

**VILLAGE OF SENECA, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2017**

*Prepared by:*

*Mack & Associates, P.C.  
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**CERTIFIED PUBLIC ACCOUNTANTS**

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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, 2017, 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, 2017, 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 that collectively comprise the Village of Seneca, Illinois' basic financial statements. The Other Information, including the Notes to Other Information on pages 37-48, and the Supplemental Information on pages 49-75 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 and notes to other information 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 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, 2016, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated July 19, 2016, 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 20, 2017, 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 20, 2017

***BASIC FINANCIAL STATEMENTS***

**Government-wide Financial Statement**  
**Statement of Net Position - Modified Cash Basis**  
**March 31, 2017**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2017	2016
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 919,330	517,370	1,436,700	667,420
Investments	2,094,798	33,174	2,127,972	2,417,425
Investments - restricted	-	722,013	722,013	832,320
Total current assets	<u>3,014,128</u>	<u>1,272,557</u>	<u>4,286,685</u>	<u>3,917,165</u>
Non-current assets:				
Capital assets:				
Land	591,689	-	591,689	404,689
Equipment	316,426	390,645	707,071	687,121
Buildings and improvements	2,742,358	-	2,742,358	2,742,358
Vehicles	470,714	71,620	542,334	540,886
Infrastructure	1,166,720	8,160,822	9,327,542	9,327,542
Accumulated depreciation	(2,095,838)	(5,609,089)	(7,704,927)	(7,274,062)
Total non-current assets	<u>3,192,069</u>	<u>3,013,998</u>	<u>6,206,067</u>	<u>6,428,534</u>
Total assets	<u>\$ 6,206,197</u>	<u>4,286,555</u>	<u>10,492,752</u>	<u>10,345,699</u>
<u>Liabilities</u>				
Current liabilities:				
Customer deposits	\$ -	9,180	9,180	11,239
Due within one year:				
Notes payable	25,000	-	25,000	73,224
Bonds payable	71,500	48,500	120,000	100,000
IEPA loan payable	-	52,000	52,000	50,200
Total current liabilities	<u>96,500</u>	<u>109,680</u>	<u>206,180</u>	<u>234,663</u>
Long-term liabilities:				
Due in more than one year:				
Notes payable	25,000	-	25,000	114,836
Bonds payable	305,000	30,000	335,000	155,000
IEPA loan payable	-	598,990	598,990	651,618
Total long-term liabilities	<u>330,000</u>	<u>628,990</u>	<u>958,990</u>	<u>921,454</u>
Total liabilities	<u>426,500</u>	<u>738,670</u>	<u>1,165,170</u>	<u>1,156,117</u>
<u>Net Position</u>				
Net investment in capital assets	2,765,569	2,284,508	5,050,077	5,283,656
Unrestricted	1,346,702	538,878	1,885,580	1,678,704
Restricted	1,667,426	724,499	2,391,925	2,227,222
Total net position	<u>\$ 5,779,697</u>	<u>3,547,885</u>	<u>9,327,582</u>	<u>9,189,582</u>

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

**Government-wide Financial Statement  
Statement of Activities - Modified Cash Basis  
For the Year Ended March 31, 2017**

Program Activities	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Position			
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
							2017	2016
Governmental activities:								
General government	\$ 1,140,756	30,449	-	-	(1,110,307)	-	(1,110,307)	(1,079,742)
Public safety	589,805	-	32,776	-	(557,029)	-	(557,029)	(546,257)
Highways and streets	372,059	63,898	-	-	(308,161)	-	(308,161)	(409,578)
Culture and recreation	314,261	-	107,350	-	(206,911)	-	(206,911)	(74,149)
Unallocated interest - expense	12,344	-	-	-	(12,344)	-	(12,344)	(14,182)
Total governmental activities	<u>2,429,225</u>	<u>94,347</u>	<u>140,126</u>	<u>-</u>	<u>(2,194,752)</u>	<u>-</u>	<u>(2,194,752)</u>	<u>(2,123,908)</u>
Business-type activities:								
Water	510,800	444,649	-	-	-	(66,151)	(66,151)	(16,071)
Sewer	384,181	475,319	-	-	-	91,138	91,138	(130,919)
Total business-type activities	<u>894,981</u>	<u>919,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,987</u>	<u>24,987</u>	<u>(146,990)</u>
Total primary government	<u>\$ 3,324,206</u>	<u>1,014,315</u>	<u>140,126</u>	<u>-</u>	<u>(2,194,752)</u>	<u>24,987</u>	<u>(2,169,765)</u>	<u>(2,270,898)</u>
			General revenues:					
			Taxes:					
			Property taxes	\$ 1,229,374	19,522	1,248,896	1,196,117	
			Utility tax	286,435	-	286,435	277,876	
			Sales tax	275,869	-	275,869	208,881	
			Income tax	251,363	-	251,363	256,374	
			Replacement tax	11,138	-	11,138	11,902	
			Local use tax	57,588	-	57,588	52,736	
			Video gaming tax	42,937	-	42,937	35,985	
			Motor fuel tax	60,435	-	60,435	58,469	
			Reimbursements	13,527	-	13,527	12,195	
			Interest on investments	18,478	5,850	24,328	20,644	
			Miscellaneous	28,890	-	28,890	29,110	
			Total general revenues	<u>2,276,034</u>	<u>25,372</u>	<u>2,301,406</u>	<u>2,160,289</u>	
			Special items					
			Debt issuance premium	15,148	-	15,148	-	
			Debt issuance discount	(8,789)	-	(8,789)	-	
			Transfer (to) from	(84,130)	84,130	-	-	
			Total special items	<u>(77,771)</u>	<u>84,130</u>	<u>6,359</u>	<u>-</u>	
			Change in net position	3,511	134,489	138,000	(110,609)	
			Net position at beginning of year	5,776,186	3,413,396	9,189,582	9,300,191	
			Net position at end of year	<u>\$ 5,779,697</u>	<u>3,547,885</u>	<u>9,327,582</u>	<u>9,189,582</u>	

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

**Statement of Assets, Liabilities, and Fund Balances  
Modified Cash Basis - Governmental Funds  
March 31, 2017**

	Major Funds				Total	
	General Fund	TIF Fund	Working Cash Fund	Non-major Governmental Funds	Governmental Funds 2017	2016
<u>Assets</u>						
Cash	\$ 636,544	288,657	975	64,042	990,218	672,554
Investments	536,672	194,507	440,455	923,164	2,094,798	2,389,445
Total assets	<u>\$ 1,173,216</u>	<u>483,164</u>	<u>441,430</u>	<u>987,206</u>	<u>3,085,016</u>	<u>3,061,999</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Overdraft payable	\$ -	-	-	70,888	70,888	107,591
Total liabilities	-	-	-	70,888	70,888	107,591
Fund balances:						
Unassigned	457,809	-	-	(35,912)	421,897	1,197,078
Assigned	136,664	-	441,430	278,223	856,317	264,973
Committed	68,488	-	-	-	68,488	-
Restricted	510,255	483,164	-	674,007	1,667,426	1,492,358
Total fund balances	<u>1,173,216</u>	<u>483,164</u>	<u>441,430</u>	<u>916,318</u>	<u>3,014,128</u>	<u>2,954,409</u>
Total liabilities and fund balances	<u>\$ 1,173,216</u>	<u>483,164</u>	<u>441,430</u>	<u>987,206</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 \$5,287,907 (net of accumulated depreciation of \$2,095,838) are not financial resources and, therefore, are not reported in the funds.	3,192,069	3,134,337
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(426,500)	(312,560)
Net position of governmental activities	<u>\$ 5,779,697</u>	<u>5,776,186</u>

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended March 31, 2017**

	Major Funds				Total	
	General Fund	TIF Fund	Working Cash Fund	Non-major Governmental Funds	Governmental Funds 2017	2016
<u>Revenues received:</u>						
Property taxes	\$ 339,010	520,495	19,871	349,998	1,229,374	1,159,479
Utility tax	286,435	-	-	-	286,435	277,876
Sales tax	275,869	-	-	-	275,869	208,881
Income tax	251,363	-	-	-	251,363	256,374
Replacement tax	11,138	-	-	-	11,138	11,902
Local use tax	57,588	-	-	-	57,588	52,736
Video gaming tax	42,937	-	-	-	42,937	35,985
Interest income	6,149	1,864	3,141	7,324	18,478	14,687
Motor Fuel Tax	-	-	-	60,435	60,435	58,469
Reimbursements	-	-	-	13,527	13,527	12,195
Fines, Fees, and Forfeitures	30,449	-	-	-	30,449	21,356
Grants	140,126	-	-	-	140,126	-
Licenses and permits	63,898	-	-	-	63,898	58,730
Miscellaneous	28,890	-	-	-	28,890	29,110
Total revenues received	1,533,852	522,359	23,012	431,284	2,510,507	2,197,780
<u>Expenditures disbursed:</u>						
Current:						
General government	256,602	453,779	-	245,931	956,312	1,070,365
Public safety	587,681	-	-	2,124	589,805	507,668
Highways and streets	185,668	-	-	186,391	372,059	358,202
Culture and recreation	314,261	-	-	-	314,261	47,500
Capital outlay	242,176	-	-	-	242,176	23,783
Debt service:						
Principal	138,060	-	-	48,000	186,060	116,425
Interest	6,039	-	-	6,305	12,344	14,182
Total expenditures disbursed	1,730,487	453,779	-	488,751	2,673,017	2,138,125
Excess (deficiency) of revenues received over (under) expenditures disbursed	(196,635)	68,580	23,012	(57,467)	(162,510)	59,655

