

VILLAGE OF ASHTON, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2016

VILLAGE OF ASHTON, ILLINOIS

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WINEBAUGH & ASSOCIATES, P.C.

ACCOUNTANTS & CONSULTANTS
915 NORTH CARON ROAD, P.O. BOX 70 ROCHELLE, ILLINOIS 61068
Phone (815) 562-8756 Fax 562-8758

OPINION OF INDEPENDENT AUDITOR

Village President and Trustees
of the Village Board
Ashton, Illinois

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Village of Ashton, Lee County Illinois, as of and for the year ended April 30, 2016, and the related notes to the 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 A; this includes the design, implementation, and maintenance of internal control relevant to the preparations and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statement 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position--modified cash basis of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, of the Village of Ashton as of April 30, 2015, and the respective changes in financial position--modified cash basis, thereof, for the year then ended in conformity with the basis of accounting described in Note A.

Basis of Accounting

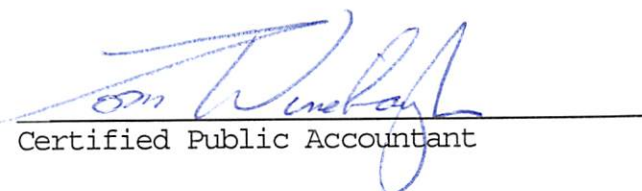
As described in Note A, the Village of Ashton, Lee County, Illinois, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Ashton's basic financial statements. The schedule listed in the table of contents as other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Winebaugh & Associates, PC



Certified Public Accountant

December 1, 2016

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF NET POSITION-MODIFIED CASH BASIS
APRIL 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash & Cash Equivalents	582,474	426,671	1,009,145
Investments	1,481,793	165,653	1,647,446
Receivables	<u>10,996</u>	<u>-</u>	<u>10,996</u>
Total Current Assets	<u>2,075,263</u>	<u>592,324</u>	<u>2,667,587</u>
Noncurrent Assets			
Land	52,924	9,250	62,174
Capital Assets - Net	<u>855,612</u>	<u>1,683,137</u>	<u>2,538,749</u>
Total Noncurrent Assets	<u>908,536</u>	<u>1,692,387</u>	<u>2,600,923</u>
Total Assets	<u>2,983,799</u>	<u>2,284,711</u>	<u>5,268,510</u>
LIABILITIES			
Current Liabilities			
Due to Others	-	-	-
Current Notes Payable	<u>9,370</u>	<u>34,462</u>	<u>43,832</u>
Total Current Liabilities	<u>9,370</u>	<u>34,462</u>	<u>43,832</u>
Noncurrent Liabilities			
Notes Payable - Noncurrent	<u>83,798</u>	<u>717,349</u>	<u>801,147</u>
Total Liabilities	<u>93,168</u>	<u>751,811</u>	<u>844,979</u>
NET POSITION			
Invested in Capital Assets	908,536	1,692,387	2,600,923
Restricted			
Non Expendable:	50,000	-	50,000
Expendable:	1,788,604	(159,487)	1,629,117
Unrestricted	<u>236,659</u>	<u>-</u>	<u>236,659</u>
Total Net Position	<u>2,890,631</u>	<u>1,532,900</u>	<u>4,423,531</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF ACTIVITIES-MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2016

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges For Services</u>	<u>Operating Grants/ Contributions</u>	<u>Capital Grants/ Contributions</u>
Government Activities:				
General Government	(319,878)	37,948	113,268	103,574
Public Safety	(79,944)	-	-	-
Streets & Highways	(102,158)	-	-	-
Culture & Recreation	(163,480)	12,017	32,845	-
Interest (See Note E)	<u>(3,550)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Governmental Activity (See Note D)	 <u>(669,010)</u>	 <u>49,965</u>	 <u>146,113</u>	 <u>103,574</u>
Business-type Activities:				
Garbage, Water & Sewer	(331,450)	274,520	-	177,932
Cemetery	(18,553)	14,350	-	-
Interest (See Note E)	<u>(11,841)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities (See Note D)	 <u>(361,844)</u>	 <u>288,870</u>	 <u>-</u>	 <u>177,932</u>
 Total Government	 <u>(1,030,854)</u>	 <u>338,835</u>	 <u>146,113</u>	 <u>281,506</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Net Revenue (Expense) and Changes in Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
	(65,088)	-	(65,088)
	(79,944)	-	(79,944)
	(102,958)	-	(102,958)
	(118,618)	-	(118,618)
	<u>(3,550)</u>	<u>-</u>	<u>(3,550)</u>
	 (369,358)	 <u>-</u>	 (369,358)
	-	121,002	121,002
	-	(4,203)	(4,203)
	<u>-</u>	<u>(11,841)</u>	<u>(11,841)</u>
	 <u>-</u>	 <u>104,958</u>	 <u>104,958</u>
	 (369,358)	 <u>104,958</u>	 (264,400)
 General Revenues			
Real Estate Tax	135,570	504	138,074
State Income Tax	103,789	-	103,789
Sales & Use Tax	52,133	-	52,133
Motor Fuel Tax	24,911	-	24,911
Telecommunication Tax	24,071	-	24,071
Personal Property Tax	10,153	-	10,153
Video Gaming Tax	15,336	-	15,336
Interest NBT & LPL	45,152	1,058	46,210
Interest	1,229	877	2,106
Unrealized Loss, Investments	(76,970)	<u>-</u>	(76,970)
Total General Revenues	<u>337,374</u>	<u>2,439</u>	<u>339,813</u>
 Change in Net Position	 (31,984)	 107,397	 75,413
Net Position-Beginning	<u>2,922,615</u>	<u>1,425,503</u>	<u>4,348,118</u>
Net Position-Ending	<u>2,890,631</u>	<u>1,532,900</u>	<u>4,423,531</u>

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2016

	<u>General Fund</u>	<u>Mills/Petrie Library/Gym Fund</u>
<u>ASSETS</u>		
Cash & Cash Equivalents	225,773	113,486
Investments	-	1,262,463
Receivables	<u>10,886</u>	<u>109</u>
Total Assets	<u>236,659</u>	<u>1,376,058</u>
 <u>LIABILITIES & FUND BALANCES</u>		
<u>Liabilities</u>		
Due to Others	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
 <u>FUND BALANCE</u>		
Nonspendable:		
Permanent Fund Principle	-	50,000
Restricted:		
General Government	-	-
Streets/Highway	-	-
Culture/Recreation	-	1,326,058
Committed:		
Culture/Recreation	-	-
Unassigned:	<u>236,659</u>	<u>-</u>
Total Fund Balance	<u>236,659</u>	<u>1,376,058</u>
Total Liabilities and Fund Balance	<u>236,659</u>	<u>1,376,058</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

<u>Blum Foundation Fund</u>	<u>Remaining Aggregated Fund</u>	<u>Total Governmental Fund</u>
17,505	225,711	582,475
-	219,330	1,481,793
	-	<u>10,996</u>
<u>17,505</u>	<u>445,041</u>	<u>2,075,263</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
	-	50,000
-	268,930	268,930
-	140,397	140,397
-	-	1,326,058
17,505	35,714	53,219
-	-	<u>236,659</u>
<u>17,505</u>	<u>455,041</u>	<u>2,075,263</u>
<u>17,505</u>	<u>445,041</u>	<u>2,075,263</u>

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VILLAGE OF ASHTON, ILLINOIS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES-MODIFIED CASH BASIS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES-MODIFIED CASH BASIS
APRIL 30, 2016

Total Governmental Funds Balance	2,075,263
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	908,536
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds.	(<u>93,168</u>)
Net Position of Governmental Activities	<u>2,890,631</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2016

