were made from the General Fund to the Debt Service Funds, and from the Debt Service Funds to the Water and Sewer Funds for payment of principal and interest. In addition to the amount above, another transfer was made from the TIF Fund to the General Fund for payment of projects within the TIF Fund. A transfer was made from the 911 Fund to the General Fund to close the 911 Fund.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 6: INDIVIDUAL FUND DISCLOSURES – (Continued)

Fund	Transfer to Other Funds	Transfer From Other Funds
Governmental Funds:		
General Fund	\$ 165,635	486,862
TIF Fund	421,573	-
911 Fund	65,289	-
Motor Fuel Tax Fund	-	40,544
Series 2012B G.O. Bond Fund	-	26,400
Series 2012C G.O. Bond Fund	38,500	-
Series 2016 G.O. Bond Fund	-	98,691
Total Governmental Funds	\$ 690,997	652,497
Business-type Funds:		
Water Fund	\$ -	48,629
Sewer Fund	48,629	38,500
Total Business-type Funds:	\$ 48,629	87,129
Total Transfers	\$ 739,626	739,626

NOTE 7: PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village participates in the Illinois Municipal League Risk Management Association. The Village is liable for up to a \$500 annual deductible for all years it participates in the plan. The Village's policy is to record any related expenditures in the year in which the Village is notified and pays the assessment. The Village is not aware of any additional assessments owed as of March 31, 2018.

During the year ended March 31, 2018, there were no significant reductions in insurance coverage from the prior year. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 8: CONTINGENCIES - LITIGATION

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

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 9: ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

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

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

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

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

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

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

Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	18
Active Plan Members	<u>13</u>
Total	<u><u>48</u></u>

Contributions – As set by statute, the Village's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate and actual Village contributions for calendar year 2017 and the fiscal year ended March 31, 2018 are summarized below. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
Village required contribution rate for 2017	11.18%
Village required contribution rate for 2018	9.95%
Village actual contributions for 2017	\$ 75,101
Village actual contributions for fiscal year 2018	\$ 72,818

Net Pension Liability – The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At December 31, 2017, the Village had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 4,212,629
Plan Fiduciary Net Position	4,109,318
Net Pension Liability	<u><u>\$ 103,311</u></u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- 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 3.39% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

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

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 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability – A schedule of changes in the net pension liability and related ratios can be found on Schedule 1 of the Other Information section of this report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Plan's net pension liability, calculated using a single discount rate of 7.50%, 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.

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 4,734,785	4,212,629	3,785,542
Plan Fiduciary Net Position	4,109,318	4,109,318	4,109,318
Net Pension Liability (Asset)	<u>\$ 625,467</u>	<u>103,311</u>	<u>(323,776)</u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 10: LEGAL DEBT MARGIN

The following schedule illustrates the legal debt margin of the Village as of March 31, 2018:

Assessed valuation - 2017		<u>\$ 40,677,462</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 3,508,431
Debt outstanding at March 31, 2018:		
General obligation bonds	\$ 335,000	
Notes payable	25,000	
IEPA loan payable	<u>598,884</u>	
	958,884	
Less: IEPA loan not included for purposes of debt limitation statute	<u>(598,884)</u>	<u>360,000</u>
Legal debt margin		<u>\$ 3,148,431</u>

NOTE 11: SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered as "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Village paid \$45,986, the total required contribution for the year ended March 31, 2018.

NOTE 12: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the fund financial statements, an overview of certain information concerning individual funds including:

The following funds overspent their appropriations by the amount stated:

TIF Fund*	\$ 257,337
911 Fund*	782

* No appropriations were made for this fund for the year ending March 31, 2018.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 13: RESTRICTED FUND BALANCE

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

Restricted tax levies:

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

Parks and recreation	\$ 166,174
Storm sewer projects	77,195
Harbor construction	2,739
Fire protection	70,606
Total General Fund Restriction	<u>\$ 316,714</u>

Additionally, cash receipts and related disbursements of several other restricted tax levies are accounted for in separate special revenue funds. The excess of cumulative receipts over cumulative disbursements of these restricted levies are as follows:

TIF	\$ 355,193
Audit	15,691
IMRF	148,046
Social Security and Medicare	96,576
Liability Insurance / Tort Immunity	123,430
Garbage Services	67,318
Series 2012B G.O. Bonds	12,586
Series 2012C G.O. Bonds	196,586
Series 2016 G.O. Bonds	9,986

NOTE 14: MOTOR FUEL TAX ALLOTMENTS

Under current procedures, the allotments to the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois. As of March 31, 2018, the Village had restricted balance of \$23,683 in the Motor Fuel Tax Fund.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements For the Year Ended March 31, 2018

NOTE 15: TIF DISTRICT

TIF I and TIF II

On December 16, 2003, the Village Board of Commissioners passed Ordinance 03-32 establishing two tax increment financing districts. The goal of the Tax Increment Financing law is to induce private development, which would not occur without public expenditures, in economically depressed areas in order to improve property value and eliminate blight.

During a prior fiscal year, the Village approved the Seneca Redevelopment Plan and designated the TIF II Shipyard Business Redevelopment Project Area (LaSalle County) and the TIF I Old Stage Road Business Redevelopment Project Area (Grundy County) as the two TIF Districts.

The Village will use incremental tax revenues to pay for redevelopment project costs and obligations incurred during both projects. During the year ended March 31, 2018, the Village received TIF revenues of \$390,181 and \$157,569 from LaSalle and Grundy Counties, respectively.

The TIF Fund is accounted for on these financial statements as a Special Revenue Fund.

NOTE 16: FUND BALANCE – GASB 54 PRESENTATION

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

A. Non-spendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Debt Service Funds are by definition restricted for these specified purposes. The Village has several different funds that also fall into these categories. See Note 13 for information on restricted balances.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 16: FUND BALANCE – GASB 54 PRESENTATION - (Continued)

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. March 31, 2018, the Village's General Fund had a committed balance of \$28,712 for future construction projects.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Village Board itself or (b) the finance committee or by the Treasurer/Administrator when the Village Board has delegated the authority to assign amounts to be used for specific purposes. The Village has a total assigned fund balance of \$831,661 as of March 31, 2018.

E. Unassigned Fund Balance

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

F. Expenditures of Fund Balance

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

NOTE 17: ENTERPRISE FUNDS INDIVIDUAL FUND DISCLOSURE

The Waterworks Fund is an enterprise fund that consists of the following sub accounts and balances:

Water Fund	\$1,460,780
Water Capital Improvement Fund	68,995
Water EPA Fund	173,173

The Sewer Fund consists of the following sub accounts and balances:

Sewer Fund	\$1,589,619
Sewer Capital Fund	352,371
Sewer 2012A Fund	31,151

Both Enterprise Funds' sub accounts are grouped together and presented in total for the Waterworks Fund and Sewer Fund balances.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended March 31, 2018

NOTE 18: LEASE COMMITMENTS

On September 26, 2017, the Village entered into a lease agreement for a copy machine. The lease term is 60 months and requires monthly payments of \$145. Total expense under this lease was \$870 for the year ended March 31, 2018. Future minimum payments required under this lease are as follows:

Fiscal Year Ending March 31,	
2019	\$ 1,740
2020	1,740
2021	1,740
2022	1,740
2023	870
Total	<u>\$ 7,830</u>

NOTE 19: SUBSEQUENT EVENTS

Management evaluated subsequent events through July 3, 2018, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of March 31, 2018.