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

**Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2017**

	Major Funds				Total	
	General	TIF	Working	Non-major	Governmental Funds	
	Fund	Fund	Cash	Governmental	2017	2016
			Fund	Funds		
<u>Other financing sources (uses):</u>						
Bond proceeds	300,000	-	-	-	300,000	-
Bond issuance premiums	15,148	-	-	-	15,148	-
Bond issuance discounts	(8,789)	-	-	-	(8,789)	-
Transfers out	(78,800)	-	-	(84,130)	(162,930)	(226,060)
Transfers in	-	-	-	78,800	78,800	175,142
Total other financing sources (uses)	227,559	-	-	(5,330)	222,229	(50,918)
Net change in fund balance	30,924	68,580	23,012	(62,797)	59,719	8,737
Fund balances - beginning	1,142,292	414,584	418,418	979,115	2,954,409	2,945,672
Fund balances - ending	<u>\$ 1,173,216</u>	<u>483,164</u>	<u>441,430</u>	<u>916,318</u>	<u>3,014,128</u>	<u>2,954,409</u>

**Reconciliation to the Statement of Activities:**

Net change in fund balances - total governmental funds \$ 59,719 8,737

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 Payable	175,871	106,856
Loan Proceeds	(300,000)	-
Capital lease payment	10,189	9,568

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	260,849	16,500
Depreciation	(203,117)	(198,793)

Change in net position of governmental activities (Statement B) \$ 3,511 (57,132)

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, 2017**

	Waterworks Fund	Sewer Fund	March 31,	
			2017	2016
<u>Assets</u>				
Current assets:				
Cash	\$ 238,423	278,947	517,370	144,586
Investments	7,889	25,285	33,174	27,980
Investments - restricted	300,498	421,515	722,013	832,320
Total current assets	<u>546,810</u>	<u>725,747</u>	<u>1,272,557</u>	<u>1,004,886</u>
Non-current assets:				
Equipment	163,018	227,627	390,645	370,695
Infrastructure	3,515,600	4,645,222	8,160,822	8,160,822
Vehicles	52,120	19,500	71,620	71,620
Accumulated depreciation	(1,996,905)	(3,612,184)	(5,609,089)	(5,308,940)
Total non-current assets	<u>1,733,833</u>	<u>1,280,165</u>	<u>3,013,998</u>	<u>3,294,197</u>
Total assets	<u>\$ 2,280,643</u>	<u>2,005,912</u>	<u>4,286,555</u>	<u>4,299,083</u>
<u>Liabilities</u>				
Current liabilities:				
Overdrafts payable	\$ -	-	-	42,130
Customer deposits	9,180	-	9,180	11,239
Current portion of long-term debt	52,000	48,500	100,500	102,200
Total current liabilities	<u>61,180</u>	<u>48,500</u>	<u>109,680</u>	<u>155,569</u>
Long-term liabilities:				
Bonds payable - long term portion	-	30,000	30,000	78,500
EPA loan payable - long term portion	598,990	-	598,990	651,618
Total noncurrent liabilities	<u>598,990</u>	<u>30,000</u>	<u>628,990</u>	<u>730,118</u>
Total liabilities	<u>660,170</u>	<u>78,500</u>	<u>738,670</u>	<u>885,687</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	1,082,843	1,201,665	2,284,508	2,461,879
Restricted	302,984	421,515	724,499	734,864
Unrestricted	234,646	304,232	538,878	216,653
Total net position	<u>\$ 1,620,473</u>	<u>1,927,412</u>	<u>3,547,885</u>	<u>3,413,396</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, 2017**

	Waterworks Fund	Sewer Fund	Year Ended March 31,	
			2017	2016
Operating revenues:				
Sewer charges	\$ -	474,528	474,528	291,211
Water charges	412,398	-	412,398	378,368
Other	32,251	791	33,042	46,978
Total operating revenues:	444,649	475,319	919,968	716,557
Operating expenses:				
Water and sewer operations	190,685	201,413	392,098	438,854
Supplies	169,754	13,750	183,504	94,799
Depreciation	133,131	167,018	300,149	319,411
Total operating expenses	493,570	382,181	875,751	853,064
Operating income (loss)	(48,921)	93,138	44,217	(136,507)
Non-operating revenues (expenses):				
Property taxes	6,598	12,924	19,522	36,638
Agent fees	-	(500)	(500)	(500)
Interest income	2,573	3,277	5,850	5,957
Interest expense	(17,230)	(1,500)	(18,730)	(9,983)
Total non-operating revenues (expenses)	(8,059)	14,201	6,142	32,112
Income (loss) before contributions and transfers	(56,980)	107,339	50,359	(104,395)
Other financing sources(uses):				
Transfers in	-	84,130	84,130	83,418
Transfers out	-	-	-	(32,500)
Total other financing sources(uses)	-	84,130	84,130	50,918
Change in net position	(56,980)	191,469	134,489	(53,477)
Total net position - beginning	1,677,453	1,735,943	3,413,396	3,466,873
Total net position - ending	\$ 1,620,473	1,927,412	3,547,885	3,413,396

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, 2017**

	Year Ended March 31,	
	2017	2016
Cash flows from operating activities:		
Receipts from customers	\$ 939,490	753,195
Payments for goods and services	(496,880)	(392,103)
Payments to employees	(122,911)	(119,119)
Net cash provided by operating activities	<u>319,699</u>	<u>241,973</u>
Cash flows from noncapital financing activities:		
Transfers (to) from other funds	<u>84,130</u>	<u>50,918</u>
Net cash used in noncapital financing activities	<u>84,130</u>	<u>50,918</u>
Cash flows from capital financing activities:		
Capital purchases	(19,950)	(72,736)
Principal paid on capital debt	(102,828)	(98,081)
Interest paid on capital debt	(19,230)	(10,483)
Net cash provided by capital financing activities	<u>(142,008)</u>	<u>(181,300)</u>
Cash flows from investing activities:		
Interest	<u>5,850</u>	<u>5,957</u>
Net cash provided by investing activities	<u>5,850</u>	<u>5,957</u>
Net increase in cash and cash equivalents	267,671	117,548
Cash and cash equivalents - beginning of the year	<u>1,004,886</u>	<u>887,338</u>
Cash and cash equivalents - end of the year	<u>\$ 1,272,557</u>	<u>1,004,886</u>

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

Statement of Fiduciary Net Position  
 Agency Funds  
 March 31, 2017

		<u>Total Agency Funds</u>	
		<u>2017</u>	<u>2016</u>
	<u>Assets</u>		
Cash		<u>\$ 12,540</u>	<u>12,605</u>
	<u>Liabilities</u>		
Due to Others		<u>\$ 12,540</u>	<u>12,605</u>

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, 2017

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#### **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, 2017

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#### 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, 2017

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### 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, Shipyard Road Improvement 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.

#### 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 2016 may have been reclassified to conform to the 2017 presentation.



VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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**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.

As of April 1, 2016, the Village prospectively applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures to all fair value measurements. See Note 2 for additional information regarding the application of this standard for the year ended March 31, 2017.

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, 2017

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

##### *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 2015 property tax levy, in the amount of \$718,320, increased by the bond & interest levy and reduced by statutory limitations to \$695,974, was received by the Village in the current fiscal year. The 2016 tax levy of \$701,144, increased by the bond & interest levy and reduced by statutory limitations to \$732,810, was adopted on December 20, 2016 and will be received by the Village in the subsequent fiscal year.

##### *G. Budgets and Budgetary Accounting*

The Village budgets for the General, Special Revenue, and Enterprise Funds through an appropriation ordinance.

The Village's appropriation ordinance is prepared on the basis of anticipated cash receipts and disbursements (cash basis).

The ordinance for the year ended March 31, 2017 was passed on June 21, 2016 and was not amended. For each fund, total fund expenditures may not legally exceed the budgeted expenditures. The ordinance lapses at the end of each fiscal year. The Village does not utilize an encumbrance system.

#### 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, 2017, the carrying amount of the Village's deposits was \$1,436,700 (excluding petty cash of \$200) and the bank balance was \$1,499,142. At March 31, 2017, all of the Village's uninsured deposits were fully collateralized.

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

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

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, 2017, the Village's investments were as follows:

	<u>Carrying Amount</u>
Money Market	\$ 357,642
U.S. Government Obligations	472,425
Taxable Municipal Bonds	100,423
Certificates of Deposit	<u>1,919,494</u>
Total	<u>\$ 2,849,984</u>

*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.

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25+ Months</u>	
Money Market	\$ 357,642	-	-	357,642
U.S. Government Obligations	-	1,680	470,745	472,425
Taxable Municipal Bonds	100,423	-	-	100,423
Certificates of deposit	1,919,494	-	-	1,919,494
	<u>\$2,377,559</u>	<u>1,680</u>	<u>470,745</u>	<u>2,849,984</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.

## VILLAGE OF SENECA, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2017

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

##### *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, 2017, the Village had no custodial credit risk.

##### *Foreign Currency Risk:*

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

##### *Other Investments:*

The Village has \$117,873 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.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

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.