	Government Fund Types	
	General Fund	Library Gym Fund
<u>REVENUES RECEIVED</u>		
Taxes:		
Property taxes	53,033	16,565
Sales & Use Tax	52,133	-
State Income Tax	103,789	-
State PPRT Tax	10,153	-
Motor Fuel Tax	-	-
Telecommunications Tax	24,071	-
Video Gaming Tax	15,336	-
Licenses	12,749	-
Building Permits	6,141	-
Fines and Fees	6,520	1,324
Donations/Grants	-	32,845
Ashton Celebration	53,574	-
Rentals	-	5,809
Interest Income on NB&T	227	44,925
Interest	-	191
Unrealized Gain on Investments	-	(76,970)
Miscellaneous Income	<u>12,538</u>	<u>2,030</u>
Total Revenue	<u>350,264</u>	<u>26,719</u>
<u>EXPENDITURES DISBURSED</u>		
Current:		
General Government	128,263	-
Public Safety	78,007	-
Streets & Alleys	99,172	-
Culture & Recreation	-	76,822
Capital Outlay	-	-
Debt Service	-	-
Total Expenditures	<u>305,442</u>	<u>76,822</u>
Excess(Deficit) of Revenues Received Over Expenditures Disbursed	<u>44,822</u>	<u>(50,103)</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(3,549)</u>	<u>-</u>
Net Changes in Fund Balances	41,273	-
Fund Balance April 30, 2015	<u>195,386</u>	<u>1,426,161</u>
April 30, 2016	<u>236,659</u>	<u>1,376,058</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

<u>Blum Foundation Fund</u>	<u>Aggregate Remaining Fund</u>	<u>Total</u>
-	67,972	137,570
-	-	52,133
-	-	103,789
-	24,911	24,911
-	33,270	33,270
-	-	24,071
-	-	15,336
-	-	12,749
-	-	6,141
-	-	7,179
113,268	50,000	196,113
-	-	53,574
-	-	5,809
-	-	45,152
216	822	1,229
-	-	(76,970)
-	<u>2,854</u>	<u>17,422</u>
<u>113,484</u>	<u>146,559</u>	<u>637,026</u>
112,518	73,046	313,827
-	-	78,007
-	28,023	104,845
-	-	-
-	-	-
<u>112,518</u>	<u>-</u>	<u>101,069</u>
<u>966</u>	<u>45,490</u>	<u>41,175</u>
<u>-</u>	<u>3,549</u>	<u>-</u>
966	49,039	41,175
<u>16,539</u>	<u>396,002</u>	<u>2,034,088</u>
<u>17,505</u>	<u>445,041</u>	<u>2,075,263</u>

VILLAGE OF ASHTON, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS-MODIFIED CASH BASIS
TO THE STATEMENT OF ACTIVITIES-MODIFIED CASH BASIS
APRIL 30, 2016

Net Changes in Fund Balances - Total Governmental Funds 41,175

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

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense. The following is the amount
of capital outlay and depreciation in the current year.

Capital Outlay	37,901
Depreciation	(87,399)

Repayment of debt principal is an expenditure in the govern- mental funds, but the repayment reduces any long-term liabilities in the Statement of Net Position:	6,564
New Vehicle Loan	(<u>30,225</u>)

Change in Net Position of Governmental Activities (31,984)

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over / (Under)
	Original	Final		
REVENUES				
Property Tax General	30,690	30,690	30,613	(77)
Property Tax Police	13,320	13,320	13,288	(32)
Road & Bridge Tax	9,150	9,150	9,131	(19)
Liquor Licenses	4,000	4,000	4,000	-
Franchise Licenses	8,000	8,000	8,499	499
Other Licenses	-	-	250	250
Building Permits	3,500	3,500	6,141	2,641
State Income Tax	94,000	94,000	103,789	9,789
Replacement Tax	9,000	9,000	10,153	1,153
Sales Tax - Use Tax	54,000	54,000	52,133	(1,867)
Video Gaming Tax	12,000	12,000	15,336	3,336
Other Fines	1,200	1,200	1,275	75
Penalty Assessments	2,200	2,200	3,775	1,575
Infrastructure Maint. Fee	25,000	25,000	24,071	(929)
Cemetery Maint. fees	1,500	1,500	1,470	(30)
Interest Income	140	140	227	87
Ashton Celebration Oncome	40,000	40,000	53,574	13,574
Miscellaneous Income	1,500	1,500	12,538	11,038
Total Revenues	309,200	309,200	350,263	41,063
EXPENDITURES				
Administration				
A-Salaries-Reg.	13,000	11,590	11,590	-
A-Salaries-Board Mem.	16,000	15,825	15,825	-
A-Maint. Service-Buildings	13,000	9,221	9,221	-
A-Maint. Service-Equip.	-	166	166	-
A-Maint. Service-Grounds	500	188	188	-
A-Legal Serv.	22,000	5,109	5,109	-
Other Professional Serv.	10,000	9,710	9,710	-
A-Postage	500	301	301	-
Telephone	1,900	1,911	1,911	-
A-Printing	1,000	635	780	145
A-Dues	5,000	1,058	1,058	-
A-Travel Expense	3,500	2,608	2,608	-
A-Training	2,000	930	930	-
A- Utilities	1,500	1,001	1,001	-
A-Rentals	170	162	162	-
A-Office Supplies	2,200	1,618	1,618	-
A-Operating Supplies	200	47	47	-
Ashton Celebration Expense	30,000	55,962	55,516	(446)
Software Licensing Fee	2,500	-	2,500	2,500
A- Interest Expense	2,700	2,500	2,068	(432)
Land	-	2,068	-	(2,068)
A-Building Debt Service	2,500	-	2,456	2,456
A-Equipment	-	2,456	-	(2,456)
A-Miscellaneous Expense	3,000	3,497	3,497	-
Interfund Operating Transfer	6,490	3,549	3,549	-
TOTAL ADMIN.	139,660	132,112	131,812	(300)

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over / (Under)
	Original	Final		
Police Department				
P-Salaries	53,000	36,163	36,163	-
P-Salaries Temporary	18,000	23,000	23,000	-
P-Maintenance Service-Building	500	-	-	-
P-Maint. Serv. Equip.	1,000	503	503	-
P-Maint. Serv. Vehicles	2,000	2,125	2,125	-
P-Postage	9	-	-	-
P-Telephone	2,000	1,745	1,745	-
Training	800	317	317	-
P-Rentals	1,800	1,632	1,632	-
P-Office Supplies	160	100	100	-
P-Operating Supplies	400	1,548	1,548	-
P-Automotive Fuel/Oil	4,000	2,058	2,058	-
Disaster Preparedness	1,500	800	800	-
P-Interest Expense	1,200	1,481	1,481	-
P-Buiding Debt Service	1,500	1,128	1,128	-
P-Equipment	500	600	600	-
P-Vehicles	8,500	2,862	2,862	-
P-Miscellanous Expense	3,000	1,945	1,945	-
TOTAL POLICE DEPT.	99,869	78,007	78,007	(0)
Street Department				
S-Salaries-Reg.	22,000	21,772	21,772	-
S-Salaries-Temporary	10,000	7,610	7,610	-
S-Health Insurance	10,438	10,438	10,438	-
S-Maitn. Serv. -Buildings	1,000	1,130	1,130	-
S-Maint. Serv. Equipment	8,000	4,896	4,896	-
S-Maint. Serv. Vehicles	7,000	5,166	5,166	-
S-Maint. Serv. Street	4,000	4,421	4,421	-
S-Maint. Serv. Snow Removal	5,300	-	-	-
S-Maint. Serv. Grounds	5,000	9,549	10,049	500
Telephone	380	476	476	-
S-Utilities	1,900	1,409	1,409	-
S-Street Lighting	16,000	16,355	16,355	-
S-Operating Supplies	1,500	1,510	1,510	-
S-Automotive Fuel/Oil	8,000	4,374	4,374	-
S-Equipment	2,000	6,677	6,677	-
S-Miscellaneous Expense	2,500	2,889	2,889	-
TOTAL STREET DEPT.	105,018	98,672	99,173	501
Total Expenditures	344,547	308,791	308,991	200
Other Financing Sources (Uses)				
Interfund Operating Transfer	(6,490)	(3,549)	(3,549)	-
TOTAL OTHER SOURCES	(6,490)	(3,549)	(3,549)	(0)
Excess (deficiency) of Revenues Over Disbursements	(41,837)	(3,140)	37,722	(40,862)