OTHER INFORMATION

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

Assets

Cash on hand	\$	742,283
Investments		348,009
Due from other funds		<u>331,573</u>
Total assets	\$	<u><u>1,421,865</u></u>

Fund Balance

Fund balance:		
Unassigned	\$	943,661
Assigned:		
Public Safety		48,895
Cruise Night		6,491
Road and Bridge		35,276
Flood		4,470
Boat Launch		37,646
Committed for Construction Projects		28,712
Restricted		
Fire Protection Services		70,606
Storm Sewer Projects		77,195
Harbor Construction (Downtown Development)		2,739
Parks & Recreation		<u>166,174</u>
Total fund balance	\$	<u><u>1,421,865</u></u>

VILLAGE OF SENECA, ILLINOIS
GENERAL FUND

SCHEDULE A-2

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	342,354	339,010
Utility tax	-	217,031	196,875
Telecommunications taxes	-	76,168	89,560
State sales tax	-	263,418	275,869
State income taxes	-	231,016	251,363
Local use taxes	-	61,330	57,588
Replacement taxes	-	10,347	11,138
Video gaming taxes	-	43,809	42,937
Windmill revenue	-	40,000	40,000
Rental income	-	12,165	10,695
Grants	-	17,475	140,126
Franchise fee	-	8,947	8,422
Interest income	-	7,373	6,149
Miscellaneous	-	28,366	13,430
Building permits	-	13,437	13,992
Licenses	-	10,250	9,944
Park fees	-	3,825	4,045
Fines	-	24,269	14,057
Impound fee	-	6,600	3,900
Basset training income	-	2,945	-
Scrap sales	-	2,774	1,305
Cruise Nite	-	481	3,447
Sale of property	-	7,034	-
Reimbursements	-	1,928	-
Total revenues received	-	1,433,342	1,533,852

**VILLAGE OF SENECA, ILLINOIS
GENERAL FUND**

**SCHEDULE A-2
(Continued)**

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Appropriations	Year Ended March 31,	
		2018	2017
Expenditures disbursed:			
General Government:			
Current:			
Personnel:			
Salaries - employees	\$ 500,000	114,931	127,414
Salaries - elected	60,000	15,000	2,500
Health insurance and life insurance	200,000	18,014	17,562
Salaries - appointed	200,000	16,000	9,335
Contractual services:			
Equipment rental	5,000	-	-
Maintenance service - building	8,000	201	1,333
Maintenance service - equipment	15,000	5,952	5,171
Accounting service	10,000	-	-
Legal service	100,000	10,933	16,014
Postage	10,000	312	312
Telephone and internet	20,000	14,112	11,604
Printing and publishing	13,000	-	-
Dues and fees	3,000	12,015	6,205
Travel expenses	3,000	574	1,517
Training	3,000	410	-
Publications	5,000	757	1,470
Utilities	34,000	3,522	4,664
Engineering	80,000	2,423	936
Recycling and clean-up	15,000	-	-
Fuel, oil and repairs	7,000	5,204	3,462
General services	9,000	4,025	13,554
Reimbursements	9,000	15,736	7,825
Insurance	-	-	100
Other contractual services	25,000	-	550
Summerfest	-	718	4,968
Commodities:			
Maintenance supplies - building	5,000	-	-
Office supplies and materials	15,000	11,887	9,137
Operating supplies	7,000	5,840	7,761
Miscellaneous	5,000	4,142	5,404
Capital Outlay:			
Building	900,000	-	-
Equipment	100,000	-	-
Computer Hardware	280,000	-	-
Computer Software	280,000	-	-
Land acquisition	250,000	-	181,122
Total General Government	3,176,000	262,708	439,920

VILLAGE OF SENECA, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Appropriations	Year Ended March 31,	
		2018	2017
Expenditures disbursed (continued):			
Public Safety:			
Current:			
Personnel:			
Salaries	\$ 610,000	411,947	387,409
Health insurance and life insurance	200,000	83,512	80,460
Appointed Officials	100,000	8,000	1,334
Contractual services:			
Maintenance service - equipment	50,000	30,172	-
Maintenance service - vehicle	35,000	3,733	5,262
Legal service	20,000	4,947	600
Postage	2,000	104	104
Telephone and internet	20,000	18,210	23,200
Publishing and printing	2,000	741	-
Dues and fees	5,000	7,729	4,532
Travel expenses	13,000	16	1,418
Training	11,500	4,032	-
Utilities	25,000	353	1,521
Reimbursements	12,000	110	424
Rentals	5,000	-	-
General services	2,000	8,511	2,899
IT Services	10,000	-	95
Facility Security	15,000	-	-
Leads computer services	5,000	-	-
Dispatch service	100,000	46,879	44,649
Disposal storage services	3,000	-	-
Commodities:			
Maintenance supplies - equipment	15,000	-	-
Maintenance supplies - vehicle	20,000	57	-
Office supplies	10,000	2,733	3,576
Operating supplies	5,000	16,742	7,645
Fuel and oil	50,000	12,151	12,739
Uniforms	10,400	5,859	8,157
Safety Equipment	24,000	-	-
Miscellaneous	5,000	856	2,045
Capital outlay:			
Equipment	175,000	10,035	7,840
Vehicle	100,000	-	24,018
IT Equipment	20,000	-	-
Building restoration	21,000	-	-
Debt service:			
Principal	20,000	-	10,189
Interest	-	-	663
Total Public Safety	1,720,900	677,429	630,779

VILLAGE OF SENECA, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Appropriations	Year Ended March 31,	
		2018	2017
Expenditures disbursed (continued):			
Streets:			
Current:			
Personnel:			
Salaries - employees	\$ 150,000	86,920	82,340
Health insurance and life insurance	40,000	18,229	18,141
Appointed Officials	-	8,000	1,334
Contractual services:			
Maintenance service - building	10,000	52	-
Maintenance service - equipment	15,000	2,775	-
Maintenance service - vehicle	10,000	205	3,605
Maintenance service - street	25,000	84,074	-
Utilities	75,000	1,736	1,602
Clean up and refuse	10,000	-	-
Rentals	5,000	-	-
Engineering	55,000	8,740	-
Towing	4,000	-	-
Landscaping and tree removal	10,000	650	-
Management services	10,000	-	-
Spraying	2,000	189	-
Street lamp installation and repair	60,000	-	-
Sidewalk replacement and repair	50,000	-	-
Street lighting	50,000	27,283	27,604
Contract Services and Legal	15,000	3,601	9,350
Uniforms	2,000	-	-
Roads and Bridges	100,000	-	-
Commodities:			
Maintenance supplies - building	6,000	-	-
Maintenance supplies - equipment	15,000	3,826	2,212
Maintenance supplies - vehicle	6,000	55	-
Maintenance supplies - street	35,000	8,639	25,274
Operating supplies	6,500	5,019	10,536
Fuel	15,000	6,166	4,091
Uniforms	500	486	406
Miscellaneous	15,000	293	189
Capital outlay:			
Building	100,000	-	-
Equipment	75,000	-	-
Vehicle	60,000	44,186	-
Street construction	600,000	-	-
Total Streets	1,632,000	311,124	186,684