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

	Balance at March 31, 2017	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	\$ 357,642	-	357,642	-
Certificate of Deposit	1,919,494	-	1,919,494	-
Municipal Bonds	100,423	-	100,423	-
US Government Obligations	472,425	-	472,425	-
Total Village Investments	<u>\$ 2,849,984</u>	<u>-</u>	<u>2,849,984</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, 2017 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, 2017

**NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 404,689	187,000	-	591,689
Total capital assets not being depreciated	404,689	187,000	-	591,689
Other capital assets:				
Vehicles	469,266	73,849	(72,401)	470,714
Equipment	316,426	-	-	316,426
Buildings & Improvements	2,742,358	-	-	2,742,358
Infrastructure	1,166,720	-	-	1,166,720
Total other capital assets	4,694,770	73,849	(72,401)	4,696,218
Total accumulated depreciation	(1,965,122)	(203,117)	72,401	(2,095,838)
Other capital assets, net	2,729,648	(129,268)	-	2,600,380
Total governmental activities, net	<u>\$ 3,134,337</u>	<u>57,732</u>	<u>-</u>	<u>3,192,069</u>
<b>Business-Type Activities:</b>				
Capital assets:				
Vehicles	\$ 71,620	-	-	71,620
Equipment	370,695	19,950	-	390,645
Infrastructure	8,160,822	-	-	8,160,822
Total Capital assets	8,603,137	19,950	-	8,623,087
Total accumulated depreciation	(5,308,940)	(300,149)	-	(5,609,089)
Total business-type activities, net	<u>\$ 3,294,197</u>	<u>(280,199)</u>	<u>-</u>	<u>3,013,998</u>
Total governmental & business-type	<u>\$ 6,428,534</u>	<u>(222,467)</u>	<u>-</u>	<u>6,206,067</u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

**NOTE 4: CAPITAL ASSETS – (Continued)**

Depreciation expense was charged to the following functions:

<b>Governmental activities</b>		
General government		\$ 22,542
Public health and safety		57,217
Streets and alleys		96,709
Culture and recreation		26,649
Total depreciation expense-governmental activities		<u>203,117</u>
<b>Business-type activities</b>		
Water		133,131
Sewer		167,018
Total depreciation expense-business type activities		<u>300,149</u>
Total depreciation expense		<u>\$ 503,266</u>

Governmental capital asset purchases include a \$187,000 land purchase, a 2016 Ford T310 Van and a 2017 Ford Explorer.

**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, 2017:

Type of Debt	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Governmental Activities:					
G.O. Refunding Bonds - 2012B	\$ 90,000	-	30,000	60,000	30,000
G.O. Refunding Bonds - 2012C	34,500	-	18,000	16,500	16,500
G.O. Bonds 2016	-	300,000	-	300,000	25,000
Seneca Regional Port District	6,567	-	6,567	-	-
Seneca Regional Port District	96,304	-	96,304	-	-
Seneca Regional Port District	75,000	-	25,000	50,000	25,000
Ford Motor Credit	10,189	-	10,189	-	-
Total Governmental Activities	<u>\$ 312,560</u>	<u>300,000</u>	<u>186,060</u>	<u>426,500</u>	<u>96,500</u>
Business-type Activities:					
G.O. Refunding Bonds - 2012A	\$ 50,000	-	10,000	40,000	10,000
G.O. Refunding Bonds - 2012C	80,500	-	42,000	38,500	38,500
IEPA Loan Payable	701,818	-	50,828	650,990	52,000
Total Business-type Activities	<u>\$ 832,318</u>	<u>-</u>	<u>102,828</u>	<u>729,490</u>	<u>100,500</u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

**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 \$2,430 was paid on the obligation. Future payment requirements are as follows:

<b>During Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 30,000	1,620	31,620
2019	30,000	810	30,810
	<u>\$ 60,000</u>	<u>2,430</u>	<u>62,430</u>

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.

**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 are 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, principal of \$60,000 and interest of \$2,876 was paid on the obligation. Future payment requirements are as follows:



VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

**Series 2012C General Obligation Refunding Bonds (Continued):**

During Year Ended	Principal	Interest	Total
2018	\$ 55,000	1,375	56,375
	<u>\$ 55,000</u>	<u>1,375</u>	<u>56,375</u>

A portion of the Series 2012C bonds (approximately 30%) is being financed through property tax receipts and is shown as a liability of governmental activities in the Statement of Net Position. It is 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 are shown as a liability of the Sewer Fund.

**Seneca Regional Port District Note Payable – Garage:**

On August 21, 2006, the Village entered into an agreement with the Seneca Regional Port District for financial assistance related to the construction of a new public garage for the street department. Instead of directly loaning funds to the Village to be used for construction expenditures, the Port District maintained control of the funds and had the garage built on behalf of the Village at a cost of \$92,067.

Since a secondary purpose of the garage is to help enhance the "look" of downtown Seneca and its industrial areas, the Port District is allowing the Village to pay back the note interest-free. Repayment of the note requires nine annual principal payments of \$9,500, with a payment of \$6,567 in the tenth and final year. Payments are due by March 1, and the first payment was made on March 1, 2008. The loan has been paid in full as of March 31, 2017.

Payments on this loan are paid from the General Fund.

**Seneca Regional Port District Note Payable - Storm Sewer Project:**

On February 17, 2009, the Village entered into an agreement with the Seneca Regional Port District for financial assistance related to the storm sewer drainage project. The Port District agreed to loan the Village \$300,000, to be paid back over ten years with payments to begin on January 30, 2010. The final payment is due January 30, 2019. Annual payments, principal and interest, amount to \$33,400 with interest accruing at the rate of 2.0% of the outstanding loan balance.

During the year ended March 31, 2017 the Village made 3 payments; principal of \$96,304 and interest of \$3,876 was paid on the note. This loan was paid in full as of March 31, 2017.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

**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.

During Year Ended	Principal	Interest	Total
2018	\$ 25,000	1,000	26,000
2019	25,000	500	25,500
	<u>\$ 50,000</u>	<u>1,500</u>	<u>51,500</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.

During the current fiscal year, principal of \$10,000 and interest of \$1,500 was paid on the obligation. Future payment requirements are as follows:

During Year Ended	Principal	Interest	Total
2018	\$ 10,000	1,200	11,200
2019	15,000	900	15,900
2020	15,000	500	15,500
	<u>\$ 40,000</u>	<u>2,600</u>	<u>42,600</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.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

**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 fiscal year ended March 31, 2016, principal of \$50,828 and interest of \$17,230 was paid. The current balance of the loan is \$650,991. Future payment requirements are as follows:

Due During Year Ended March 31,	Principal	Interest		Total
		July 1	January 1	
2018	\$ 52,000	8,457	7,600	68,057
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	5,647	5,303	68,059
Later years	379,593	18,819	16,965	415,377
	<u>\$ 650,990</u>	<u>54,368</u>	<u>50,305</u>	<u>755,664</u>

**Ford Motor Credit Capital Lease:**

On May 14, 2014, the Village obtained a capital lease from the Ford Motor Credit for a 2014 Ford Interceptor Utility Police Package. The total amount leased was \$30,184, and the payment schedule calls for annual payments of \$10,852, principal and interest, with payments due on May 14 of each fiscal year. The final payment is due May 14, 2016. Interest on each payment is calculated at the rate of 6.0% of the outstanding loan balance.

During the fiscal year ended March 31, 2017, the remaining principal balance of \$10,189 was paid in full. Payments are made from the General Fund.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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**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:

<b>During Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 25,000	12,721	37,721
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
2023-2027	165,000	21,260	186,260
	<u>\$ 300,000</u>	<u>72,301</u>	<u>372,301</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.

At March 31, 2017, there were no individual fund interfund receivable or payable balances.

The transfers represent both routine and non-routine items. Generally, transfers occur to meet the operating purposes of another fund. Transfers were made from the Sewer Fund to debt service funds. The transfers were made to fund capital projects and for the Village to pay long-term debt.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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**NOTE 6: INDIVIDUAL FUND DISCLOSURES – (Continued)**

Fund	Transfer to Other Funds	Transfer From Other Funds
Governmental Funds:		
General Fund	\$ 78,800	-
Series 2012B G.O. Bond Fund	-	50,000
Series 2012C G.O. Bond Fund	84,130	28,800
Total Governmental Funds	<u>\$ 162,930</u>	<u>78,800</u>
Business-type Funds:		
Sewer Fund	\$ -	84,130
Total Business-type Funds:	<u>\$ -</u>	<u>84,130</u>
Total Transfers	<u>\$ 162,930</u>	<u>162,930</u>

**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, 2017.

During the year ended March 31, 2017, 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, 2017

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#### 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](http://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, 2017

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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	18
Inactive Plan Members entitled to but not yet receiving benefits	13
Active Plan Members	<u>17</u>
Total	<u>48</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 2016 and the fiscal year ended March 31, 2017 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 2016	13.76%
Village required contribution rate for 2017	11.18%
Village actual contributions for 2016	\$ 83,787
Village actual contributions for fiscal year 2017	\$ 84,804

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

At December 31, 2016, the Village had a net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 3,946,398
Plan Fiduciary Net Position	3,562,129
Net Pension Liability	<u>\$ 384,269</u>

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

**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, 2016:

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.77%
International Equity	17%	3.54%
Fixed Income	27%	4.85%
Real Estate	8%	8.97%
Alternative Investments	9%	N/A
Cash Equivalents	<u>1%</u>	N/A
Total	100%	



VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

**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 3.78%, 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	\$ 4,477,490	3,946,398	3,512,498
Plan Fiduciary Net Position	3,562,129	3,562,129	3,562,129
Net Pension Liability (Asset)	<u>\$ 915,361</u>	<u>384,269</u>	<u>(49,631)</u>

**VILLAGE OF SENECA, ILLINOIS**

**Notes to Basic Financial Statements  
For the Year Ended March 31, 2017**

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**NOTE 10: LEGAL DEBT MARGIN**

The following schedule illustrates the legal debt margin of the Village as of March 31, 2017:

Assessed valuation - 2016		<u>\$ 40,700,573</u>
Statutory debt limitation (8.625% of assessed valuation)		\$ 3,510,424
Debt outstanding at March 31, 2017:		
General obligation bonds	\$ 455,000	
Notes payable	50,000	
IEPA loan payable	<u>650,990</u>	
	1,155,990	
IEPA loan not included for purposes of debt limitation statute	<u>(650,990)</u>	<u>505,000</u>
Legal debt margin		<u>\$ 3,005,424</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 \$52,609, the total required contribution for the year ended March 31, 2017.