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS
BUDGET AND ACTUAL - MILLS PETRIE LIBRARY & GYM FUND
FOR THE YEAR ENDED APRIL 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over / (Under)
	Original	Final		
REVENUES				
Property Tax	16,607	16,607	16,565	(42)
State Grant	990	990	1,215	225
Library Fines	500	500	659	159
Library Card Fees	770	770	665	(105)
Interest Income	240	240	191	(49)
Interest Income-NB&T	24,000	24,000	44,925	20,925
Rental Income	5,300	5,300	5,809	509
Donations	2,000	2,000	31,630	29,630
Misc. Income	30,000	30,000	2,030	(27,970)
Change in Market Value NB&T	-	-	-76,971	(76,971)
Total Revenues	80,407	80,407	26,718	(53,689)
EXPENDITURES				
Library Costs				
Salaries - Regular	25,400	25,278	25,278	-
Maintenance Service-Building	690	165	165	-
Maintenance Service- Equipment	450	401	401	-
Maintenance Service - Snow remov.	760	275	275	-
Maintenance Service- Grounds	260	210	210	-
Other Prof. Services	260	430	430	-
Postage	220	49	49	-
Telephone	1,530	1,480	1,480	-
Travel Expense	32	70	70	-
Traing	-	26	26	-
Printing	50	-	-	-
Utilities	2,410	2,181	2,181	-
General Insurance	130	125	125	-
Rentals	-	114	114	-
Cataloging Expense	195	471	471	-
NILS CATT	800	775	775	-
Childrens Programs	230	358	358	-
Maint. Supplies - Buildings	50	341	341	-
Office Supplies	115	-	-	-
Library Supplies	320	563	563	-
Books	-	130	130	-
Adult Books	5,370	5,751	5,751	-
Childrens Books	1,800	1,795	1,795	-
Periodicals	1,035	961	961	-
Audio - Visual Equip.	25	-	-	-
Other Improvements	1,070	-	-	-
Community Relations	670	947	947	-
Misc. Expense	1,500	101	101	-
Fees-NB&T	6,900	6,661	7,264	603
Total Library	52,272	49,658	50,262	604
Gym Costs				
Salaries - Reg.	12,200	12,077	12,077	-
Maint. Ser. - Building	3,950	1,015	1,015	-
Maint Ser. - Equipment	60	314	314	-
Maint. Ser. - Snow Removal	2,275	825	825	-
Maint. Ser. - Grounds	780	4,522	4,522	-
Utilities	7,220	6,543	6,543	-

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS
BUDGET AND ACTUAL - MILLS PETRIE LIBRARY & GYM FUND
FOR THE YEAR ENDED APRIL 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over / (Under)
	Original	Final		
Maint. Supplies - Building	1,820	702	702	-
Misc. Expense	3,000	563	563	-
Total Gym	31,305	26,561	26,560	(1)
Total Disbursements	83,577	76,219	76,822	603
Excess (deficiency) of Revenues Over Disbursements	<u>(3,170)</u>	<u>4,188</u>	<u>(50,104)</u>	<u>(54,292)</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF NET ASSETS-MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2016

	<u>Business Type Activities</u>	
	<u>Water & Sewer Fund</u>	<u>Water & Sewer Bond & Interest</u>
<u>ASSETS</u>		
Current Assets		
Cash & Cash Equivalents	65,597	114,906
Investments	-	-
Total Current Assets	<u>65,597</u>	<u>114,906</u>
 Total Assets	 <u>65,597</u>	 <u>114,906</u>
 <u>LIABILITIES</u>		
Current Liabilities		
Current Notes Payable	-	<u>34,462</u>
Total Current Liabilities	<u>-</u>	<u>34,462</u>
 Non-Current Liabilities		
Notes Payable - Non Current	-	<u>717,349</u>
 Total Liabilities	 <u>-</u>	 <u>751,811</u>
 <u>NET POSITION</u>		
Restricted	<u>65,597</u>	(<u>636,905</u>)
Total Net Assets	<u>65,597</u>	(<u>636,905</u>)

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

<u>Ashton Cemetery (Eckhoff)</u>	<u>Sewer Phase II Fund</u>	<u>Remaining Aggregate Funds</u>	<u>Total</u>
124,060	-	122,108	426,671
102,713	-	62,940	165,653
<u>226,773</u>	<u>-</u>	<u>185,048</u>	<u>592,324</u>
<u>226,773</u>	<u>-</u>	<u>185,048</u>	<u>592,324</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>34,462</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>34,462</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>717,349</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>751,811</u>
<u>226,773</u>	<u>-</u>	<u>185,048</u>	<u>(159,487)</u>
<u>226,773</u>	<u>-</u>	<u>185,048</u>	<u>(159,487)</u>

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VILLAGE OF ASHTON

RECONCILIATION OF TOTAL PROPRIETARY FUND BALANCES
MODIFIED CASH BASIS TO
NET POSITION OF PROPRIETARY ACTIVITIES-MODIFIED CASH BASIS
APRIL 30, 2016

Total Proprietary Funds Balance (159,487)

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

Capital assets used in governmental activities are
not financial resources and therefore are not reported
in the funds.

1,692,387

Net Position of Proprietary Activities

1,532,900

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 MODIFIED CASH BASIS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2016

	<u>Business-type Activities</u>	
	<u>Water & Sewer Fund</u>	<u>Water & Sewer Bond/Int.</u>
<u>OPERATING REVENUES</u>		
Water Charges	74,093	-
Sewer Charges	56,525	-
Debt Service Fees	-	93,348
Garbage Charges	-	-
Cemetery Charges	-	-
Lot Sales	-	-
Miscellaneous Income	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>130,618</u>	<u>93,348</u>
<u>OPERATING EXPENSES</u>		
Water Department	92,355	-
Sewer Department	62,729	113,169
Garbage Disposal	-	-
Cemetery	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>155,084</u>	<u>113,169</u>
Operating Income (Loss)	(<u>24,466</u>)	(<u>19,821</u>)
<u>NON-OPERATING REVENUES (EXPENSES) :</u>		
Property Taxes	-	-
Donations	-	-
IEPA Loan Advance	-	(152,662)
Interest Income	82	200
Interest (Expenses)	-	(11,841)
Investment Income	-	-
Debt Forgiveness Loan	-	-
Interfund Transfer In (Out)	<u>-</u>	<u>-</u>
Total Non-Operating Income (Loss)	<u>82</u>	<u>(164,303)</u>
CHANGE IN NET POSITION	(24,384)	(184,124)
Net Position		
At April 30, 2015	<u>89,981</u>	<u>(452,781)</u>
At April 30, 2016	<u>65,597</u>	<u>(636,905)</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

<u>Ashton Cemetery (Eckhoff)</u>	<u>Sewer Phase II Fund</u>	<u>Remaining Aggregate Enterprise Funds</u>	<u>Total Enterprise Funds</u>
-	-	-	74,093
-	-	-	56,525
-	-	-	93,348
-	-	46,314	46,315
-	-	6,100	6,100
-	-	8,250	8,250
-	-	<u>4,240</u>	<u>4,240</u>
<u>-</u>	<u>-</u>	<u>64,904</u>	<u>288,870</u>
-	-	42,024	134,379
-	170,132	-	346,030
-	-	60,658	60,658
<u>1,180</u>	<u>-</u>	<u>17,373</u>	<u>119,373</u>
<u>1,180</u>	<u>170,132</u>	120,055	<u>559,620</u>
<u>(1,180)</u>	<u>(170,132)</u>	<u>(55,151)</u>	<u>(270,750)</u>
-	-	504	504
-	-	-	-
-	170,107	-	(17,445)
248	14	333	877
-	-	-	(11,841)
1,058	-	-	1,058
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,306</u>	<u>170,121</u>	<u>837</u>	<u>8,043</u>
126	(11)	(54,314)	(262,707)
<u>226,647</u>	<u>11</u>	<u>239,362</u>	<u>103,220</u>
<u>226,773</u>	<u>-</u>	<u>185,048</u>	<u>(159,487)</u>

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VILLAGE OF ASHTON, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-MODIFIED CASH BASIS OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES-MODIFIED CASH BASIS
APRIL 30, 2016

Net Changes in Fund Balances - Total Proprietary Funds (262,707)

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

Proprietary funds report capital outlays as expenditures.
However, in the Statement of Activities the cost those
assets is allocated over their estimated useful lives and
reported as depreciation expense. The following is amount
of depreciation in the current year.