**VILLAGE OF SENECA, ILLINOIS
GENERAL FUND**

**SCHEDULE A-2
(Continued)**

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Appropriations	Year Ended March 31,	
		2018	2017
Expenditures disbursed (continued):			
Storm water management	\$ 500,000	-	-
Culture and Recreation:			
Current:			
Personnel:			
Salaries	60,000	9,571	15,333
Contractual services:			
Maintenance	50,000	587	619
Engineering services	75,000	-	371
Legal	25,000	503	-
Utilities	-	-	-
Reimbursements	-	550	-
Insurance	-	3,844	3,433
Events	-	4,993	500
Other contractual services	-	3,469	17,866
Commodities:			
Operating supplies	-	1,430	2,470
Fuel	-	-	-
Capital outlay:			
Land acquisition	150,000	-	-
Capital expenditures	1,000,000	192,640	35,729
Windmill construction	-	-	263,536
Debt service (Seneca Regional Port Loan):			
Principal	30,000	25,000	127,871
Interest	-	1,500	5,376
Total Culture and Recreation	1,390,000	244,087	473,104
Harbor Construction:			
Current:			
Personnel:			
Salaries	60,000	2,641	-
Contractual services:			
Legal	10,000	-	-
Maintenance	50,000	7,931	-
Engineering services	50,000	-	-
Public accommodations	50,000	-	-
Capital outlay:			
Roadway construction	20,000	-	-
Capital expenditures	100,000	-	-
Total Harbor Construction	340,000	10,572	-
Total expenditures disbursed	8,758,900	1,505,920	1,730,487

VILLAGE OF SENECA, ILLINOIS
GENERAL FUND

SCHEDULE A-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original and Final Appropriations	Year Ended March 31,	
		2018	2017
Excess (deficiency) of revenues received over (under) expenditures disbursed	(8,758,900)	(72,578)	(196,635)
Other financing sources (uses):			
Bond proceeds	-	-	300,000
Bond issuance premium	-	-	15,148
Bond issuance discount	-	-	(8,789)
Transfers in	-	486,862	-
Transfers out	-	(165,635)	(78,800)
Total other financing sources (uses)	-	321,227	227,559
Net change in fund balance	<u>\$ (8,758,900)</u>	248,649	30,924
Fund balance, beginning of year		<u>1,173,216</u>	<u>1,142,292</u>
Fund balance, end of year		<u>\$ 1,421,865</u>	<u>1,173,216</u>

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 115,078
Investments			<u>571,688</u>
Total assets			<u>\$ 686,766</u>
		<u>Liabilities and Fund Balance</u>	
Due to other funds			<u>\$ 331,573</u>
Total liabilities			<u>331,573</u>
Restricted fund balance			<u>355,193</u>
Total fund balance			<u>355,193</u>
Total liabilities and fund balance			<u>\$ 686,766</u>

VILLAGE OF SENECA, ILLINOIS
TIF FUND

SCHEDULE B-2

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
TIF revenue - LaSalle County	\$ -	390,181	386,450
TIF revenue - Grundy County	-	157,569	134,045
Interest income	-	3,189	1,864
Total revenues received	-	550,939	522,359
Expenditures disbursed:			
Current:			
Contractual services:			
Legal	-	-	37
Management services	-	1,225	-
General Services	-	-	2,538
Utilities	-	-	22
Street lights	-	1,198	1,182
Maintenance service - equipment	-	4,896	-
Interest	-	18	-
Developer payments	-	250,000	450,000
Total expenditures disbursed	-	257,337	453,779
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	293,602	68,580
Other financing sources (uses):			
Transfers out	-	(421,573)	-
Total other financing sources (uses)	-	(421,573)	-
Net change in fund balance	\$ -	(127,971)	68,580
Fund balance, beginning of year		483,164	414,584
Fund balance, end of year		\$ 355,193	483,164

VILLAGE OF SENECA, ILLINOIS
WORKING CASH FUND

SCHEDULE B-3

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 1,311
Investments			464,369
Total assets			<u>\$ 465,680</u>
		<u>Fund Balance</u>	
Assigned fund balance			<u>\$ 465,680</u>
Total fund balance			<u>\$ 465,680</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE B-4

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	20,211	19,871
Interest Income	-	4,039	3,141
Total revenues received	-	<u>24,250</u>	<u>23,012</u>
Expenditures disbursed:	<u>350,000</u>	-	-
Total expenditures disbursed	<u>350,000</u>	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (350,000)</u>	24,250	23,012
Fund balance, beginning of year		<u>441,430</u>	<u>418,418</u>
Fund balance, end of year		<u>\$ 465,680</u>	<u>441,430</u>

VILLAGE OF SENECA, ILLINOIS

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

Calendar Year Ending December 31,	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability							
Service Cost	\$ 71,488	63,989	63,170	-	-	-	-
Interest on the Total Pension Liability	294,336	279,248	278,245	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	130,607	(32,060)	(215,207)	-	-	-	-
Assumption Changes	(114,863)	(9,795)	-	-	-	-	-
Benefit Payments and Refunds	(115,337)	(112,496)	(113,935)	-	-	-	-
Net Change in Total Pension Liability	266,231	188,886	12,273	-	-	-	-
Total Pension Liability - Beginning	3,946,398	3,757,512	3,745,239	-	-	-	-
Total Pension Liability - Ending	<u>\$ 4,212,629</u>	<u>3,946,398</u>	<u>3,757,512</u>	-	-	-	-
Plan Fiduciary Net Position							
Employer Contributions	\$ 75,101	83,787	70,170	-	-	-	-
Employee Contributions	31,417	27,402	25,755	-	-	-	-
Pension Plan Net Investment Income	606,102	232,292	16,736	-	-	-	-
Benefit Payments and Refunds	(115,337)	(112,496)	(113,935)	-	-	-	-
Other	(50,094)	14,097	(37,972)	-	-	-	-
Net Change in Plan Fiduciary Net Position	547,189	245,082	(39,246)	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,562,129	3,317,047	3,356,293	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 4,109,318</u>	<u>3,562,129</u>	<u>3,317,047</u>	-	-	-	-
Net Pension Liability (Asset)	<u>\$ 103,311</u>	<u>384,269</u>	<u>440,465</u>	-	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.55%	90.26%	88.28%	N/A	N/A	N/A	N/A
Covered Valuation Payroll	\$ 671,742	608,922	572,339	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	15.38%	63.11%	76.96%	N/A	N/A	N/A	N/A

**Illinois Municipal Retirement Fund
Schedule of Contributions**

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 75,101	75,101	-	671,742	11.18%
2016	83,788	83,787	1	608,922	13.76%
2015	70,169	70,170	(1)	572,339	12.26%

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 Contribution Rate:

Actuarial Cost Method Aggregate Entry Age Normal
Amortization Method Level Percentage of Payroll, Closed
Remaining Amortization Period Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP, and ECO Groups): 26-year closed period
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).

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 7.50%
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 2011-2013.