**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*	\$ 453,779
Series 2012B G.O. Bond Fund*	32,930
Series 2012C G.O. Bond Fund*	21,375
Series 2016 G.O. Bond Fund*	353

\* No appropriations were made for these funds for the year ending March 31, 2017.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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**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	\$ 360,831
Storm sewer projects	53,316
Harbor construction	394
Fire protection	95,714
Total General Fund Restriction	<u>\$ 510,255</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	\$ 483,164
Audit	15,223
IMRF	132,865
Social Security and Medicare	98,588
Liability Insurance / Tort Immunity	80,176
Garbage Services	59,214
Series 2012B G.O. Bonds	18,120
Series 2012C G.O. Bonds	220,043
Series 2016 G.O. Bonds	49,778

**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, 2017, the Village had an unassigned deficit of \$(35,912) in the Motor Fuel Tax Fund.

## VILLAGE OF SENECA, ILLINOIS

### Notes to Basic Financial Statements For the Year Ended March 31, 2017

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#### **NOTE 15: TIF DISTRICT**

##### TIF I and TIF II

On December 16, 2003, the Village Board of Trustees 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, 2017, the Village received TIF revenues of \$386,450 and \$134,045 from LaSalle and Grundy Counties, respectively.

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

##### TIF III

Another TIF District was established in fiscal year 2009 in an attempt to revitalize the Seneca railport and Interstate 80 area. Significant legal fees were incurred in conjunction with the district and railport project. Many of these were reimbursed by a local business operation with a vested economic interest in the potential benefits associated with the TIF district. The legal costs and the reimbursements were recorded along with the tax revenues and other expenses in the TIF III Fund. This redevelopment agreement was terminated during the year ended March 31, 2014, and the TIF III fund was closed during the year ended March 31, 2016.

#### **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.

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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

*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.

*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. At March 31, 2017, the Village's General Fund had a committed balance of \$68,488 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 \$856,317 as of March 31, 2017.

*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. The Village also has a unassigned deficit of (\$35,912) in the Motor fuel tax fund.

*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	\$1,317,489
Water Capital Improvement Fund	115,219
Water EPA Fund	187,765

VILLAGE OF SENECA, ILLINOIS

Notes to Basic Financial Statements  
For the Year Ended March 31, 2017

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**NOTE 17: ENTERPRISE FUNDS INDIVIDUAL FUND DISCLOSURE – (Continued)**

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

Sewer Fund	\$1,505,897
Sewer Capital Fund	378,996
Sewer 2012A Fund	42,519

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

**NOTE 18: ACCOUNTING CHANGES**

Current Changes

Government Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application was implemented by the Village during the year ended March 31, 2017. This standard addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Village reports all investments at cost; however, fair value measurements are required for disclosure purposes. See Note 2 for the disclosures required under this statement.

GASB Statement No. 77, Tax Abatement Disclosures, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this statement were effective for the Village's fiscal year ending March 31, 2017. The provisions of this statement did not have an impact on the Village's financial statements for the year ended March 31, 2017.

***OTHER INFORMATION***

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

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Assets

Cash on hand	\$	636,544
Investments		536,672
Total assets	\$	<u>1,173,216</u>

Fund Balance

Fund balance:		
Unassigned	\$	457,809
Assigned:		
Public Safety		31,445
Cruise Night		4,954
Road and Bridge		94,063
Flood		6,202
Committed for Construction Projects		68,488
Restricted		
Fire Protection Services		95,714
Storm Sewer Projects		53,316
Harbor Construction (Downtown Development)		394
Parks & Recreation		360,831
Total fund balance	\$	<u>1,173,216</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, 2017  
(With Comparative Figures for 2016)

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	339,010	325,973
Utility tax	-	196,875	196,675
Telecommunications taxes	-	89,560	81,201
State sales tax	-	275,869	208,881
State income taxes	-	251,363	256,374
Local use taxes	-	57,588	52,736
Replacement taxes	-	11,138	11,902
Video gaming taxes	-	42,937	35,985
Windmill revenue	-	40,000	40,000
Rental income	-	10,695	11,586
Grants	-	140,126	-
Franchise fee	-	8,422	9,187
Interest income	-	6,149	4,637
Miscellaneous	-	14,748	12,009
Building permits	-	13,992	9,505
Licenses	-	9,906	9,225
Park fees	-	4,045	2,480
Fines	-	14,082	9,689
Impound fee	-	3,900	-
Reimbursements	-	3,447	5,515
Total revenues received	-	1,533,852	1,283,560

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, 2017  
(With Comparative Figures for 2016)

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Expenditures disbursed:			
General Government:			
Current:			
Personnel:			
Salaries - employees	\$ 160,000	127,414	105,966
Salaries - elected	60,000	2,500	15,000
Health insurance and life insurance	60,000	17,562	16,398
Salaries - appointed	40,000	10,669	22,000
Contractual services:			
Equipment rental	5,000	-	201
Maintenance service - building	10,000	1,333	1,546
Maintenance service - equipment	25,000	4,952	3,500
Accounting service	1,000	-	-
Legal service	125,000	16,014	9,381
Postage	5,000	312	-
Telephone and internet	3,000	11,604	-
Printing and publishing	13,000	-	-
Dues and fees	3,000	6,205	7,570
Travel expenses	3,000	1,017	860
Training	2,000	-	-
Publications	5,000	1,470	766
Utilities	45,000	4,664	18,855
Engineering - studies and surveys	20,000	-	-
Engineering	75,000	936	335
Recycling and clean-up	25,000	-	-
Fuel, oil and repairs	7,000	3,462	786
General services	9,000	14,104	32,910
Reimbursements	9,000	5,533	5,085
Other contractual services	29,000	-	-
Summerfest	-	1,968	-
Commodities:			
Maintenance supplies - building	5,000	-	-
Office supplies and materials	23,000	9,137	7,435
Operating supplies	9,000	7,761	10,226
Miscellaneous	35,000	7,985	2,192
Capital Outlay:			
Building	1,350,000	-	-
Equipment	165,000	-	-
Land acquisition	850,000	181,122	-
Total General Government	3,176,000	437,724	261,012

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, 2017  
(With Comparative Figures for 2016)

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Expenditures disbursed (continued):			
Public Safety:			
Current:			
Personnel:			
Salaries	\$ 954,000	387,409	335,076
Health insurance and life insurance	180,000	80,460	52,166
Appointed Officials	10,000	1,334	8,000
Contractual services:			
Maintenance service - equipment	25,000	5,345	6,726
Maintenance service - vehicle	40,000	219	-
Legal service	30,000	600	3,411
Postage	2,000	104	-
Telephone and internet	16,000	20,968	-
Publishing and printing	2,000	-	346
Dues and fees	1,500	4,532	2,704
Travel expenses	13,000	1,418	627
Training	9,000	-	-
Utilities	13,000	1,521	25,708
Reimbursements	12,000	-	106
Rentals	2,000	-	-
General services	4,000	5,226	3,887
Leads computer services	3,000	-	-
Dispatch service	100,000	45,073	46,852
Disposal storage services	1,500	-	-
Commodities:			
Maintenance supplies - equipment	19,000	1,788	-
Maintenance supplies - vehicle	10,000	-	-
Office supplies	10,000	1,788	2,164
Operating supplies	4,000	7,645	2,406
Fuel and oil	15,000	12,739	12,014
Uniforms	3,400	8,157	3,317
Safety Equipment	4,000	-	103
Miscellaneous	1,500	1,355	-
Capital outlay:			
Equipment	50,000	7,840	7,283
Vehicle	80,000	24,018	-
Building restoration	21,000	-	-
Debt service:			
Principal	20,000	10,189	9,568
Interest	-	663	1,284
Total Public Safety	1,655,900	630,391	523,748

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, 2017  
(With Comparative Figures for 2016)

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Expenditures disbursed (continued):			
Streets:			
Current:			
Personnel:			
Salaries - employees	\$ 120,000	77,066	74,802
Health insurance and life insurance	30,000	18,141	16,925
Contractual services:			
Maintenance service - building	10,000	-	-
Maintenance service - equipment	15,000	3,605	10,735
Maintenance service - vehicle	6,000	-	-
Maintenance service - street	20,000	25,274	52,038
Utilities	35,000	338	57,530
Clean up and refuse	10,000	-	-
Rentals	4,500	-	2,528
Engineering	50,000	-	1,629
Towing	2,000	-	-
Landscaping and tree removal	8,000	-	-
Management services	15,000	-	-
Spraying	1,000	-	402
Street lamp installation and repair	28,000	-	-
Sidewalk replacement and repair	100,000	-	-
Street lighting	22,500	27,604	-
Contract Services and Legal	20,000	9,350	7,299
Uniforms	2,000	-	-
Roads and Bridges	35,000	-	-
Commodities:			
Maintenance supplies - building	5,000	-	-
Maintenance supplies - equipment	5,000	1,363	139
Maintenance supplies - vehicle	5,000	-	-
Maintenance supplies - street	13,000	-	-
Operating supplies	6,000	18,836	16,273
Fuel	5,000	4,091	7,510
Uniforms	400	-	-
Miscellaneous	4,000	-	-
Capital outlay:			
Building	125,000	-	-
Equipment	75,000	-	-
Vehicle	60,000	-	-
Street construction	729,600	-	-
Total Streets	1,567,000	185,668	247,810