Capital Outlay	295,079
Depreciation	(49,914)

The issuance of long-term debt (IEPA loans) provides current
financial resources to proprietary funds.

New loans	<u>124,939</u>
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Change in Net Position of Proprietary Activities	<u>107,397</u>
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THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ASHTON, ILLINOIS

CASH FLOW STATEMENT - PROPRIETARY FUNDS
FOR YEAR ENDED APRIL 30, 2016

	Business-Type Activity	
	<u>Water/Sewer Fund</u>	<u>Water/Sewer Bond/Interest</u>
<u>Cash Flows from Operating Activities</u>		
Cash Received From Service Users	130,618	93,348
Cash Payments for Goods and Services	(104,712)	(113,169)
Cash Payments to Employees	<u>(50,732)</u>	<u>-</u>
Net Cash From (For) Operating Activities	<u>(24,466)</u>	<u>(19,821)</u>
<u>Cash Flows From Capital & Related Financing Activities</u>		
Principal Payments	-	(57,716)
Interest Payments	-	(11,841)
Real Estate Taxes	-	-
Transfers to (from) Other Fund	-	-
Loan	<u>-</u>	<u>-</u>
Net Cash From Capital Financing Activities	<u>-</u>	<u>(69,557)</u>
<u>Cash Flow from Investing Activities:</u>		
Interest Income	<u>82</u>	<u>200</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,384)	(89,178)
Cash and Cash Equivalents April 30, 2015	<u>89,981</u>	<u>204,084</u>
Cash and Cash Equivalents April 30, 2016	<u>65,597</u>	<u>114,906</u>
Reconciliation of Operating Income to Net Cash:		
Operating Income (Loss)	(24,466)	(19,821)
Change in Market	-	-
Decrease in Accounts Receivable	<u>23,568</u>	<u>-</u>
Net Cash from Operating Activities	<u>24,466</u>	<u>(19,821)</u>
Items that did not affect cash flow but affected assets or liabilities:		
Interfund Transfers	-	-
Capitalized Debt	-	147,237)
Debt Forgiveness	<u>-</u>	<u>-</u>
(Increase) Decrease of Notes Payable	<u>-</u>	<u>(147,237)</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Ashton Cemetery (Eckhoff)	Sewer Phase II Fund	Remaining Enterprise Funds	Total Enterprise Funds
-	-	64,904	288,870
(300)	(170,132)	(120,055)	(503,308)
-	-	-	(50,372)
<u>(300)</u>	<u>(170,132)</u>	<u>(55,151)</u>	<u>(269,870)</u>
-	-	-	(57,716)
-	-	-	(11,841)
-	-	-	-
-	-	504	504
-	124,939	37,500	533,055
<u>-</u>	<u>124,939</u>	<u>37,985</u>	<u>109,724</u>
249	14	327	872
(51)	(11)	(54,320)	167,944
124,111	11	176,428	594,615
<u>124,060</u>	<u>-</u>	<u>122,108</u>	<u>426,671</u>
(300)	(170,132)	(55,151)	269,870
-	-	10	-
-	-	-	-
<u>(300)</u>	<u>(170,132)</u>	<u>(55,151)</u>	<u>(269,870)</u>
-	-	-	-
-	-	-	147,237
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,237)</u>

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies

The Village of Ashton was organized under the provisions of an act of the General Assembly of the State of Illinois and was created February 16, 1865, and includes an estimated population of 1176.

As further discussed in Note A, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principle generally accepted on the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. **REPORTING ENTITY**

The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as: 1) appointment of a voting majority of the component unit's board, and either a) has the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the primary government; or 2) fiscal dependency on the primary government. These statements require a potential component unit to be discretely presented and reported within the reporting entity financial statements if their exclusion would cause the Village's financial statements to be misleading or incomplete. Based upon the application of these criteria, there are no component units included in this report.

b. **BASIS OF PRESENTATION**

Government-wide Financial Statements

The Statement of Net Position - Modified Cash Basis and the Statement of Activities-Modified Cash Basis display information about the Village as a whole. These statements distinguish between activities that are governmental which are normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities which rely to a significant extent on fees and charges. Program revenues include charges paid by the recipients of the goods or services offered by the programs and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which program or function is self-financing or draws from the general revenues of the Village.

Net position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

(such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net position use. The effect of material inter-fund activity has been eliminated from these statements

Fund Financial Statements

The accounts of the Village of Ashton are maintained on the basis of funds, each of which are considered a separate accounting entity. The operation of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The following are the descriptions for all fund categories presently in use by the Village of Ashton.

Governmental Funds - Governmental funds are those through which most governmental functions typically 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 the may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Village's major governmental funds:

General Fund - The General Fund is the primary operating fund of the Village. The General Fund is for all financial resources except those required to be accounted in another fund.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

The other governmental funds of the Village that are considered major are as follows:

Special Revenue Funds - are used to account for the proceeds of specific revenue sources and legally restricted to expenditures for specific purposes.

Mills/Petrie Library Fund - To account for the operation of Village's library and gymnasium.

Mills/Petrie Improvement Fund - Used to account for funds received from donations to improve the Mills/Petrie Building.

Blum Foundation Fund - Used to account for funds received from the Blum Foundation.

NON-MAJOR FUNDS

Audit Fund - Used to account for the Village's audit.

Band Fund - Used to account for the Village's band.

Workmen's Compensation Fund - Used to account for the payment of workmen's compensation premiums for the Village's employees.

Social Security Fund - Used to account for the Village's (employer's) share of social security and Medicare for Village employees.

IMRF Fund - Used to account for the Village's contribution to the Illinois Municipal Retirement Fund for Village employees.

Insurance Fund - Used to account for the payment of the general liability and unemployment insurance of the Village.

Community Development Fund - Used to account for future community development projects and activities.

Motor Fuel Tax Fund - Used to account for the receipt of Motor Fuel Tax revenue from the State of Illinois and legally restricted for maintenance and upkeep of Village roads.

Park Beautification Fund - (Capital Project Fund) used to account for the improvement of the Village's park.

Eckhoff Fund - Used to account for community development and activity.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Proprietary Funds

Enterprise Fund

Enterprise funds are used to account for a government's ongoing activities which are similar to those often found in the private sector (business-type activities provided to the general public). These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The Village operates eleven such funds, five are considered major:

Water/Sewer Fund - To account for the Village's Water and Sewer operation.

Water/Sewer Bond Fund - To account for the collection of user fees and payment of an IEPA Loan.

Sewer Phase II Fund - To account for sewer improvements.

Cemetery Eckhoff Fund - Used for cemetery per trust agreement.

Other enterprise funds that are included in the remaining Enterprise Aggregate Funds and are not considered major are:

Water Main Grant Fund - To account for water improvement with loan.