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 adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

NOTES TO OTHER INFORMATION

VILLAGE OF SENECA, ILLINOIS

Notes to Other Information
For the Year Ended March 31, 2018

NOTE 1: BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules for the General Fund and Working Cash Fund present comparisons of the budget with actual data on a modified cash basis. This is consistent with the modified cash basis of accounting used to prepare the schedules of revenues, expenditures, and changes in fund balance for those funds. No budgetary comparison information is provided for the TIF Fund, as no budget was adopted for that fund for the year ended March 31, 2018.

The Village's fiscal year 2018 budget was adopted on June 21, 2017 and was not amended.

Estimated revenues have been omitted from the budgetary comparison schedules, as the Village does not include an estimate for anticipated revenues in its appropriations ordinance.

NOTE 2: BUDGETARY PROCEDURES

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Within the first quarter of each year, the Village prepares an annual appropriation ordinance for the fiscal year commencing April 1 of that year. The ordinance includes proposed expenditures and the means of financing them.

Legal spending control for Village monies are at the fund level, but management control is exercised at budgetary line item levels within each fund.

- b) The Village may amend the ordinance anytime by a two-thirds vote of all Village Board members. The Board may make transfers between funds, but no appropriation may be reduced below an amount sufficient to cover such obligation.
- c) The Village also adopts a working budget to project future expenses paid for a portion of the General Fund. A comparison of expenses paid with the working budget (where applicable) is presented in the Other Supplementary Information section of these financial statements.

NOTE 3: EXPENDITURES IN EXCESS OF APPROPRIATIONS – MAJOR FUNDS

Expenditures exceeded appropriations for the TIF Fund, which is presented as a major fund. No budget was adopted for this fund for the year ended March 31, 2018.

<u>Fund</u>	<u>Excess</u>
TIF Fund	\$ 257,337

SUPPLEMENTAL INFORMATION

VILLAGE OF SENECA, ILLINOIS
 NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Assets, Liabilities, and
 Fund Balance - Arising from Cash Transactions
 March 31, 2018

	Special Revenue Funds					
	Audit Fund	IMRF Fund	Social Security Fund	Liability Insurance Fund	Garbage Fund	Public Benefit Fund
<u>Assets</u>						
Cash in bank	\$ 37	4,949	1,380	3,953	161	33,000
Investments	15,654	143,097	95,196	119,477	67,157	61,300
Total assets	<u>\$ 15,691</u>	<u>148,046</u>	<u>96,576</u>	<u>123,430</u>	<u>67,318</u>	<u>94,400</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Overdrafts payable	\$ -	-	-	-	-	-
Fund balances:						
Restricted	15,691	148,046	96,576	123,430	67,318	-
Unassigned	-	-	-	-	-	-
Assigned	-	-	-	-	-	94,400
Total fund balances	<u>15,691</u>	<u>148,046</u>	<u>96,576</u>	<u>123,430</u>	<u>67,318</u>	<u>94,400</u>
Total liabilities and fund balances	<u>\$ 15,691</u>	<u>148,046</u>	<u>96,576</u>	<u>123,430</u>	<u>67,318</u>	<u>94,400</u>

**VILLAGE OF SENECA, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS**

**Combining Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

	Special Revenue Funds		Debt Service Funds		
	Police Building Restoration Fund	Motor Fuel Tax Fund	Series 2012B G.O. Bond Fund	Series 2012C G.O. Bond Fund	Series 2016 G.O. Bond Fund
<u>Assets</u>					
Cash in bank	\$ -	23,683	-	2,593	1
Investments	21,909	-	12,586	193,993	9,985
Total assets	<u>\$ 21,909</u>	<u>23,683</u>	<u>12,586</u>	<u>196,586</u>	<u>9,986</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Overdrafts payable	\$ -	-	-	-	-
Fund balances:					
Restricted	-	23,683	12,586	196,586	9,986
Unassigned	-	-	-	-	-
Assigned	21,909	-	-	-	-
Total fund balances	<u>21,909</u>	<u>23,683</u>	<u>12,586</u>	<u>196,586</u>	<u>9,986</u>
Total liabilities and fund balances	<u>\$ 21,909</u>	<u>23,683</u>	<u>12,586</u>	<u>196,586</u>	<u>9,986</u>

**VILLAGE OF SENECA, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS**

**Combining Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Special Revenue Funds					
	Audit Fund	IMRF Fund	Social Security Fund	Liability Insurance Fund	Garbage Fund	Public Benefit Fund
Revenues received:						
Property taxes	\$ 8,473	86,700	53,815	113,611	15,931	20,211
Motor fuel taxes	-	-	-	-	-	-
Interest income	145	1,299	914	1,064	577	791
Other Income	-	-	-	1,800	-	-
Total revenues received	<u>8,618</u>	<u>87,999</u>	<u>54,729</u>	<u>116,475</u>	<u>16,508</u>	<u>21,001</u>
Expenditures disbursed:						
General government	8,150	72,818	56,741	73,221	8,404	12,811
Highways and streets	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total expenditures disbursed	<u>8,150</u>	<u>72,818</u>	<u>56,741</u>	<u>73,221</u>	<u>8,404</u>	<u>12,811</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>468</u>	<u>15,181</u>	<u>(2,012)</u>	<u>43,254</u>	<u>8,104</u>	<u>8,190</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	468	15,181	(2,012)	43,254	8,104	8,190
Fund balance (deficit), beginning of year	<u>15,223</u>	<u>132,865</u>	<u>98,588</u>	<u>80,176</u>	<u>59,214</u>	<u>86,211</u>
Fund balance (deficit), end of year	<u>\$ 15,691</u>	<u>148,046</u>	<u>96,576</u>	<u>123,430</u>	<u>67,318</u>	<u>94,401</u>

**VILLAGE OF SENECA, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS**

**Combining Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Special Revenue Funds		Debt Service Funds		
	Police Building Restoration Fund	Motor Fuel Tax Fund	Series 2012B G.O. Bond Fund	Series 2012C G.O. Bond Fund	Series 2016 G.O. Bond Fund
Revenues received:					
Property taxes	\$ -	-	-	31,510	-
Motor fuel taxes	-	60,042	-	-	-
Interest income	190	11	341	2,408	263
Other income	-	-	-	-	-
Total revenues received	190	60,053	341	33,918	263
Expenditures disbursed:					
General government	-	-	-	-	10,941
Highways and streets	-	41,002	-	-	-
Capital outlay	-	-	-	-	89,834
Debt service	-	-	32,275	18,875	37,971
Public safety	-	-	-	-	-
Total expenditures disbursed	-	41,002	32,275	18,875	138,746
Excess (deficiency) of revenues received over (under) expenditures disbursed	190	19,051	(31,934)	15,043	(138,483)
Other financing sources (uses):					
Transfers in	-	40,544	26,400	-	98,691
Transfers out	-	-	-	(38,500)	-
Total other financing sources (uses)	-	40,544	26,400	(38,500)	98,691
Net change in fund balance	190	59,595	(5,534)	(23,457)	(39,792)
Fund balance (deficit), beginning of year	21,719	(35,912)	18,120	220,043	49,778
Fund balance (deficit), end of year	\$ 21,909	23,683	12,586	196,586	9,986

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 37
Investments			15,654
Total assets			<u>\$ 15,691</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 15,691
Total fund balance			<u>\$ 15,691</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-4