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, 2017  
(With Comparative Figures for 2016)

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Expenditures disbursed (continued):			
Storm water management	\$ 500,000	-	-
Culture and Recreation:			
Current:			
Personnel:			
Salaries	-	15,333	14,022
Contractual services:			
Maintenance	100,000	26,037	26,852
Engineering services	75,000	-	-
Legal	5,000	-	88
Utilities	-	-	-
Reimbursements	-	-	365
Insurance	-	3,433	935
Video gaming	-	3,600	-
Windmill construction	-	263,536	-
Other contractual services	-	65	101
Commodities:			
Operating supplies	-	2,257	4,517
Fuel	-	-	620
Capital outlay:			
Land acquisition	550,000	-	16,500
Capital expenditures	660,000	29,196	-
Debt service (Seneca Regional Port Loan):			
Principal	-	127,871	65,357
Interest	-	5,376	4,543
Total Culture and Recreation	1,390,000	476,704	133,900
Harbor Construction:			
Current:			
Contractual services:			
Professional	190,000	-	-
Legal	10,000	-	-
Engineering services	50,000	-	-
Public accommodations	20,000	-	-
Capital outlay:			
Roadway construction	20,000	-	-
Capital expenditures	50,000	-	-
Total Harbor Construction	340,000	-	-
Total expenditures disbursed	8,628,900	1,730,487	1,166,470

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, 2017  
(With Comparative Figures for 2016)

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Excess (deficiency) of revenues received over (under) expenditures disbursed	(8,628,900)	(196,635)	117,090
Other financing sources (uses):			
Bond proceeds	-	300,000	-
Bond issuance premium	-	15,148	-
Bond issuance discount	-	(8,789)	-
Transfers in	-	-	148,212
Transfers out	-	(78,800)	(24,930)
Total other financing sources (uses)	-	227,559	123,282
Net change in fund balance	<u>\$ (8,628,900)</u>	30,924	240,372
Fund balance, beginning of year		1,142,292	901,920
Fund balance, end of year		<u>\$ 1,173,216</u>	<u>1,142,292</u>

VILLAGE OF SENECA, ILLINOIS  
TIF FUND

SCHEDULE B-1

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Cash		\$ 288,657
Investments		194,507
Total assets		<u>\$ 483,164</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 483,164
Total fund balance		<u>\$ 483,164</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE B-2

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
TIF revenue - LaSalle County	\$ -	386,450	385,052
TIF revenue - Grundy County	-	134,045	134,764
Interest income	-	1,864	309
Total revenues received	-	<u>522,359</u>	<u>520,125</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Legal	-	37	300
General Services	-	2,538	875
Utilities	-	22	113
Street lights	-	1,182	-
Developer payments	-	450,000	600,000
Total expenditures disbursed	-	<u>453,779</u>	<u>601,288</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	<u>68,580</u>	<u>(81,163)</u>
Other financing sources (uses):			
Transfers out	-	-	(145,212)
Net change in fund balance	<u>\$ -</u>	<u>68,580</u>	<u>(226,375)</u>
Fund balance, beginning of year		414,584	640,959
Fund balance, end of year		<u>\$ 483,164</u>	<u>414,584</u>

VILLAGE OF SENECA, ILLINOIS  
WORKING CASH FUND

SCHEDULE B-3

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

		<u>Assets</u>	
Cash			\$ 975
Investments			440,455
Total assets			<u>\$ 441,430</u>
		<u>Fund Balance</u>	
Assigned fund balance			<u>\$ 441,430</u>
Total fund balance			<u>\$ 441,430</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE B-4

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	19,871	19,381
Interest Income	-	3,141	2,784
Total revenues received	-	<u>23,012</u>	<u>22,165</u>
Expenditures disbursed:			
Total expenditures disbursed	<u>350,000</u>	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (350,000)</u>	23,012	22,165
Fund balance, beginning of year		<u>418,418</u>	<u>396,253</u>
Fund balance, end of year		<u>\$ 441,430</u>	<u>418,418</u>



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

Calendar Year Ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Total Pension Liability</b>										
Service Cost	\$ 63,989	63,170	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	279,248	278,245	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(32,060)	(215,207)	-	-	-	-	-	-	-	-
Assumption Changes	(9,795)	-	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(112,496)	(113,935)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	188,886	12,273	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	3,757,512	3,745,239	-	-	-	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 3,946,398</u>	<u>3,757,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 83,787	70,170	-	-	-	-	-	-	-	-
Contributions - Employee	27,402	25,755	-	-	-	-	-	-	-	-
Net Investment Income	232,292	16,736	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	(112,496)	(113,935)	-	-	-	-	-	-	-	-
Other (Net Transfer)	14,097	(37,972)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	245,082	(39,246)	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,317,047	3,356,293	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 3,562,129</u>	<u>3,317,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Pension Liability (Asset)</b>	<u>\$ 384,269</u>	<u>440,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	90.26%	88.28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Covered Valuation Payroll</b>	\$ 608,922	572,339	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of the Covered Valuation Payroll</b>	63.11%	76.96%	N/A	N/A	N/A	N/A	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
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 2016 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): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period).

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 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 MO-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MO-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, 2017

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**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, 2017.

The Village's fiscal year 2017 budget was adopted on June 21, 2016 and was not amended.

Budgeted revenues have been omitted from the budgetary comparison schedules, as the Village does not budget for anticipated revenues.

**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, 2017.

Fund	Excess
TIF Fund*	\$ 453,779

*\*No budget adopted*

***SUPPLEMENTAL INFORMATION***

VILLAGE OF SENECA, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017

	Special Revenue Funds							911 Fund
	Audit Fund	IMRF Fund	Social Security Fund	Liability Insurance Fund	Garbage Fund	Public Benefit Fund	Public Comfort Station Fund	
<u>Assets</u>								
Cash in bank	\$ 163	10,600	4,263	2,629	-	-	6,895	27,324
Investments	15,060	122,265	94,325	77,547	59,214	110,750	101,130	34,928
Total assets	<u>\$ 15,223</u>	<u>132,865</u>	<u>98,588</u>	<u>80,176</u>	<u>59,214</u>	<u>110,750</u>	<u>108,025</u>	<u>62,252</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Overdrafts payable	\$ -	-	-	-	-	24,523	-	-
Fund balances:								
Restricted	15,223	132,865	98,588	80,176	59,214	-	-	-
Assigned	-	-	-	-	-	86,227	108,025	62,252
Total fund balances	<u>15,223</u>	<u>132,865</u>	<u>98,588</u>	<u>80,176</u>	<u>59,214</u>	<u>86,227</u>	<u>108,025</u>	<u>62,252</u>
Total liabilities and fund balances	<u>\$ 15,223</u>	<u>132,865</u>	<u>98,588</u>	<u>80,176</u>	<u>59,214</u>	<u>110,750</u>	<u>108,025</u>	<u>62,252</u>

VILLAGE OF SENECA, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1  
(Continued)

Combining Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017

	Special Revenue Funds			Debt Service Funds			Total Non-major Governmental Funds	
	TIF III Fund	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	March 31,	
							2017	2016
<u>Assets</u>								
Cash in bank	\$ -	-	10,100	-	2,068	-	64,042	66,047
Investments	-	21,719	-	18,120	217,975	50,131	923,164	1,020,659
Total assets	<u>\$ -</u>	<u>21,719</u>	<u>10,100</u>	<u>18,120</u>	<u>220,043</u>	<u>50,131</u>	<u>987,206</u>	<u>1,086,706</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Overdrafts payable	\$ -	-	46,012	-	-	353	70,888	107,591
Fund balances:								
Restricted	-	-	-	18,120	220,043	49,778	674,007	714,142
Unassigned	-	-	(35,912)	-	-	-	(35,912)	-
Assigned	-	21,719	-	-	-	-	278,223	264,973
Total fund balances	-	21,719	(35,912)	18,120	220,043	49,778	916,318	979,115
Total liabilities and fund balances	<u>\$ -</u>	<u>21,719</u>	<u>10,100</u>	<u>18,120</u>	<u>220,043</u>	<u>50,131</u>	<u>987,206</u>	<u>1,086,706</u>

VILLAGE OF SENECA, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2

Combining Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balances  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)

	Special Revenue Funds							911 Fund
	Audit Fund	IMRF Fund	Social Security Fund	Liability Insurance Fund	Garbage Fund	Public Benefit Fund	Public Comfort Station Fund	
Revenues received:								
Property taxes	\$ 6,963	86,524	53,708	109,404	13,924	19,871	9,946	-
Motor fuel taxes	-	-	-	-	-	-	-	-
Interest income	112	1,065	769	568	412	761	700	253
Reimbursements	-	-	-	-	-	-	-	13,527
Total revenues received	7,075	87,589	54,477	109,972	14,336	20,632	10,646	13,780
Expenditures disbursed:								
General government	7,950	84,804	52,609	64,645	5,725	29,845	-	-
Highways and streets	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	2,124
Total expenditures disbursed	7,950	84,804	52,609	64,645	5,725	29,845	-	2,124
Excess (deficiency) of revenues received over (under) expenditures disbursed	(875)	2,785	1,868	45,327	8,611	(9,213)	10,646	11,656
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	(875)	2,785	1,868	45,327	8,611	(9,213)	10,646	11,656
Fund balance (deficit), beginning of year	16,098	130,080	96,720	34,849	50,603	95,440	97,379	50,596
Fund balance (deficit), end of year	\$ 15,223	132,865	98,588	80,176	59,214	86,227	108,025	62,252



VILLAGE OF SENECA, ILLINOIS  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2  
(Continued)