Perpetual Care Investment Fund - Invest Perpetual Care Funds.

Garbage Fund - To account for the Village's waste disposal operation.

Cemetery Fund - Used to account for the Village cemetery operation.

Water/Sewer Improvements Fund - Used to account for improvements of the Water/Sewer Fund.

Proprietary fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for proprietary funds.

The Village has no fiduciary funds.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

c. **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

Measurement Focus

In the government-wide Statement of Net Assets-Modified Cash Basis and the Statement of Activities-Modified Cash Basis, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined in item 2 below.

In the fund financial statements, the "current financial resources" measurement or the "economic resources" measurement focus, as applied to the modified cash of accounting is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. A proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets-Modified Cash Basis and Statement of Activities-Modified Cash Basis and the fund financial statements, governmental, and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide and proprietary fund statements, This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Village utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in a special purpose reporting basis of accounting used by the Village requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly actual results could differ from those estimates.

d. **Assets and Liabilities**

Cash and Cash Equivalents

For the purpose of financial reporting, cash includes all checking and savings accounts, certificates of deposit with an original maturity date of 90 days or less, and money-market accounts.

Investments

Village investments are certificates of deposits with an original maturity date of greater than 90 days and donated stock. Certificate of deposit investments are stated at carrying value which approximates fair market value. Stock investments are stated at quoted market value to estimate fair market value as of April 30, 2016.

Capital Assets

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

reported in the government-wide statements of fund financial statements. In the government-wide statements, capital assets rising from cash transactions are accounted for assets in the Summary of Net Assets-Modified Cash Basis. Capital assets include land, land improvements, buildings, and equipment, owned by the Village and are stated at historical cost or estimated historical cost. Donated capital assets are stated at estimated market value at the time of donation. In applying the transition provisions for retroactive reporting of infrastructure assets, the Village is not required to retroactively report its major general infrastructure assets of roads and bridges, and has not done so. Expenditures must meet a minimum capitalization dollar threshold to be included in the Village's capital asset depreciation schedule. If the dollar threshold is not met then the item is written off during the current period. The dollar threshold amounts are \$1 for land, \$5,000 for land improvements, \$5,000 for building and building improvements, \$5,000 for office furniture/equipment and computers, \$5,000 for machinery, equipment, and vehicles, and \$5,000 for water and sewer systems, and streets.

Depreciation for governmental-type capital assets is provided using the straight-line method over the estimated life of the asset. A full year of depreciation is recorded in the first and last year of acquisition regardless of the month the capital asset is acquired or sold. Depreciation lives in years for property items within each asset classification are as follows:

Buildings	40	Office Furniture & Equipment	5
Buildings Improvement	20	Machinery & Equipment	5-10
Land Improvements	20-30	Vehicles	5-10
Roads	20-50		
Computer Hardware	5		

Depreciation for business-type activity (Enterprise Fund) is provided using the straight-line over the estimated useful life of the asset. A full year of depreciation is recorded in the year of acquisition regardless of the month the capital asset is acquired. Depreciation lives in years for property items within each asset classification are:

Water System	25
Sewer System	25

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

Governments are required to evaluate prominent events of changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment of a capital asset is defined as a significant, unexpected decline in the service utility of a capital asset. The significant and unexpected decline is based upon events or changes in circumstances that were not anticipated when the capital asset was placed into service. Service utility is the usable capacity that at acquisition was expected to be used to provide service, as distinguished from the level of utilization, which is the portion of the usable capacity currently being used. The five indicators of an impairment of a governmental capital assets are: 1) Evidence of physical damage, such as, for a building, damage by fire or flood, to the degree that restoration efforts are needed to restore service utility 2) Change in legal or environmental factors, such as a water treatment plant that cannot meet (and cannot be modified to meet) new water quality standards 3) Technological developments or evidence of obsolescence, such as that related to diagnostic equipment that is rarely used because new equipment is better 4) A change in the manner or expected duration of usage of a capital asset, such as closure of a school prior to the end of its useful life 5) Construction stoppage, such as stoppage of construction of a building due to lack of funding.

The Village does not have any capital assets that are deemed impaired.

e. **Revenues, Expenditures, and Expenses**

Program Revenues

In the Statement of Activities-Modified Cash Basis, modified cash basis revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Village has the following program revenues: General Government-Licenses and fees, building permits, fines, rents and miscellaneous. Culture and Recreation-Library fees and fines, Gym/Library rent, Library grant and miscellaneous.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Unrealized Gains (Losses) on Investments

The Village reports unrealized gains and losses when it adjusts the carrying value of donated stock to the fair market value at year-end.

Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

Property Taxes

It is the Village's intention that property taxes generated from the 2015 property tax levy be used for financing the operating budget of the fiscal year ending April 30, 2016. Therefore, property tax revenue represent the receipts generated by the 2014 property tax levy. The 2015 property tax levy was passed December 14, 2014. Property taxes attach as an enforceable lien on January 1, 2015. Tax bills are prepared by the County and issued on or about May 1 the following year. They are generally payable in two installments (June and September). The County collects such taxes and remits them within one month of these collection dates. Property taxes are recognized when received, as is consistent with the modified cash basis of accounting.

Compensated Absences

All Village employees qualifying for vacation or sick pay are elected or appointed Village Officials whose salaries are based on the annual appropriation. Vacation and sick leave are considered part of appropriated annual salaries and are expensed monthly. All other employees are considered part-time and not entitled to compensated absences.

f. **Fund Balance Reporting**

The governmental Accounting Standards Board (GASB) released Statement 54, "Fund Balance reporting and Governmental Fund Type Definitions" on March 11, 2009 which is effective for fiscal year ending June 30, 2011. This statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classifications. This statement applies to "governmental fund balances reported in the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds. This statement does not apply to Enterprise Funds, Internal Service Funds and Fiduciary Funds.

Currently fund balance is classified as "reserved" or unreserved". GASB 54 will change how fund balance is reported. The hierarchy of Five (5) possible GASAB 54 classifications is as follows:

Nonspendable Fund balance includes amounts not in spendable form (such as inventory or pre-paid items), or amounts required to be maintained in tact legally or contractually.

Restricted Fund includes amounts constrained for a specific purpose by external parties (e.g., grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed Fund balance includes amounts constrained for a special purpose by a government using its highest level of decision making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

Committed Fund Balance for Blum Foundation is authorized by Foundation Board and committed to uses as the board specifies.

Assigned Fund balance includes General Fund amounts intended for a specific purpose by a governing board or by an official that has been delegated authority to assign amounts. For all other governmental funds besides the General Fund, this balance would include any remaining positive amount not classified as non-spendable, restricted or committed.

Unassigned Fund balance includes amounts (if any) that are available for any purpose. This balance is only reported in the General Fund.

In addition to the disclosures already mentioned, Statement 54 requires governments to disclose:

- Additional detail regarding the purpose of restrictions, commitments, and assignments if the required level of detail is not met on the face of the balance sheet.
- The decision making authority and formal action, if any, that result in commitments of fund balance.
- The bodies of persons with authority to express intended uses of resources that result in assigned fund balance.
- The order in which a government assumes restricted, committed, assigned, and unassigned amounts are spent when amounts in more than one classification are available for a particular purpose.
- Information about minimum fund balance policies, if the government has one.
- The purpose for each major revenue fund, identifying which revenues and other resources are reported in each of those funds.

g. Budget

The budget is prepared and maintained on a modified cash basis of accounting. Annual appropriated budgets are adopted for the General, Special Revenue, and Enterprise Funds. All appropriations lapse at fiscal year end. The ordinance was passed on July 13, 2015, and amended on June 13, 2016. The Village does not utilize an encumbrance system. The Village follows the following procedures in establishing the budget data reflected in the financial statements: 1) Prior to August 1, the Village prepares an annual appropriation ordinance for the fiscal year commencing May 1 of that year. The ordinance includes proposed expenditures and the means of financing them. Legal spending control is at the fund level, but management control is exercised at the budgetary line item level within each fund. 2) The Village may amend the ordinance after the first half of the year 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 obligations.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE A: Significant Accounting Policies (continued)

Non-Budgeted Major Fund

The Village did not budget for the Mills Petrie Improvement Fund or the Blum Foundation, Water Main Grant, or Sewer Phase II project.

h. Interfund

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions may occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as "due from Other funds" or "due to other funds" on the balance sheet. Short term loans, if any, are also classified as "due from other funds" or "due to other funds".