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	8,473	6,963
Interest income	-	145	112
Total revenues received	<u>-</u>	<u>8,618</u>	<u>7,075</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Audit	15,000	8,150	7,950
Total expenditures disbursed	<u>15,000</u>	<u>8,150</u>	<u>7,950</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (15,000)</u>	468	(875)
Fund balance, beginning of year		15,223	16,098
Fund balance, end of year		<u>\$ 15,691</u>	<u>15,223</u>

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 4,949
Investments			143,097
Total assets			<u>\$ 148,046</u>
		<u>Fund Balance</u>	
Restricted fund balance			<u>\$ 148,046</u>
Total fund balance			<u>\$ 148,046</u>

**Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	86,700	86,524
Interest income	-	1,299	1,065
Total revenues received	<u>-</u>	<u>87,999</u>	<u>87,589</u>
Expenditures disbursed:			
IMRF contributions	<u>100,000</u>	<u>72,818</u>	<u>84,804</u>
Total expenditures disbursed	<u>100,000</u>	<u>72,818</u>	<u>84,804</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (100,000)</u>	15,181	2,785
Fund balance, beginning of year		<u>132,865</u>	<u>130,080</u>
Fund balance, end of year		<u>\$ 148,046</u>	<u>132,865</u>

VILLAGE OF SENECA, ILLINOIS
SOCIAL SECURITY FUND

SCHEDULE C-7

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

<u>Assets</u>		
Cash		\$ 1,380
Investments		95,196
Total assets		<u>\$ 96,576</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 96,576
Total fund balance		<u>\$ 96,576</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-8

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	53,815	53,708
Interest income	-	914	769
Total revenues received	<u>-</u>	<u>54,729</u>	<u>54,477</u>
Expenditures disbursed:			
Current:			
Personnel:			
Payroll taxes	70,000	56,741	52,609
Total expenditures disbursed	<u>70,000</u>	<u>56,741</u>	<u>52,609</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (70,000)</u>	(2,012)	1,868
Fund balance, beginning of year		<u>98,588</u>	<u>96,720</u>
Fund balance, end of year		<u>\$ 96,576</u>	<u>98,588</u>

**VILLAGE OF SENECA, ILLINOIS
LIABILITY INSURANCE FUND**

SCHEDULE C-9

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 3,953
Investments			119,477
Total assets			<u>\$ 123,430</u>
		<u>Fund Balance</u>	
Restricted fund balance			<u>\$ 123,430</u>
Total fund balance			<u>\$ 123,430</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-10

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	113,611	109,404
Interest income	-	1,064	568
Other income	-	1,800	-
Total revenues received	<u>-</u>	<u>116,475</u>	<u>109,972</u>
Expenditures disbursed:			
Current:			
Personnel:			
Unemployment insurance	15,000	3,069	3,409
Workmen's compensation insurance	50,000	-	-
Contractual services:			
Liability and general insurance	65,000	61,849	61,236
General services	15,000	1,319	-
Miscellaneous expense	-	6,984	-
Total expenditures disbursed	<u>145,000</u>	<u>73,221</u>	<u>64,645</u>
Net change in fund balance	<u>\$ (145,000)</u>	43,254	45,327
Fund balance, beginning of year		<u>80,176</u>	<u>34,849</u>
Fund balance, end of year		<u>\$ 123,430</u>	<u>80,176</u>

**VILLAGE OF SENECA, ILLINOIS
GARBAGE FUND**

SCHEDULE C-11

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 161
Investments			67,157
Total assets			<u>\$ 67,318</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 67,318
Total fund balance			<u>\$ 67,318</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-12

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	15,931	13,924
Interest income	-	577	412
Total revenues received	<u>-</u>	<u>16,508</u>	<u>14,336</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Garbage fees	75,000	8,404	5,725
Total expenditures disbursed	<u>75,000</u>	<u>8,404</u>	<u>5,725</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (75,000)</u>	8,104	8,611
Fund balance, beginning of year		<u>59,214</u>	<u>50,603</u>
Fund balance, end of year		<u>\$ 67,318</u>	<u>59,214</u>

VILLAGE OF SENECA, ILLINOIS
PUBLIC BENEFIT FUND

SCHEDULE C-13

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 33,033
Investments			61,391
Total assets			<u>\$ 94,424</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ 94,424
Total fund balance			<u>\$ 94,424</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-14

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	20,211	19,871
Interest Income	-	796	761
Total revenues received	<u>-</u>	<u>21,007</u>	<u>20,632</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Public benefit	300,000	12,810	29,845
Total expenditures disbursed	<u>300,000</u>	<u>12,810</u>	<u>29,845</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (300,000)</u>	8,197	(9,213)
Fund balance, beginning of year		<u>86,227</u>	<u>95,440</u>
Fund balance, end of year		<u>\$ 94,424</u>	<u>86,227</u>

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 1,524
Investments			115,346
Total assets			<u>\$ 116,870</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ 116,870
Total fund balance			<u>\$ 116,870</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Property taxes	\$ -	13,462	9,946
Interest Income	-	977	700
Total revenues received	-	<u>14,439</u>	<u>10,646</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Public accommodations and benches	125,000	5,594	-
Shelters and restrooms	125,000	-	-
Total expenditures disbursed	<u>250,000</u>	<u>5,594</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (250,000)</u>	8,845	10,646
Fund balance, beginning of year		<u>108,025</u>	<u>97,379</u>
Fund balance, end of year		<u>\$ 116,870</u>	<u>108,025</u>

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash in bank			\$ -
Total assets			<u>\$ -</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ -
Total fund balance			<u>\$ -</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended <u>March 31,</u>	
		2018	2017
Revenues received:			
Reimbursements	\$ -	3,689	13,527
Interest Income	-	130	253
Total revenues received	<u>-</u>	<u>3,819</u>	<u>13,780</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Utilities	-	132	400
Repairs and maintenance	-	27	160
Legal fees	-	623	1,537
General services	-	-	27
Total expenditures disbursed	<u>-</u>	<u>782</u>	<u>2,124</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>-</u>	<u>3,037</u>	<u>11,656</u>
Other financing sources (uses):			
Transfers out	-	(65,289)	-
Net change in fund balance	<u>\$ -</u>	<u>(62,252)</u>	<u>11,656</u>
Fund balance, beginning of year		<u>62,252</u>	<u>50,596</u>
Fund balance, end of year		<u>\$ -</u>	<u>62,252</u>

VILLAGE OF SENECA, ILLINOIS
POLICE BUILDING RESTORATION FUND

SCHEDULE C-19

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

<u>Assets</u>	
Investments	\$ 21,909
Total assets	<u>\$ 21,909</u>
<u>Fund Balance</u>	
Assigned fund balance	\$ 21,909
Total fund balance	<u>\$ 21,909</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-20

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Interest income	\$ -	190	161
Total revenues received	<u>-</u>	<u>190</u>	<u>161</u>
Expenditures disbursed:			
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	190	161
Fund balance, beginning of year		<u>21,719</u>	<u>21,558</u>
Fund balance, end of year		<u>\$ 21,909</u>	<u>21,719</u>

VILLAGE OF SENECA, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE C-21

**Statement of Assets, Liabilities, and
Fund Balance - Arising from Cash Transactions
March 31, 2018**

		<u>Assets</u>	
Cash			\$ 23,683
Total assets			<u>\$ 23,683</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 23,683
Total liabilities and fund balance			<u>\$ 23,683</u>

**Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

SCHEDULE C-22

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Motor Fuel tax allotments	\$ -	60,042	60,435
Interest income	-	11	477
Total revenues received	<u>-</u>	<u>60,053</u>	<u>60,912</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Publications	-	-	190
Contract labor	-	1,000	2,500
Engineering	50,000	9,601	23,286
Equipment rental	25,000	-	-
Street maintenance	350,000	30,401	160,415
Total expenditures disbursed	<u>425,000</u>	<u>41,002</u>	<u>186,391</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(425,000)</u>	<u>19,051</u>	<u>(125,479)</u>
Other financing sources (uses):			
Transfers in	-	40,544	-
Total other financing sources (uses)	<u>-</u>	<u>40,544</u>	<u>-</u>
Net change in fund balance	<u>\$ (425,000)</u>	59,595	(125,479)
Fund balance (deficit), beginning of year		(35,912)	89,567
Fund balance (deficit), end of year		<u>\$ 23,683</u>	<u>(35,912)</u>

**Statement of Assets, Liabilities, and
 Fund Balance - Arising from Cash Transactions
 March 31, 2018**

		<u>Assets</u>	
Investments			\$ 12,586
Total assets			<u>\$ 12,586</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 12,586
Total fund balance			<u>\$ 12,586</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2018
 (With Comparative Figures for 2017)**

	Original & Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Interest Income	\$ -	341	187
Total revenues received	<u>-</u>	<u>341</u>	<u>187</u>
Expenditures disbursed:			
Debt service:			
Fees	-	500	500
Principal	95,000	30,000	30,000
Interest	-	1,775	2,430
Total expenditures disbursed	<u>95,000</u>	<u>32,275</u>	<u>32,930</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(95,000)</u>	<u>(31,934)</u>	<u>(32,743)</u>
Other financing sources (uses):			
Transfers in from General Fund	-	26,400	28,800
Total other financing sources (uses)	<u>-</u>	<u>26,400</u>	<u>28,800</u>
Net change in fund balance	<u>\$ (95,000)</u>	<u>(5,534)</u>	<u>(3,943)</u>
Fund balance, beginning of year		<u>18,120</u>	<u>22,063</u>
Fund balance, end of year		<u>\$ 12,586</u>	<u>18,120</u>

**Statement of Assets, Liabilities, and
 Fund Balance - Arising from Cash Transactions
 March 31, 2018**

		<u>Assets</u>	
Cash			\$ 2,593
Investments			193,993
Total assets			<u>\$ 196,586</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 196,586
Total fund balance			<u>\$ 196,586</u>

**Statement of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2018
 (With Comparative Figures for 2017)**

SCHEDULE D-4

	Original & Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Propert taxes	\$ -	31,510	49,658
Interest Income	-	2,408	1,728
Total revenues received	<u>-</u>	<u>33,918</u>	<u>51,386</u>
Expenditures disbursed:			
Debt service:			
Fees	-	500	500
Principal	125,000	16,500	18,000
Interest	-	1,875	2,875
Total expenditures disbursed	<u>125,000</u>	<u>18,875</u>	<u>21,375</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(125,000)</u>	<u>15,043</u>	<u>30,011</u>
Other financing sources (uses):			
Transfers out	-	(38,500)	(84,130)
Net change in fund balance	<u>\$ (125,000)</u>	<u>(23,457)</u>	<u>(54,119)</u>
Fund balance, beginning of year		<u>220,043</u>	<u>274,162</u>
Fund balance, end of year		<u>\$ 196,586</u>	<u>220,043</u>

**Statement of Assets, Liabilities, and
 Fund Balance - Arising from Cash Transactions
 March 31, 2018**

		<u>Assets</u>	
Cash			\$ 1
Investments			9,985
Total assets			<u>\$ 9,986</u>
		<u>Fund Balance</u>	
Restricted Fund Balance			\$ 9,986
Total fund balance			<u>\$ 9,986</u>

**Statement of Revenues Received, Expenditures Disbursed and
 Changes in Fund Balance - Budget & Actual
 For the Year Ended March 31, 2018
 (With Comparative Figures for 2017)**

	Original and Final Budget	Year Ended March 31,	
		2018	2017
Revenues received:			
Interest income	\$ -	263	131
Total revenues received	<u>-</u>	<u>263</u>	<u>131</u>
Expenditures disbursed:			
Current:			
Legal fees	-	698	353
Engineering fees	-	9,757	-
Printing and publications	-	486	-
Capital Outlay:			
Construction	-	27,322	-
Property purchase	-	62,512	-
Debt Service:			
Principal	315,000	25,000	-
Interest	-	12,721	-
Fees	-	250	-
Total expenditures disbursed	<u>315,000</u>	<u>138,746</u>	<u>353</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (315,000)</u>	<u>(138,483)</u>	<u>(222)</u>
Other financing sources (uses):			
Transfers in		98,691	50,000
Net change in fund balance		(39,792)	49,778
Fund balance, beginning of year		49,778	-
Fund balance, end of year		<u>\$ 9,986</u>	<u>49,778</u>

**Statement of Fund Net Position
 Modified Cash Basis
 March 31, 2018**

<u>Assets</u>	
Current assets:	
Cash	\$ 300,655
Investments	<u>251,055</u>
Total current assets	<u>551,710</u>
Non-current assets:	
Capital assets	3,843,882
Accumulated depreciation	<u>(2,084,366)</u>
Total non-current assets	<u>1,759,516</u>
Total assets	<u>\$ 2,311,226</u>
<u>Liabilities and Net Position</u>	
Current liabilities:	
Water deposits	\$ 9,394
Current portion of long-term debt:	
IEPA loan payable	<u>52,758</u>
Total current liabilities	<u>62,152</u>
Long-term liabilities:	
Due in more than one year:	
IEPA loan payable	<u>546,126</u>
Total long-term liabilities	<u>546,126</u>
Total liabilities	<u>608,278</u>
Net position	
Restricted for Water Capital Improvements	68,995
Restricted for Water IEPA	173,173
Unrestricted net position	<u>1,460,780</u>
Total net position	<u>1,702,948</u>
Total liabilities and net position	<u>\$ 2,311,226</u>