Combining Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balances  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)

	Special Revenue Funds			Debt Service Funds			Total	
	TIF III Fund	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	March 31,	
						2017	2016	
Revenues received:								
Property taxes	\$ -	-	-	-	49,658	-	349,998	294,309
Motor fuel taxes	-	-	60,435	-	-	-	60,435	58,469
Interest income	-	161	477	187	1,728	131	7,324	6,957
Reimbursements	-	-	-	-	-	-	13,527	12,195
Total revenues received	-	161	60,912	187	51,386	131	431,284	371,930
Expenditures disbursed:								
General government	-	-	-	-	-	353	245,931	208,065
Highways and streets	-	-	186,391	-	-	-	186,391	110,392
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	32,930	21,375	-	54,305	49,855
Public safety	-	-	-	-	-	-	2,124	2,055
Total expenditures disbursed	-	-	186,391	32,930	21,375	353	488,751	370,367
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	161	(125,479)	(32,743)	30,011	(222)	(57,467)	1,563
Other financing sources (uses):								
Transfers in	-	-	-	28,800	-	50,000	78,800	26,930
Transfers out	-	-	-	-	(84,130)	-	(84,130)	(55,918)
Total other financing sources (uses)	-	-	-	28,800	(84,130)	50,000	(5,330)	(28,988)
Net change in fund balance	-	161	(125,479)	(3,943)	(54,119)	49,778	(62,797)	(27,425)
Fund balance (deficit), beginning of year	-	21,558	89,567	22,063	274,162	-	979,115	1,006,540
Fund balance (deficit), end of year	\$ -	21,719	(35,912)	18,120	220,043	49,778	916,318	979,115

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

		<u>Assets</u>	
Cash			\$ 163
Investments			15,060
Total assets			<u>\$ 15,223</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 15,223
Total fund balance			<u>\$ 15,223</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE C-4

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	6,963	6,993
Interest income	-	112	135
Total revenues received	-	<u>7,075</u>	<u>7,128</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Audit	15,000	7,950	7,750
Total expenditures disbursed	<u>15,000</u>	<u>7,950</u>	<u>7,750</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (15,000)</u>	(875)	(622)
Fund balance, beginning of year		<u>16,098</u>	<u>16,720</u>
Fund balance, end of year		<u>\$ 15,223</u>	<u>16,098</u>

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Cash		\$ 10,600
Investments		122,265
Total assets		<u>\$ 132,865</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 132,865
Total fund balance		<u>\$ 132,865</u>

**Statement of Revenues Received, Expenditures Disbursed and  
Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	86,524	86,867
Interest income	-	1,065	1,015
Total revenues received	<u>-</u>	<u>87,589</u>	<u>87,882</u>
Expenditures disbursed:			
IMRF contributions	100,000	84,804	71,605
Total expenditures disbursed	<u>100,000</u>	<u>84,804</u>	<u>71,605</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (100,000)</u>	2,785	16,277
Fund balance, beginning of year		<u>130,080</u>	<u>113,803</u>
Fund balance, end of year		<u>\$ 132,865</u>	<u>130,080</u>

VILLAGE OF SENECA, ILLINOIS  
SOCIAL SECURITY FUND

SCHEDULE C-7

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Cash		\$ 4,263
Investments		94,325
Total assets		<u>\$ 98,588</u>
<u>Fund Balance</u>		
Restricted fund balance		\$ 98,588
Total fund balance		<u>\$ 98,588</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE C-8

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	53,708	53,919
Interest income	-	769	735
Total revenues received	<u>-</u>	<u>54,477</u>	<u>54,654</u>
Expenditures disbursed:			
Current:			
Personnel:			
Payroll taxes	70,000	52,609	48,062
Total expenditures disbursed	<u>70,000</u>	<u>52,609</u>	<u>48,062</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (70,000)</u>	1,868	6,592
Fund balance, beginning of year		<u>96,720</u>	<u>90,128</u>
Fund balance, end of year		<u>\$ 98,588</u>	<u>96,720</u>

VILLAGE OF SENECA, ILLINOIS  
LIABILITY INSURANCE FUND

SCHEDULE C-9

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

		<u>Assets</u>	
Cash			\$ 2,629
Investments			<u>77,547</u>
Total assets			<u>\$ 80,176</u>
 <u>Fund Balance</u> 			
Restricted fund balance			<u>\$ 80,176</u>
Total fund balance			<u>\$ 80,176</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE C-10

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	109,404	79,882
Interest income	-	<u>568</u>	<u>366</u>
Total revenues received	-	<u>109,972</u>	<u>80,248</u>
Expenditures disbursed:			
Current:			
Personnel:			
Unemployment insurance	15,000	3,409	3,113
Workmen's compensation insurance	50,000	-	-
Contractual services:			
Liability and general insurance	<u>80,000</u>	<u>61,236</u>	<u>61,657</u>
Total expenditures disbursed	<u>145,000</u>	<u>64,645</u>	<u>64,770</u>
Net change in fund balance	<u>\$ (145,000)</u>	45,327	15,478
Fund balance, beginning of year		<u>34,849</u>	<u>19,371</u>
Fund balance, end of year		<u>\$ 80,176</u>	<u>34,849</u>

**VILLAGE OF SENECA, ILLINOIS  
GARBAGE FUND**

**SCHEDULE C-11**

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

		<u>Assets</u>	
Investments			\$ 59,214
Total assets			<u>\$ 59,214</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 59,214
Total fund balance			<u>\$ 59,214</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

**SCHEDULE C-12**

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	13,924	13,981
Interest income	-	412	331
Total revenues received	<u>-</u>	<u>14,336</u>	<u>14,312</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Garbage fees	75,000	5,725	5,500
Total expenditures disbursed	<u>75,000</u>	<u>5,725</u>	<u>5,500</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (75,000)</u>	8,611	8,812
Fund balance, beginning of year		<u>50,603</u>	<u>41,791</u>
Fund balance, end of year		<u>\$ 59,214</u>	<u>50,603</u>

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Investments		\$ 110,750
Total assets		<u>\$ 110,750</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Overdrafts payable		<u>\$ 24,523</u>
Fund Balance		
Assigned fund balance		<u>86,227</u>
Total liabilities and fund balance		<u>\$ 110,750</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	19,871	19,381
Interest Income	-	761	604
Total revenues received	<u>-</u>	<u>20,632</u>	<u>19,985</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Public benefit	300,000	29,845	6,889
Total expenditures disbursed	<u>300,000</u>	<u>29,845</u>	<u>6,889</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (300,000)</u>	(9,213)	13,096
Fund balance, beginning of year		<u>95,440</u>	<u>82,344</u>
Fund balance, end of year		<u>\$ 86,227</u>	<u>95,440</u>

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

		<u>Assets</u>	
Cash			\$ 6,895
Investments			101,130
Total assets			<u>\$ 108,025</u>
		<u>Fund Balance</u>	
Assigned fund balance			\$ 108,025
Total fund balance			<u>\$ 108,025</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Property taxes	\$ -	9,946	9,307
Interest Income	-	700	587
Total revenues received	-	<u>10,646</u>	<u>9,894</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Public accommodations and benches	50,000	-	-
Shelters and restrooms	200,000	-	-
Total expenditures disbursed	<u>250,000</u>	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (250,000)</u>	10,646	9,894
Fund balance, beginning of year		<u>97,379</u>	<u>87,485</u>
Fund balance, end of year		<u>\$ 108,025</u>	<u>97,379</u>



**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Cash in bank		\$ 27,324
Investments		34,928
Total assets		<u>\$ 62,252</u>
<u>Fund Balance</u>		
Assigned fund balance		\$ 62,252
Total fund balance		<u>\$ 62,252</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE C-18

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Reimbursements	\$ -	13,527	12,195
Interest Income	-	253	236
Total revenues received	<u>-</u>	<u>13,780</u>	<u>12,431</u>
Expenditures disbursed:			
Current:			
Personnel:			
Salaries	-	-	60
Contractual services:			
Utilities	-	400	1,969
Repairs and maintenance	-	160	-
Safety equipment	-	-	26
Legal fees	-	1,537	-
General services	-	27	-
Capital outlay:			
911 system acquisition and improvement	65,000	-	-
Total expenditures disbursed	<u>65,000</u>	<u>2,124</u>	<u>2,055</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (65,000)</u>	<u>11,656</u>	<u>10,376</u>
Fund balance, beginning of year		<u>50,596</u>	<u>40,220</u>
Fund balance, end of year		<u>\$ 62,252</u>	<u>50,596</u>

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

		<u>Assets</u>	
Cash in bank			\$ -
Total assets			<u>\$ -</u>
		<u>Fund Balance</u>	
Restricted 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, 2017  
(With Comparative Figures for 2016)**

	Original & Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:	\$ -	-	-
Total revenues received	-	-	-
Expenditures disbursed:			
Current:			
Contractual services:			
General services	-	-	2,289
Legal expense	-	-	541
Miscellaneous	-	-	659
Total expenditures disbursed	-	-	3,489
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	-	(3,489)
Fund balance, (deficit) beginning of year		-	3,489
Fund balance (deficit), end of year		<u>\$ -</u>	<u>-</u>

VILLAGE OF SENECA, ILLINOIS  
POLICE BUILDING RESTORATION FUND

SCHEDULE C-21

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Investments		\$ 21,719
Total assets		<u>\$ 21,719</u>
<u>Fund Balance</u>		
Assigned fund balance		\$ 21,719
Total fund balance		<u>\$ 21,719</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE C-22