Inter-fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

NOTE B: Cash and Investments

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all state and local statutes governing the investment of public funds. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

Permitted investments are bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest; in bonds, notes and debentures of the United States of America or its agencies; interest bearing savings accounts, certificates of deposits or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.

The Mills Petrie Library/Gym had stock donated from private individuals to help with maintenance of the building and activities. After many years the stocks were sold and invested at a local bank. The policy is to maximize earnings while maintaining safety of the funds. Currently, investments are in cash .3%, Fixed Income 38.5%, Stock 61.2%, value is current market value.

The Cemetery Perpetual Care Fund has investments with the local bank and currently in cash and equivalents - all at market value.

The Eckhoff Fund has investments with the local bank and currently in cash and equivalents of 60.5% and Mutual Funds of 39.44% all valued at market value.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE B: Cash and Investments (continued)

Custodial Credit Risk-Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all deposits in excess of FDIC/FSLIC insured amounts.

Bank Deposits

At April 30, 2016 the reported amount of the Village's deposits was \$1,228,304. The bank balance was \$1,355,086. \$250,000 was covered by the Federal Depository Insurance (FDIC) and the balance of \$1,105,086 was covered by collateral held by the bank's trust department in the Village's name.

Governmental Fund Investments

The Mills Petrie Library/Gym had stock donated from private individuals to help with maintenance of the building and activities. After many years the stocks were sold and invested at a local bank. The policy is to maximize earnings while maintaining safety of the funds.

The M/P investments portfolio is maintained and administered by the National Bank and Trust Company (NB&T) of Sycamore. The breakdown of The portfolio is cash .3% (\$3,731), fixed income 38.5% (\$486,175, and stock 61.2% (\$771,764). The total amount in the portfolio is \$1,261,670. This amount has not been classified for risk purposes. Ratings on the portfolio have not been provided.

The Village has certificates of deposits with original maturity term exceeding three months. Certificates of deposit are carried at cost which approximates fair value. A CD of \$26,000 is covered by collateral held by the bank's trust department in the Village's name. Certificates of Deposit - (maturity dates 6 to 12 months) Interest Rate .6%

Proprietary Funds

The LPL investments portfolio is monitored and administered by the First National Bank and Trust (FNBT) of Rochelle. The cemetery has investment portfolios of \$62,940 (all in Money Market) and \$102,713 (\$62,206 in Money Market and \$40,507 in Mutual Funds) for a total of \$165,653. 75% of the portfolio is cash and has no credit ratings. The balance of 24.5% is bonds with following credit ratings: 34.48% AAA, 28.97% AA, 10.62% A, 4.80% BBB, 8.87% BB, 5.84% B, 4.59% below B and 1.83% is not rated.

Total investments \$1,364,383, \$165,653 and \$26,000 equal \$1,556,036.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE C: Transfers

Transfers of monies from one fund to another where repayment is not expected are reported as transfers in and out. During the fiscal year, \$3,549 was permanently transferred from the General Fund to the following funds to cover operating costs:

	<u>From</u>	<u>To</u>
Transfer from General Fund	3,549	
Transfer to Audit Fund		930
Transfer to Insurance Fund		519
Transfer to Social Security Fund		<u>2,100</u>
Total	<u>3,549</u>	<u>3,549</u>

NOTE D: Capital Assets

	Governmental Activities			
	Balance 4/30/15	Additions	Deletions	
Land	<u>52,924</u>	-	-	<u>52,924</u>
Depreciable Assets:				
Land Improvements	311,004	-	-	311,004
Depreciable Assets:				
Buildings	168,903	-	-	168,903
Building Improvements	758,012	-	-	758,012
Library Contents	315,711	7,676	-	323,387
Computer Hardware	8,420	-	-	8,420
Vehicles	26,319	30,225	-	56,544
Machinery & Equipment	58,864	-	-	58,864
Office Furniture & Equip.	36,350	-	-	36,350
Total	<u>1,683,583</u>	<u>37,901</u>	<u>-</u>	<u>1,721,484</u>
Accum. Depreciation	<u>(778,473)</u>	<u>(87,399)</u>	<u>-</u>	<u>(865,872)</u>
Net Depreciable Assets	<u>905,110</u>	<u>(49,498)</u>	<u>-</u>	<u>855,612</u>
 Total Net Fixed Assets	 <u>958,034</u>	 <u>(49,498)</u>	 <u>-</u>	 <u>908,536</u>

Depreciation was allocated \$2,986 to Streets & Highways, \$66,311 to Culture & Recreation, \$6,045 to Police and \$12,057 to General Government activities.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2016

NOTE D: Capital Assets (continued)

	Business Type Activity - Proprietary Funds			
	Balance			Balance
	<u>4/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>4/30/16</u>
Land	9,250	-	-	9,250
Depreciable Assets:				
Building	105,329	-	-	105,329
Machinery/Equipment	587,486	-	-	587,486
Infrastructure - Sewer	1,252,703	295,079	-	1,547,782
Infrastructure - Water	876,723	-	-	876,723
Total	<u>2,822,241</u>	<u>295,079</u>	-	<u>3,117,320</u>
Accumulated				
Depreciation	(1,384,269)	(49,914)	-	(1,434,183)
Net Depreciable Assets	<u>1,437,972</u>	<u>(245,165)</u>	-	<u>1,683,137</u>
 Total Net Fixed Assets	 <u>1,447,222</u>	 <u>245,165</u>	 -	 <u>1,692,387</u>

Depreciation of \$49,914 was allocated to the Water & Sewer operation.

Note E: Notes Payable
Governmental Funds:
Office Building Loan

The Village has a loan agreement with the First National Bank of Rochelle in the amount of \$73,606.81. Interest rate on the loan is 4.50% with monthly payments of \$565.59 commencing on May 1, 2014 with a balloon payment April 1, 2019.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	3,683	3,104	6,787
2017	3,847	2,940	6,787
2018	4,028	2,759	6,787
2019	57,949	2,607	60,556
	<u>69,507</u>	<u>11,410</u>	<u>80,917</u>

<u>Balance</u>			<u>Balance</u>
<u>April 30, 2015</u>	<u>Additions</u>	<u>Retired</u>	<u>April 30, 2016</u>
<u>69,507</u>	<u>-</u>	<u>3,683</u>	<u>65,824</u>

Interest payments of \$3,203 were made from General Fund.

Vehicle Loan

The Village has a loan agreement with the First National Bank of Rochelle in the amount of \$30,225. Interest rate on the loan is 2.35% with monthly payments of \$534.89 commencing on November 22, 2015 and ending payment on October 22, 2020.

VILLAGE OF ASHTON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2016

NOTE E: Notes Payable
Governmental Funds:
Office Building Loan (continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	2,880	347	3,227
2017	5,830	589	6,419
2018	5,970	449	6,419
2019	6,114	305	6,419
2020	6,261	158	6,419
2021	3,170	22	3,192
	<u>30,225</u>	<u>1,870</u>	<u>32,095</u>

<u>Balance</u> <u>April 30, 2015</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>April 30, 2016</u>
<u>-</u>	<u>30,225</u>	<u>2,880</u>	<u>27,345</u>

Interest payments of \$347 were made from General Fund.