**VILLAGE OF SENECA, ILLINOIS
WATERWORKS FUND**

**SCHEDULE E-2
(Continued)**

**Statement of Revenues Received, Expenditures Disbursed, and
Change in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original & Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Water	\$ -	455,871	411,898
Water meters	-	1,795	500
Property taxes	-	6,713	6,598
Interest	-	2,609	2,573
Miscellaneous	-	37,368	32,251
Total revenues	-	504,356	453,820
Expenses:			
Current:			
Personnel:			
Salaries - employees	120,000	56,933	54,815
Health insurance and life insurance	40,000	22,077	21,492
Contractual services:			
Maintenance service - building	50,000	2,215	5,000
Maintenance service - equipment	60,000	2,695	-
Maintenance service - vehicle	50,000	205	5,003
Maintenance service - utility	50,000	6,756	-
Dollar General expenses	-	7,618	24,930
Graves Park expenses	-	2,176	-
Accounting Service	2,000	-	-
Legal Service	20,000	300	1,294
Postage	5,000	2,666	2,725
Telephone	30,000	3,007	2,146
Repairs and maintenance	60,000	-	-
Lab testing	15,000	3,625	4,993
Publishing and printing	5,000	1,009	1,945
Dues	1,000	1,628	1,241
Travel expenses	5,000	-	449
Training	5,000	530	-
Utilities	50,000	42,975	40,530
Rentals	10,000	-	-
Engineering	50,000	5,668	3,122
Management services	15,000	514	2,944
Insurance	-	17,785	17,956
Commodities:			
Maintenance supplies - building	10,000	-	-
Maintenance supplies - equipment	30,000	857	-
Maintenance supplies - vehicle	30,000	-	-
Maintenance supplies - utility	30,000	68,855	-
Office supplies	10,000	555	671
Operating supplies	35,000	7,949	143,554
Chemicals	30,000	23,516	23,933
Equipment	5,000	3,961	-
Fuel	6,000	1,676	1,312

VILLAGE OF SENECA, ILLINOIS
WATERWORKS FUND

SCHEDULE E-2
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and
Change in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original & Final Budget	Year Ended March 31,	
		2018	2017
Expenses (continued):			
Current (continued):			
Uniforms	\$ 1,500	494	284
Miscellaneous	5,000	261	100
Contingencies	300,000	-	-
Capital outlay:			
Building	30,000	-	-
Equipment	50,000	17,988	-
Vehicle	150,000	-	-
Utility System	300,000	-	-
Computer Hardware	280,000	-	-
Computer Software	280,000	-	-
Hydrant Replacements	50,000	-	-
Capital projects	2,500,000	-	-
Depreciation	-	148,065	133,131
Debt service:			
Interest	90,000	15,951	17,230
Total expenses	<u>4,865,500</u>	<u>470,510</u>	<u>510,800</u>
Excess of revenues over (under) expenses	<u>(4,865,500)</u>	<u>33,846</u>	<u>(56,980)</u>
Other financing sources (uses):			
Transfers In	-	48,629	-
Total other financing sources (uses)	<u>-</u>	<u>48,629</u>	<u>-</u>
Change in net position	<u>\$ (4,865,500)</u>	82,475	(56,980)
Net position, beginning of year		<u>1,620,473</u>	<u>1,677,453</u>
Net position, end of year		<u>\$ 1,702,948</u>	<u>1,620,473</u>

**Statement of Fund Net Position
Modified Cash Basis
March 31, 2018**

<u>Assets</u>	
Current assets:	
Cash	\$ 261,276
Investments	487,014
Total current assets	<u>748,290</u>
Non-current assets:	
Capital assets	4,993,282
Accumulated depreciation	<u>(3,738,431)</u>
Total non-current assets	<u>1,254,851</u>
Total assets	<u>\$ 2,003,141</u>
<u>Liabilities and Net Position</u>	
Current liabilities:	
Current portion of long-term debt:	
Bonds payable	\$ 15,000
Total current liabilities	<u>15,000</u>
Long-term liabilities:	
Due in more than one year:	
Bonds payable	<u>15,000</u>
Total long-term liabilities	<u>15,000</u>
Total liabilities	<u>30,000</u>
Net position	
Restricted for Sewer Capital	352,371
Restricted for Sewer 2012A	31,151
Unrestricted net position	<u>1,589,619</u>
Total net position	<u>1,973,141</u>
Total liabilities and net position	<u>\$ 2,003,141</u>

**VILLAGE OF SENECA, ILLINOIS
SEWER FUND**

**SCHEDULE E-4
(Continued)**

**Statement of Revenues Received, Expenditures Disbursed, and
Change in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)**

	Original & Final Budget	Year Ended March 31,	
		2018	2017
Revenues:			
Sewer	\$ -	443,761	474,528
Property taxes	-	48,509	12,924
Interest	-	4,362	3,277
Miscellaneous	-	11,017	791
Total revenues	-	507,649	491,520
Expenses:			
Current:			
Personnel:			
Salaries - employees	120,000	77,853	72,193
Health insurance and life insurance	40,000	22,077	21,492
Contractual services:			
Maintenance service - building	50,000	3,723	-
Maintenance service - equipment	60,000	2,430	-
Maintenance service - vehicle	50,000	6,008	22,894
Maintenance service - utility	50,000	34,756	-
Accounting Service	2,000	-	-
Legal Service	20,000	698	221
Postage	5,000	2,667	2,725
Telephone	30,000	3,144	2,271
Publishing and printing	5,000	766	1,171
Dues	1,000	6,781	6,859
Travel expenses	5,000	-	64
Training	5,000	-	-
Utilities	65,000	34,430	35,430
Rentals	7,000	-	-
Engineering	50,000	23,348	-
Management services	30,000	4,810	4,346
Insurance	-	15,398	15,295
Lab testing	25,000	12,935	12,206
Commodities:			
Maintenance supplies - building	10,000	8,212	6,534
Maintenance supplies - equipment	30,000	301	-
Maintenance supplies - vehicle	30,000	21	-
Maintenance supplies - utility	30,000	37,707	-
Office supplies	6,500	209	454
Operating supplies	35,000	140	-
Chemicals	5,000	-	300
Fuel	10,000	2,009	1,588
Safety equipment	4,000	-	-
Uniforms	1,500	500	416

VILLAGE OF SENECA, ILLINOIS
SEWER FUND

SCHEDULE E-4
(Continued)

Statement of Revenues Received, Expenditures Disbursed, and
Change in Fund Net Position - Budget & Actual
For the Year Ended March 31, 2018
(With Comparative Figures for 2017)

	Original & Final Budget	Year Ended March 31,	
		2018	2017
Expenses (continued):			
Current (continued):			
Miscellaneous	\$ 10,000	531	1,978
Contingencies	300,000	-	-
Capital outlay:			
Building	20,000	-	-
Equipment	20,000	22,240	2,898
Vehicle	20,000	-	-
Utility System	1,000,000	-	-
Computer Hardware	280,000	-	-
Computer Software	280,000	-	-
Capital projects	2,000,000	-	3,828
Depreciation	-	126,247	167,018
Debt service:			
Fees	-	500	500
Interest	100,000	1,350	1,500
Total expenses	4,812,000	451,791	384,181
Excess of revenues over (under) expenses	(4,812,000)	55,858	107,339
Other financing sources (uses):			
Transfers in	-	38,500	84,130
Transfers out	-	(48,629)	-
Total other financing sources (uses)	-	(10,129)	84,130
Change in net position	\$ (4,812,000)	45,729	191,469
Net position, beginning of year		1,927,412	1,735,943
Net position, end of year		\$ 1,973,141	1,927,412

**Statement of Changes in Fiduciary Net Position
For the Year Ended March 31, 2018**

	<u>March 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>March 31, 2018</u>
Parks and Recreation Committee	\$ 3,211	-	3,211	-
Summer Festival Commission	9,329	56,146	47,233	18,242
Total agency funds	<u>\$ 12,540</u>	<u>56,146</u>	<u>50,444</u>	<u>18,242</u>