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Interest income	\$ -	161	146
Total revenues received	<u>-</u>	<u>161</u>	<u>146</u>
Expenditures disbursed:			
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	161	146
Fund balance, beginning of year		<u>21,558</u>	<u>21,412</u>
Fund balance, end of year		<u>\$ 21,719</u>	<u>21,558</u>

VILLAGE OF SENECA, ILLINOIS  
MOTOR FUEL TAX FUND

SCHEDULE C-23

**Statement of Assets, Liabilities, and  
Fund Balance - Arising from Cash Transactions  
March 31, 2017**

<u>Assets</u>		
Cash		\$ 10,100
Total assets		<u>\$ 10,100</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Overdrafts payable		\$ 46,012
Fund balance:		
Unassigned fund balance (deficit)		(35,912)
Total liabilities and fund balance		<u>\$ 10,100</u>

**Statement of Revenues Received, Expenditures Disbursed  
and Changes in Fund Balance - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

SCHEDULE C-24

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Motor Fuel tax allotments	\$ -	60,435	58,469
Interest income	-	477	668
Total revenues received	<u>-</u>	<u>60,912</u>	<u>59,137</u>
Expenditures disbursed:			
Current:			
Contractual services:			
Publications	-	190	188
Contract labor	-	2,500	98,703
Engineering	50,000	23,286	11,501
Equipment rental	50,000	-	-
Street maintenance	325,000	160,415	-
Total expenditures disbursed	<u>425,000</u>	<u>186,391</u>	<u>110,392</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (425,000)</u>	(125,479)	(51,255)
Fund balance, beginning of year		<u>89,567</u>	<u>140,822</u>
Fund balance (deficit), end of year		<u>\$ (35,912)</u>	<u>89,567</u>

**Statement of Assets, Liabilities, and  
 Fund Balance - Arising from Cash Transactions  
 March 31, 2017**

		<u>Assets</u>	
Investments			\$ 18,120
Total assets			<u>\$ 18,120</u>
		<u>Fund Balance</u>	
Restricted fund balance			\$ 18,120
Total fund balance			<u>\$ 18,120</u>

**Statement of Revenues Received, Expenditures Disbursed  
 and Changes in Fund Balance - Budget & Actual  
 For the Year Ended March 31, 2017  
 (With Comparative Figures for 2016)**

	Original & Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Interest Income	\$ -	187	205
Total revenues received	<u>-</u>	<u>187</u>	<u>205</u>
Expenditures disbursed:			
Debt service:			
Fees	-	500	500
Principal	-	30,000	25,000
Interest	-	2,430	3,105
Total expenditures disbursed	<u>-</u>	<u>32,930</u>	<u>28,605</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>-</u>	<u>(32,743)</u>	<u>(28,400)</u>
Other financing sources (uses):			
Transfers in from General Fund	-	28,800	24,930
Total other financing sources (uses)	<u>-</u>	<u>28,800</u>	<u>24,930</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,943)</u>	<u>(3,470)</u>
Fund balance, beginning of year		<u>22,063</u>	<u>25,533</u>
Fund balance, end of year		<u>\$ 18,120</u>	<u>22,063</u>

**Statement of Assets, Liabilities, and  
 Fund Balance - Arising from Cash Transactions  
 March 31, 2017**

		<u>Assets</u>	
Cash			\$ 2,068
Investments			217,975
Total assets			<u>\$ 220,043</u>
		<u>Fund Balance</u>	
Restricted fund balance			<u>\$ 220,043</u>
Total fund balance			<u>\$ 220,043</u>

**Statement of Revenues Received, Expenditures Disbursed  
 and Changes in Fund Balance - Budget & Actual  
 For the Year Ended March 31, 2017  
 (With Comparative Figures for 2016)**

	Original & Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Propert taxes	\$ -	49,658	23,979
Interest Income	-	1,728	1,929
Total revenues received	-	<u>51,386</u>	<u>25,908</u>
Expenditures disbursed:			
Debt service:			
Fees	-	500	500
Principal	-	18,000	16,500
Interest	-	2,875	4,250
Total expenditures disbursed	-	<u>21,375</u>	<u>21,250</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	-	<u>30,011</u>	<u>4,658</u>
Other financing sources (uses):			
Transfers in	-	-	2,000
Transfers out	-	(84,130)	(55,918)
Total other financing sources (uses)	-	<u>(84,130)</u>	<u>(53,918)</u>
Net change in fund balance	<u>\$ -</u>	<u>(54,119)</u>	<u>(49,260)</u>
Fund balance, beginning of year		<u>274,162</u>	<u>323,422</u>
Fund balance, end of year		<u>\$ 220,043</u>	<u>274,162</u>

**Statement of Assets, Liabilities, and  
 Fund Balance - Arising from Cash Transactions  
 March 31, 2017**

		<u>Assets</u>	
Investments			\$ 50,131
Total assets			<u>\$ 50,131</u>
		<u>Liabilities and Fund Balance</u>	
Liabilities			
Overdraft payable			<u>\$ 353</u>
Fund Balance			
Restricted Fund Balance			<u>49,778</u>
Total liabilities and fund balance			<u>\$ 50,131</u>

**Statement of Revenues Received, Expenditures Disbursed and  
 Changes in Fund Balance - Budget & Actual  
 For the Year Ended March 31, 2017  
 (With Comparative Figures for 2016)**

	Original and Final Budget	Year Ended March 31,	
		2017	2016
Revenues received:			
Interest income	\$ -	131	-
Total revenues received	<u>-</u>	<u>131</u>	<u>-</u>
Expenditures disbursed:			
Legal fees	-	353	-
Total expenditures disbursed	<u>-</u>	<u>353</u>	<u>-</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ -</u>	<u>(222)</u>	<u>-</u>
Other financing sources (uses)			
Transfers in		50,000	-
Total other financing sources (uses)		<u>50,000</u>	<u>-</u>
Net change in fund balance		49,778	-
Fund balance, beginning of year		-	-
Fund balance, end of year		<u>\$ 49,778</u>	<u>-</u>

**Statement of Fund Net Position  
 Modified Cash Basis  
 March 31, 2017**

<u>Assets</u>	
Current assets:	
Cash	\$ 238,423
Investments	308,387
Total current assets	<u>546,810</u>
Non-current assets:	
Capital assets	3,730,738
Accumulated depreciation	<u>(1,996,905)</u>
Total non-current assets	<u>1,733,833</u>
Total assets	<u><u>\$ 2,280,643</u></u>
<u>Liabilities and Net Position</u>	
Current liabilities:	
Water deposits	\$ 9,180
Current portion of long-term debt:	
IEPA loan payable	<u>52,000</u>
Total current liabilities	<u>61,180</u>
Long-term liabilities:	
Due in more than one year:	
IEPA loan payable	<u>598,990</u>
Total long-term liabilities	<u>598,990</u>
Total liabilities	<u>660,170</u>
Net position	
Restricted for Water Capital Improvements	115,219
Restricted for Water IEPA	187,765
Unrestricted net position	<u>1,317,489</u>
Total net position	<u>1,620,473</u>
Total liabilities and net position	<u><u>\$ 2,280,643</u></u>



**VILLAGE OF SENECA, ILLINOIS  
WATERWORKS FUND**

SCHEDULE E-2

**Statement of Revenues Received, Expenditures Disbursed, and  
Change in Fund Net Position - Budget & Actual  
For the Year Ended March 31, 2017  
(With Comparative Figures for 2016)**

	Original & Final Budget	Year Ended March 31,	
		2017	2016
<b>Revenues:</b>			
Water	\$ -	411,898	378,183
Water meters	-	500	185
Property taxes	-	6,598	23,893
Interest	-	2,573	2,903
Miscellaneous	-	32,251	27,515
<b>Total revenues</b>	<b>-</b>	<b>453,820</b>	<b>432,679</b>
<b>Expenses:</b>			
<b>Current:</b>			
<b>Personnel:</b>			
Salaries - employees	145,000	52,939	50,985
Health insurance and life insurance	36,000	21,492	20,045
<b>Contractual services:</b>			
Maintenance service - building	20,000	-	-
Maintenance service - equipment	20,000	-	-
Maintenance service - vehicle	2,000	5,003	80,269
Maintenance service - utility	50,000	-	-
Dollar General expenses	-	27,357	-
Accounting Service	2,000	-	-
Legal Service	20,000	1,294	41
Postage	2,000	2,725	-
Telephone	1,000	2,146	-
Repairs and maintenance	3,000	5,000	-
Lab testing	4,000	4,993	4,588
Publishing and printing	4,000	1,945	2,332
Dues	1,500	1,241	981
Travel expenses	5,000	449	-
Training	5,000	-	-
Utilities	55,000	40,530	-
Rentals	7,000	-	21,400
Engineering	60,000	3,122	-
Management services	15,000	2,493	9,432
Insurance	-	17,956	16,848
<b>Commodities:</b>			
Maintenance supplies - building	15,000	-	-
Maintenance supplies - equipment	25,000	-	-
Maintenance supplies - vehicle	4,000	-	-
Maintenance supplies - utility	5,000	-	-
Office supplies	3,000	671	4,270
Operating supplies	3,000	143,554	39,948
Chemicals	20,000	23,933	19,997
Equipment	4,000	-	-
Fuel	2,000	1,312	2,587
Uniforms	1,000	284	350

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, 2017  
(With Comparative Figures for 2016)