Total Governmental Funds

<u>Balance</u> <u>April 30, 2015</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>April 30, 2016</u>
<u>69,507</u>	<u>30,225</u>	<u>6,564</u>	<u>93,168</u>

Proprietary Funds:

1995 IEPA Loan L17-0734

On July 19, 1995, the Village passed an ordinance approving a loan from the Illinois Environmental Protection Agency (IEPA) for sewer plant improvements. This loan was received in conjunction with a \$400,000 federal grant. The ordinance established wastewater service charges sufficient to pay the debt service on the IEPA loan. The interest rate on the loan is 2.815% and requires semi-annual payments and matures on November 30, 2015.

<u>Balance</u> <u>April 30, 2015</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>April 30, 2016</u>
<u>20,429</u>	<u>-</u>	<u>20,429</u>	<u>-</u>

2010 IEPA Loan - L17-2789

On July 7, 2009 the Village was awarded a no interest loan from the Illinois Environmental Protection Agency (IEPA) for wastewater expenditures. The total of the loan is \$421,019. Scheduled repayment is semi-annual on July 15th and January 15th for 20 years ending on January 15, 2030. There is a 25% loan forgiveness of \$108,524. Leaving a balance of \$312,495.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2015

NOTE E: Notes Payable (continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Total</u>
2016	15,625	15,625
2017	15,625	15,625
2018	15,625	15,625
2019	15,625	15,625
2020	15,625	15,625
2021	15,625	15,625
2022-2026	78,125	78,125
2027-2030	70,309	70,309
	<u>242,184</u>	<u>242,184</u>

<u>Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u>
<u>April 30, 2015</u>			<u>April 30, 2016</u>
<u>242,184</u>	<u>-</u>	<u>15,625</u>	<u>226,559</u>

2013 IEPA Water Loan - L17-2791

On August 4, 2014, The Village Waste Water Loan Agreement from Illinois Environmental Protection Agency (IEPA) was finalized. The total loan \$501,230 with and Amendment to add \$23,636 for a total of \$524,866. Scheduled repayment is semi-annual on June 1st and December 1st for 20 years ending June 1, 2034. There is a 23.4% loan forgiveness of \$122,866 and a repayment on December 1, 2014 of \$7,747 leaving a balance of \$394,253.

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2016	15,279	8,418	23,697
2017	15,632	8,065	23,697
2018	15,992	7,705	23,697
2019	16,362	7,335	23,697
2020	16,739	6,958	23,697
2021	17,126	6,571	23,697
2022-2026	91,743	26,744	118,487
2027-2031	102,831	15,656	118,487
2032-2034	<u>101,549</u>	<u>7,760</u>	<u>110,309</u>
	<u>394,253</u>	<u>95,212</u>	<u>489,465</u>

<u>Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u>
<u>April 30, 2015</u>			<u>April 30, 2016</u>
<u>394,253</u>	<u>-</u>	<u>16,237</u>	<u>378,016</u>

2015 IEPA Loan L17-5002

On October 15, 2015 - The Illinois Environmental Protection Agency (IEPA) reserved loan funds for Ashton's Phase II Sewer project was finalized. The total loan amount is \$295,046 - with a forgiveness of \$143,511 and interest rate of 1.9950% for 20 years.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE E: Notes Payable (continued)

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2016	5,426	2,598	8,024
2017	6,443	2,905	9,348
2018	6,572	2,776	9,348
2019	6,704	2,644	9,348
2020	6,839	2,509	9,348
2021	6,976	2,372	9,348
2022-2026	37,034	9,710	46,744
2027-2031	40,898	5,846	46,744
2032-2035	35,770	1,674	37,444
	<u>152,662</u>	<u>33,034</u>	<u>185,696</u>
Balance April 30, 2015	<u>Additions</u>	<u>Retired</u>	Balance April 30, 2016
<u>124,938</u>	<u>27,724</u>	<u>5,426</u>	<u>147,236</u>

Total Proprietary Fund Loans

Balance April 30, 2015	<u>Additions</u>	<u>Retired</u>	Balance April 30, 2016
<u>781,804</u>	<u>27,724</u>	<u>57,717</u>	<u>751,811</u>

Total loan interest allocated was \$11,841.

Note F: Legal Debt Margin

Assessed Valuation - 2015 Levy	<u>\$11,329,151</u>
Statutory debt limitation (8.6258% of assessed valuation)	981,543
General obligation debt	(93,169)
Legal debt margin	<u>888,374</u>

NOTE G: Permanently Restricted Fund Balance

During the fiscal year ended April 30, 2002, the Village received donor restricted contributions in the amount of \$50,000. The principal amount of this contribution is permanently restricted for the Mills and Petrie Memorial Building with the income restricted for building repairs or improvements.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE H: Risk Management and Litigation

The Village is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Village participates in the Illinois Municipal League Risk Management Association for this exposure. The Village is liable for up to \$1,000 a year deductible for all years it participates in the plan. The Village's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Village is not aware of any additional assessments owed as of April 30, 2015. During the year ended April 30, 2015 there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the last three years. Management believes such coverage is sufficient to preclude significant uninsured losses to the Village. All risk management activities are accounted for in the Insurance Fund.

Plan Description

The employees of the Village of Ashton are provided with pensions through the Illinois Municipal Retirement fund (IMRF) - an agent multiple-employer defined benefit pension plan. Established by the Illinois State Legislature for the benefit of Illinois municipal employees outside the city of Chicago, IMRF is governed by the Illinois Pension Code. IMRF issues a publicly available financial report that can be obtained at <http://imrf.org>.

Benefits Provided

IMRF provides retirement, disability, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. The benefit provisions in effect on the member's date of participation determine a member's minimum benefit while the benefit provisions in effect on the member's date of termination determine a member's maximum benefit. Public Act 96-0889 added new section to the Pension Code that applies different benefits to anyone who first contributes to IMRF on or after January 1, 2011 and does not have any other previous service credit with one of the reciprocal retirement systems in Illinois. Members who first participate on or after that date are members of Tier II. Anyone who made contributions to IMRF prior to January 1, 2011 remain participants of Tier I. Tier I retirement benefits are determined by the average of the four highest years of credible earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. The pension amount is 1 2/3 percent of the final rate of earnings for each of the first fifteen years of service and 2 percent for each year of service credit in excess of fifteen years, up to a maximum of 75 percent of the final rate of earnings.

VILLAGE OF ASHTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016

NOTE I: Illinois Municipal Retirement Fund

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study dated April 8, 2015 for the period January 1, 2014 through December 31, 2014. As a result of the December 31, 2014 actuarial experience study, new assumptions for the assumed rate of return, salary increases, inflation and related economic assumptions were adopted in the December 31, 2014 actuarial valuation to more closely reflect actual experience.

Single Discount Rate - Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of "The State & Local Bonds" rate from Federal Reserve Statistical release (H.15; and the resulting single discount rate is 7.50%.

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

THE VILLAGE OF ASHTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE I: Illinois Municipal Retirement Fund (continued)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2016, the Village recognized pension expense (income) of \$31,885. At June 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	30,243	-
Changes in assumptions	1,013	-
Net difference between projected and actual earnings on pension plan	28,294	-
Total	(59,550)	-

The Village reported (59,550) as deferred outflows of resources by year to be recognized in future pension expense.

2016	38,329
2017	7,073
2018	7,073
2019	7,075
2020	-
Thereafter	-

The Village of Ashton uses a modified cash basis of accounting for certain assets and their related revenues and liabilities and their related expenses. Due to this basis of accounting the Village does not record deferred inflows (revenues) or outflows (expenses).