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

	Maximum Rate	Tax Year				
		2013	2014	2015	2016	2017
Assessed valuations		\$ 39,805,154	38,822,197	39,957,876	40,700,573	40,677,462
Tax Rates:						
General	0.2500	0.2500	0.2500	0.2500	0.2491	0.2490
Audit	N/A	0.0175	0.0180	0.0175	0.0209	0.0205
Fire Protection	0.1500	0.0375	0.0386	0.0375	0.0605	0.0605
Police Protection	0.1500	0.1500	0.1500	0.1500	0.1495	0.1494
Working Cash	0.0500	0.0500	0.0500	0.0500	0.0498	0.0498
Waterworks	0.0166	0.0166	0.0166	0.0166	0.0166	0.0165
Sewerage	0.1000	0.0125	0.0129	0.0125	0.0997	0.0996
Chlorination	0.0200	0.0200	0.0200	0.0200	0.0199	0.0199
Civil Defense (ESDA)	0.0500	0.0019	0.0019	0.0019	0.0015	0.0015
IMRF	N/A	0.2377	0.2241	0.2177	0.2138	0.2139
Social Security	N/A	0.1476	0.1391	0.1352	0.1327	0.1328
Liability Insurance	N/A	0.2152	0.2061	0.2753	0.2801	0.2901
Street Lighting	0.0500	0.0500	0.0500	0.0500	0.0498	0.0498
Parks & Recreation	0.2000	0.2000	0.2000	0.2000	0.1993	0.1992
Public Benefit Bonds	0.0500	0.0500	0.0500	0.0500	0.0498	0.0498
Waterworks Bonds	N/A	0.0876	0.1069	0.1250	0.0777	-
Public Comfort Station	0.0333	0.0333	0.0240	0.0250	0.0332	0.0332
Harbor Construction	0.0125	0.0125	0.0125	0.0125	-	0.0125
Storm Water Management	0.0600	0.0600	0.0600	0.0600	0.0598	0.0598
Garbage	0.2000	0.0626	0.0361	0.0350	0.0369	0.0369
Totals		1.7125	1.6669	1.7418	1.8005	1.7444
Tax extensions:						
General		\$ 99,513	97,056	99,895	101,401	101,271
Audit		7,002	7,004	7,001	8,502	8,351
Fire Protection		15,001	15,001	15,000	24,603	24,602
Police Protection		59,708	58,233	59,937	60,843	60,764
Working Cash		19,903	19,411	19,979	20,281	20,257
Waterworks		6,607	6,444	6,633	6,736	6,728
Sewerage		5,003	5,000	5,003	40,562	40,511
Chlorination		7,961	7,764	7,992	8,116	8,103
Civil Defense		752	753	751	594	594
IMRF		94,997	87,002	87,000	87,002	87,001
Social Security		58,999	54,002	54,003	54,002	54,003
Liability Insurance		86,000	80,005	110,004	114,006	118,005
Street Lighting		19,903	19,411	19,979	20,281	20,257
Parks & Recreation		79,610	77,644	79,916	81,124	81,017
Public Benefit Bonds		19,903	19,411	19,979	20,281	20,257
Waterworks Bonds		34,998	41,501	49,931	31,624	-
Public Comfort Station		13,255	9,321	10,001	13,509	13,493
Harbor Construction		4,975	4,853	4,995	-	5,064
Storm Water Management		23,883	23,293	23,975	24,339	24,305
Garbage		25,000	14,003	14,001	15,002	15,002
Totals		\$ 682,973	647,112	695,974	732,810	709,586
Road & Bridge (from townships)		\$ 31,159	30,175	30,886	31,238	-
Tax collections		\$ 712,930	728,401	723,007	761,500	-

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

	2017		
	Valuation	Extension	Rate
Old Stage Road TIF 1 (Grundy County)			
District:			
Erienna Township	\$ 2,317,950	2,119	0.09143
Erienna Township Road	2,317,950	11,861	0.51169
Seneca Grade School 170	2,317,950	30,429	1.31276
Seneca High School 160	2,317,950	41,686	1.79838
Seneca Library	2,317,950	2,879	0.12421
ER-NC MTAD	2,317,950	622	0.02683
Village of Seneca	2,317,950	40,435	1.74443
IL Valley Community College 513	2,317,950	8,458	0.36488
Grundy County	2,317,950	17,639	0.76098
Total		<u>\$ 156,128</u>	<u>6.73559</u>



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor and
Village Council
Village of Seneca, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Seneca, Illinois, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise Village of Seneca, Illinois' basic financial statements and have issued our report thereon dated July 3, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings, which we consider to be significant deficiencies (2018-01 through 2018-02).

Compliance and Other Matters

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

Purpose of this Report

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
July 3, 2018

VILLAGE OF SENECA, ILLINOIS

Schedule of Findings – Significant Deficiencies For the Year Ended March 31, 2018

2018-01: Financial Statement Preparation (Recurring)

Condition:

Currently, the Village's personnel do not prepare the Village's financial statements and related disclosures. The Village engages the external auditors to assist in preparing these reports using the financial reports provided by the Village.

Criteria:

The Board of Trustees has the ultimate responsibility for the Village's system of internal control over financial reporting. As independent auditors, the external auditors cannot be considered a part of the Village's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

While it is common practice for the auditors to prepare the financial statements for many entities, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Cause:

The Village lacks the resources to prepare complete and accurate financial statements.

Effect:

Because the auditors, not management, have prepared the financial statements and related disclosures, material misstatements to the financial statements may not be prevented or detected by the Village's system of internal controls.

Recommendation:

The Village could consider the costs and benefits of dedicating the necessary staff resources, technical training, and oversight to ensure the Village's financial statements are accurately prepared in accordance with the modified-cash basis of accounting. However, the Village may determine that the cost of implementing internal controls related to financial statement preparation in accordance with GASB standards outweighs the benefits to be gained.

VILLAGE OF SENECA, ILLINOIS

Schedule of Findings – Significant Deficiencies For the Year Ended March 31, 2018

2018-2: Inadequate Annual Appropriation Ordinance (Recurring)

Condition:

The Village's annual appropriation ordinance for the fiscal year ending March 31, 2018 did not include revenue estimates, and expenditures were not shown for each specific fund from which expenditures were to be made. No budget for the fiscal year ending March 31, 2018 was adopted for the TIF Fund.

Additionally, the funds presented in the Appropriations Ordinance do not match up with the funds included in the audited financial statements. For example, expenditures that are accounted for in the 911 Fund are included in the General Fund budget, while the budget presents separate funds for Parks and Recreation, which is accounted for in the General Fund.

Criteria:

In accordance with the Illinois Municipal Code, the Village's budget ordinance should contain estimates of revenues available to the municipality for the fiscal year together with recommended expenditures for all departments, commissions and Boards. It should also show the specific funds from which each anticipated expenditure should be made.

Cause:

The Village has utilized the same budget form for several years, and is in the process of updating it for changes in the Village's fund structure.

Effect:

The budget and appropriations ordinance is not in accordance with statute, and does not provide an accurate benchmark for monitoring expenditures for the year.

Recommendation:

The budget and appropriations ordinance should be modified to align with the actual fund structure of the Village, and should include estimated revenues and expenditures for each fund of the Village. The Village has taken steps to modify its budget and appropriations format beginning with the fiscal year ending March 31, 2019.