	Original & Final Budget	Year Ended March 31,	
		2017	2016
Expenses (continued):			
Current (continued):			
Miscellaneous	1,000	-	-
Contingencies	50,000	-	-
Capital outlay:			
Building	20,000	-	-
Equipment	245,000	-	-
Vehicle	20,000	-	-
Utility System	400,000	-	-
Capital projects	3,500,000	-	-
Depreciation	-	133,131	139,698
Debt service:			
Interest	90,000	17,230	8,183
Total expenses	4,865,500	510,800	421,954
Excess of revenues over (under) expenses	(4,865,500)	(56,980)	10,725
Other financing sources (uses):			
Transfers Out	-	-	(27,500)
Total other financing sources (uses)	-	-	(27,500)
Change in net position	\$ (4,865,500)	(56,980)	(16,775)
Net position, beginning of year		1,677,453	1,694,228
Net position, end of year		\$ 1,620,473	1,677,453

**Statement of Fund Net Position  
Modified Cash Basis  
March 31, 2017**

<u>Assets</u>	
Current assets:	
Cash	\$ 278,947
Investments	446,800
Total current assets	<u>725,747</u>
Non-current assets:	
Capital assets	4,892,349
Accumulated depreciation	<u>(3,612,184)</u>
Total non-current assets	<u>1,280,165</u>
Total assets	<u><u>\$ 2,005,912</u></u>
<u>Liabilities and Net Position</u>	
Current liabilities:	
Current portion of long-term debt:	
Bonds payable	<u>\$ 48,500</u>
Total current liabilities	<u>48,500</u>
Long-term liabilities:	
Due in more than one year:	
Bonds payable	<u>30,000</u>
Total long-term liabilities	<u>30,000</u>
Total liabilities	<u>78,500</u>
Net position	
Restricted for Sewer Capital	378,996
Restricted for Sewer 2012A	42,519
Unrestricted net position	<u>1,505,897</u>
Total net position	<u>1,927,412</u>
Total liabilities and net position	<u><u>\$ 2,005,912</u></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, 2017  
(With Comparative Figures for 2016)**

	Original & Final Budget	Year Ended March 31,	
		2017	2016
Revenues:			
Sewer	\$ -	474,528	291,211
Property taxes	-	12,924	12,745
Interest	-	3,277	3,054
Miscellaneous	-	791	19,463
Total revenues	-	491,520	326,473
Expenses:			
Current:			
Personnel:			
Salaries - employees	145,000	69,972	68,134
Health insurance and life insurance	36,000	21,492	20,045
Contractual services:			
Maintenance service - building	10,000	-	2,632
Maintenance service - equipment	35,000	22,894	52,935
Maintenance service - vehicle	3,000	-	-
Maintenance service - utility	65,000	-	-
Accounting Service	2,000	-	-
Legal Service	20,000	221	41
Postage	2,000	-	-
Telephone	1,000	2,271	-
Publishing and printing	2,000	-	-
Dues	1,500	6,859	5,981
Travel expenses	5,000	64	47
Training	5,000	-	-
Utilities	20,000	35,430	39,520
Rentals	7,000	-	-
Engineering	60,000	-	7,039
Management services	30,000	8,174	6,874
Insurance	-	15,295	15,725
Lab testing	1,000	12,206	12,960
Commodities:			
Maintenance supplies - building	2,000	-	-
Maintenance supplies - equipment	2,000	2,680	-
Maintenance supplies - vehicle	3,000	-	-
Maintenance supplies - utility	7,000	-	-
Office supplies	2,000	672	4,267
Operating supplies	4,000	8,394	19,774
Chemicals	5,000	-	-
Fuel	2,000	1,588	2,811
Safety equipment	4,000	-	-
Uniforms	1,000	416	795

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, 2017  
(With Comparative Figures for 2016)

	Original & Final Budget	Year Ended March 31,	
		2017	2016
Expenses (continued):			
Current (continued):			
Miscellaneous	6,500	6,535	-
Contingencies	50,000	-	-
Capital outlay:			
Building	33,000	-	-
Equipment	20,000	-	-
Vehicle	20,000	-	-
Utility System	1,100,000	-	-
Capital projects	3,000,000	-	-
Depreciation	-	167,018	179,713
Debt service:			
Fees	-	500	500
Interest	100,000	1,500	1,800
Total expenses	<u>4,812,000</u>	<u>384,181</u>	<u>441,593</u>
Excess of revenues over (under) expenses	<u>(4,812,000)</u>	<u>107,339</u>	<u>(115,120)</u>
Other financing sources (uses):			
Transfers in	-	84,130	83,418
Transfers out	-	-	(5,000)
Total other financing sources (uses)	<u>-</u>	<u>84,130</u>	<u>78,418</u>
Change in net position	<u>\$ (4,812,000)</u>	<u>191,469</u>	<u>(36,702)</u>
Net position, beginning of year		<u>1,735,943</u>	<u>1,772,645</u>
Net position, end of year		<u>\$ 1,927,412</u>	<u>1,735,943</u>

**Statement of Changes in Fiduciary Net Position  
For the Year Ended March 31, 2017**

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	<u>March 31, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>March 31, 2017</u>
Parks and Recreation Committee	\$ 3,211	-	-	3,211
Summer Festival Commission	9,394	49,796	49,861	9,329
Total agency funds	<u>\$ 12,605</u>	<u>49,796</u>	<u>49,861</u>	<u>12,540</u>

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

	Maximum Rate	Tax Year				
		2012	2013	2014	2015	2016
Assessed valuations		\$ 42,803,777	39,805,154	38,822,197	39,957,876	40,700,573
Tax Rates:						
General	0.2500	0.2500	0.2500	0.2500	0.2500	0.2491
Audit	N/A	0.0164	0.0175	0.0180	0.0175	0.0209
Fire Protection	0.1500	0.0351	0.0375	0.0386	0.0375	0.0605
Police Protection	0.1500	0.1500	0.1500	0.1500	0.1500	0.1495
Working Cash	0.0500	0.0467	0.0500	0.0500	0.0500	0.0498
Waterworks	0.0166	0.0166	0.0166	0.0166	0.0166	0.0166
Sewerage	0.1000	0.0117	0.0125	0.0129	0.0125	0.0997
Chlorination	0.0200	0.0200	0.0200	0.0200	0.0200	0.0199
Civil Defense (ESDA)	0.0500	0.0018	0.0019	0.0019	0.0019	0.0015
IMRF	N/A	0.2220	0.2377	0.2241	0.2177	0.2138
Social Security	N/A	0.1378	0.1476	0.1391	0.1352	0.1327
Liability Insurance	N/A	0.1939	0.2152	0.2061	0.2753	0.2801
Street Lighting	0.0500	0.0500	0.0500	0.0500	0.0500	0.0498
Parks & Recreation	0.2000	0.2000	0.2000	0.2000	0.2000	0.1993
Public Benefit Bonds	0.0500	0.0467	0.0500	0.0500	0.0500	0.0498
Waterworks Bonds	N/A	0.0818	0.0876	0.1069	0.1250	0.0777
Public Comfort Station	0.0333	0.0333	0.0333	0.0240	0.0250	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	0.0600	0.0598
Garbage	0.2000	0.0351	0.0626	0.0361	0.0350	0.0369
Totals		1.6213	1.7125	1.6669	1.7418	1.8005
Tax extensions:						
General		\$ 106,860	99,513	97,056	99,895	101,401
Audit		6,990	7,002	7,004	7,001	8,502
Fire Protection		14,977	15,001	15,001	15,000	24,603
Police Protection		64,116	59,708	58,233	59,937	60,843
Working Cash		19,967	19,903	19,411	19,979	20,281
Waterworks		7,096	6,607	6,444	6,633	6,736
Sewerage		4,995	5,003	5,000	5,003	40,562
Chlorination		8,549	7,961	7,764	7,992	8,116
Civil Defense		752	752	753	751	594
IMRF		94,835	94,997	87,002	87,000	87,002
Social Security		58,897	58,999	54,002	54,003	54,002
Liability Insurance		82,860	86,000	80,005	110,004	114,006
Street Lighting		21,372	19,903	19,411	19,979	20,281
Parks & Recreation		85,488	79,610	77,644	79,916	81,124
Public Benefit Bonds		19,967	19,903	19,411	19,979	20,281
Waterworks Bonds		34,939	34,998	41,501	49,931	31,624
Public Comfort Station		14,234	13,255	9,321	10,001	13,509
Harbor Construction		5,343	4,975	4,853	4,995	-
Storm Water Management		25,646	23,883	23,293	23,975	24,339
Garbage		14,977	25,000	14,003	14,001	15,002
Totals		\$ 692,860	682,973	647,112	695,974	732,810
Road & Bridge (from townships)		\$ 33,372	31,159	30,175	30,886	-
Tax collections		\$ 726,141	712,930	728,401	723,007	-

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

	2016		
	Valuation	Extension	Rate
<b>Old Stage Road TIF 1 (Grundy County)</b>			
District:			
Erienna Township	\$ 2,317,950	2,128	0.09181
Erienna Township Road	2,317,950	12,053	0.51997
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	299	0.01288
Village of Seneca	2,317,950	41,722	1.79997
IL Valley Comm Coll 513	2,317,950	8,543	0.36854
Grundy County	2,317,950	17,811	0.76839
Total		<u>\$ 157,549</u>	<u>6.79691</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, 2017, 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 20, 2017.

**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 (2017-01 through 2017-02).

## **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings.

## **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 20, 2017

## VILLAGE OF SENECA, ILLINOIS

### Schedule of Findings – Significant Deficiencies For the Year Ended March 31, 2017

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#### 2017-01: 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, 2017

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#### 2017-2: Inadequate Annual Appropriation Ordinance (Recurring)

*Condition:*

The Village's annual appropriation ordinance for the fiscal year ending March 31, 2017 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, 2017 was adopted for the following funds: TIF Fund, Series 2012B G.O. Bond Fund, Series 2012C G.O. Bond Fund and 2016 G.O. Series 2016.

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.