VILLAGE OF ASHTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE I: Illinois Municipal Retirement Fund (continued)

Changes in Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances, January 1, 2015	681,784	494,943	186,841
Service costs	13,561	-	13,561
Interest on total pension liability	45,576	-	45,576
Difference between expected and actual difference	61,013	-	61,013
Changes in assumptions	2,043	-	2,043
Employer contributions	-	17,244	(17,244)
Employee contributions	-	5,308	(5,308)
Net investment income	-	2,293	(2,293)
Benefit payments net of refunds	(95,099)	(95,099)	-
Administrative expense	-	-	-
Other changes	-	86,927	(86,927)
Net changes	27,094	16,673	(10,421)
Balances December 31, 2015	708,878	511,616	(197,262)

Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate - The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.08 percent, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.08 percent) or 1 percentage-point higher (8.08 percent) than the current rate.

	1% Decrease (6.08%)	Current Rate (7.08)	1% Increase (8.08)
Village's proportionate share of the net Pension liability	(272,102)	(197,262)	(133,916)

VILLAGE OF ASHTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2016

NOTE I: Illinois Municipal Retirement Fund (continued)

Tier II benefits are determined by the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Pension earnings are initially capped at \$110,631 increasing annually by 3 percent or the consumer price index, whichever is less.

Employees Covered by the Benefit Terms - At the December 31, 2015 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>3</u>
Total	9

Contributions - Employees are required to contribute 4.5 percent of their annual pay as set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and supplemental retirement benefits are pooled. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The employer's Net Pension Liability was measured as of December 31, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	7.089%
Inflation	2.75%
Projected salary increases	3.75%-14.50%
Investment rate of return	7.5%

(1) Includes inflation and merit and longevity increase assumptions

Mortality rates were based on the RP-2014 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a generational basis.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2016

NOTE I: Illinois Municipal Retirement Fund (continued)

Funding Policy - As set by the statute, the Village's Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2015 was 14.62 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by the statute.

Annual Pension Cost - the required contribution for calendar year 2015 was \$17,244.

Trend Information for the Regular Plan

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
12/31/15	17,244	100%	\$0
12/31/13	18,016	100%	\$0
12/31/12	15,136	100%	\$0
12/31/11	19,687	100%	\$0
12/31/10	19,106	100%	\$0
12/31/09	20,402	100%	\$0
12/31/08	17,812	100%	\$0
12/31/07	14,786	100%	\$0
12/31/06	10,707	100%	\$0

The required contribution for 2015 was determined as part of the December 31, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement increases of 3% annually. The actuarial value of your employer Regular Plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a five year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2013 is being amortized as a level percentage of projected payroll on an open 28 year basis.

VILLAGE OF ASHTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2016

NOTE I: Illinois Municipal Retirement Fund (continued)

Funded Status and Funding Progress - As of December 31, 2015, the most recent actuarial valuation date, the regular plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$153,099 and the actuarial value of assets was (\$12,805) resulting in an underfunded actuarial accrued liability (UUAL) of \$165,904. The covered payroll for calendar year 2015 (annual payroll of active employees covered by the plan) was \$117,949 and the ratio of UAAL to the covered payroll was and the ratio of the UAAL to covered payroll was 141 percent.

The schedule of funding progress, presented as OI following notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

NOTE J: 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 \$15,807, the total required contribution for the year ended April 30, 2016.

Note K: Excess of Expenditures Over Budget

The following funds had expenditures in excess of their budget:

	<u>Budget</u>	<u>Actual</u>	<u>Overspent</u>
Water & Sewer Fund	154,187	155,087	900
General Fund	308,791	308,991	200
Mills Petrie Library/Gym	76,219	76,822	603

NOTE L: Deficit Fund Balances

The following fund had a deficit fund balance:

Water/Sewer Bond Fund	<u>(636,781)</u>
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OTHER INFORMATION

VILLAGE OF ASHTON, ILLINOIS
APRIL 30, 2016

Other Information

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
MULTI-YEAR SCHEDULE OF CONTRIBUTIONS
LAST 10 CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2015	*	17,244	0	117,949	14.62%

* Estimated based on contribution rate of 14.62% and covered valuation payroll
Of 117,949.

The Village implemented GASB Statement No. 68 in fiscal 2016.

VILLAGE OF ASHTON, ILLINOIS

APRIL 30, 2016

Notes to other information

Note 1 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate for IMRF*

Valuation date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period. Taxing Bodies (Regular, SLEP and ECO groups): 28 year closed period until remaining reaches 15 years (then 15 year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5 year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.

VILLAGE OF ASHTON, ILLINOIS
APRIL, 2016

Notes to Other Information (continued)

Mortality

RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes

There were no benefit changes during the year.

Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

VILLAGE OF ASHTON, ILLINOIS

SCHEDULE OF FUNDING PROGRESS - ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2016

Schedule of Funding Progress IMRF

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/15	(12,805)	153,099	165,904	0.00%	117,949	140.66%
12/31/14	(54,980)	131,127	185,917	0.00%	122,186	152.16%
12/31/13	(68,770)	112,953	181,723	0.00%	121,119	138.59%
12/31/12	(51,063)	129,732	180,795	0.00%	113,375	159.47%
12/31/11	154,792	273,724	118,932	56.55%	153,084	77.69%
12/31/10	119,381	230,643	111,262	51.76%	148,029	74.66%
12/31/09	91,224	197,161	105,937	46.27%	146,462	72.33%
12/31/08	62,827	167,902	105,075	37.42%	127,320	82.53%
12/31/07	57,641	149,277	91,636	38.61%	100,316	91.35%
12/31/06	34,034	124,436	90,402	27.35%	79,369	113.90%

On a market value basis, the actuarial value of assets at 12/31/15 is (\$18,646). On a market basis, the funded ratio would be 0.00%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Ashton. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

VILLAGE OF ASHTON, ILLINOIS

ASSESSED VALUATION, RATES, EXTENSIONS AND COLLECTIONS
APRIL 30, 2016

	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSESSED VALUATIONS			
Township	<u>11,233,018</u>	<u>11,233,018</u>	<u>12,236,663</u>
TAX RATES			
Corporate	.2730	.2774	.2467
IMRF	.1546	.1563	.1398
Social Security Taxes	.1427	.1241	.1052
Liability Insurance	.1938	.1783	.1595
Police Protection	.1145	.1204	.0802
Audit	.0801	.0758	.0713
Library	.1500	.1500	.1500
Cemetery	.0035	.0036	.0033
Garbage Disposal	.0009	.0009	.0008
Workmen's Compensation	.0687	.0758	.0987
Unemployment Compensation	<u>.0051</u>	<u>.0054</u>	<u>.0049</u>
	<u>1.1869</u>	<u>1.1680</u>	<u>1.0604</u>
TAX EXTENSIONS			
Corporate	30,143	31,110	29,649
IMRF	17,080	15,530	16,801
Social Security Taxes	15,760	13,920	12,640
Liability Insurance	21,404	19,997	19,163
Police Protection	12,642	13,500	9,642
Audit	8,853	8,500	8,566
Library	16,568	18,800	18,025
Cemetery	387	400	392
Garbage Disposal	102	100	98
Workmen's Compensation	7,590	8,500	11,857
Unemployment Compensation	1,569	<u>600</u>	<u>587</u>
	<u>132,098</u>	<u>132,957</u>	<u>127,420</u>
TAX COLLECTIONS			
Corporate	-	-	29,360
IMRF	-	-	16,637
Social Security Taxes	-	-	12,518
Liability Insurance	-	-	18,976
Police Protection	-	-	9,549
Audit	-	-	8,482
Library	-	-	17,849
Cemetery	-	-	388
Garbage Disposal	-	-	97
Workmen's Compensation	-	-	11,742
Unemployment Compensation	<u>-</u>	<u>-</u>	<u>582</u>
		<u>128,944</u>	<u>126,181</u>
PERCENTAGE OF EXTENSION COLLECTED		<u>96.99%</u>	<u>99.03%</u>