

VILLAGE OF CERRO GORDO, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2017

VILLAGE OF CERRO GORDO, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

President and Board of Trustees
 Village of Cerro Gordo
 Cerro Gordo, 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 Cerro Gordo, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's 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 1A; 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 fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

President and Board of Trustees
Village of Cerro Gordo
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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the government'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 Cerro Gordo, Illinois, as of April 30, 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 modified cash basis of accounting described in Note 1A.

Basis of Accounting

We draw attention to Note 1A 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 opinions are not modified with respect to this 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 Cerro Gordo, Illinois' financial statements. The schedules listed as "supplementary information" and "other information (unaudited)" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

President and Board of Trustees
Village of Cerro Gordo
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Other Matters (Continued)

The schedules listed as "other information (unaudited)" in the table of contents have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Yours very truly,



McGUIRE, YUHAS, HUFFMAN & BUCKLEY, P.C.
Certified Public Accountants

Decatur, Illinois
October 16, 2017

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF NET POSITION
MODIFIED CASH BASIS

April 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash in Bank	\$ 437,103	\$ 994,052	\$ 1,431,155
Certificates of Deposit	54,284	48,869	103,153
Payroll Tax Overpayment	670	-	670
Internal Balances	(2,729)	2,729	-
Total Current Assets	489,328	1,045,650	1,534,978
Non-Current Assets			
Land	265,717	30,135	295,852
Property, Plant and Equipment	1,638,123	4,421,705	6,059,828
Water Main Project Work in Progress	-	117,533	117,533
Less: Accumulated Depreciation	(335,512)	(2,938,361)	(3,273,873)
Net Land, Property, Plant and Equipment	1,568,328	1,631,012	3,199,340
Total Assets	2,057,656	2,676,662	4,734,318
LIABILITIES			
Current Liabilities			
Meter Deposits	-	30,795	30,795
Revenue Bonds Payable - Current	35,000	-	35,000
Total Current Liabilities	35,000	30,795	65,795
Long Term Liabilities			
Revenue Bonds Payable - Non-Current	695,000	-	695,000
Total Liabilities	730,000	30,795	760,795
NET POSITION			
Net Investment in Capital Assets	838,328	1,631,012	2,469,340
Restricted for:			
Bond and Interest Project and Repayment	18,871	-	18,871
Motor Fuel Tax Purposes	13,157	-	13,157
Unemployment Taxes	15,206	-	15,206
Business District	145,499	-	145,499
Drainage	32,815	-	32,815
T.I.F. Purposes	116,892	-	116,892
D.U.I. Fund	711	-	711
Vehicle	1,428	-	1,428
Village Sign	2,000	-	2,000
Born Park	40,000	-	40,000
Unrestricted	102,749	1,014,855	1,117,604
Total Net Position	\$ 1,327,656	\$ 2,645,867	\$ 3,973,523

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

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

For the Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues	Charges for Services	Net (Expense) Revenue
Governmental Activities:				
Current:				
Administration	\$ 189,595	\$ 8,700		\$ (180,895)
Police Department	104,744	1,271		(103,473)
Public Works	158,753	33,288		(125,465)
T.I.F.	10,453	-		(10,453)
Parks and Recreation	33,781	2,939		(30,842)
Debt Service	41,845	-		(41,845)
Capital Outlay	32,421	-		(32,421)
Total Governmental Activities	571,592	46,198		(525,394)
Business-type Activities				
Water and Sewer	326,650	356,276		29,626
Total Business-type Activities	326,650	356,276		29,626
Total Governmental and Business-type Activities	\$ 898,242	\$ 402,474		\$ (495,768)
Changes in Net Position:				
Net (Expense) Revenue	\$ (525,394)	\$ 29,626		\$ (495,768)
General Revenues				
Property Taxes	170,549	-		170,549
Replacement Tax	4,699	-		4,699
Sales and Use Tax	87,947	-		87,947
Video Gaming Tax	4,407	-		4,407
Income Tax	133,584	-		133,584
Franchise Fees	10,609	-		10,609
Utility Tax	66,757	-		66,757
Telecommunications Tax	21,730	-		21,730
Motor Fuel Tax	35,682	-		35,682
Interest Income	108	1,135		1,243
Business District Sales Tax	39,455	-		39,455
Other	11,684	-		11,684
Total General Revenues	587,211	1,135		588,346
Changes in Net Position	61,817	30,761		92,578
Net Position, May 1 (As Restated)	1,265,839	2,615,106		3,880,945
Net Position, April 30	\$ 1,327,656	\$ 2,645,867		\$ 3,973,523

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

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS

April 30, 2017

	General	Motor Fuel Tax Fund	B & I Project and Repayment Fund	Nonmajor Governmental Funds	Totals
ASSETS					
Cash in Bank	\$ 41,720	\$ 48,157	\$ 57,587	\$ 289,639	\$ 437,103
Certificates of Deposit	54,284	-	-	-	54,284
Payroll Tax Overpayment	670	-	-	-	670
Due from General Fund	-	-	-	7,706	7,706
Due from B & I Project and Repayment Fund	38,716	-	-	-	38,716
Due from Motor Fuel Tax Fund	35,000	-	-	-	35,000
Total Assets	\$ 170,390	\$ 48,157	\$ 57,587	\$ 297,345	\$ 573,479
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Special Revenue Funds	\$ 7,706	\$ -	\$ -	\$ -	\$ 7,706
Due to Water Fund	2,729	-	-	-	2,729
Due to General Fund	-	35,000	38,716	-	73,716
Total Liabilities	10,435	35,000	38,716	-	84,151
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	57,206	13,157	18,871	297,345	386,579
Committed	3,250	-	-	-	3,250
Assigned	-	-	-	-	-
Unassigned	99,499	-	-	-	99,499
Total Fund Balances	159,955	13,157	18,871	297,345	489,328
Total Liabilities and Fund Balances	\$ 170,390	\$ 48,157	\$ 57,587	\$ 297,345	\$ 573,479

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

VILLAGE OF CERRO GORDO, ILLINOIS

RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MODIFIED CASH BASIS

April 30, 2017

Total Fund Balances - Total Governmental Funds	\$	489,328
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of \$1,903,840 net of accumulated depreciation of (\$335,512), are not financial resources and, therefore, are not reported in the governmental funds.		1,568,328
Bonds payable are not reported in the governmental funds		<u>(730,000)</u>
Net Position of Governmental Activities	\$	<u>1,327,656</u>

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

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
MODIFIED CASH BASIS

For the Year Ended April 30, 2017

	General	Motor Fuel Tax Fund	B & I Project and Repayment Fund	Nonmajor Governmental Funds	Totals
Revenues Received					
Property Taxes	\$ 124,261	\$ -	\$ -	\$ 46,288	\$ 170,549
Replacement Tax	4,699	-	-	-	4,699
Sales and Use Tax	87,947	-	-	-	87,947
Video Gaming Tax	4,407	-	-	-	4,407
Income Tax	133,584	-	-	-	133,584
Rents	11,639	-	-	-	11,639
Licenses and Permits	5,040	-	-	-	5,040
Franchise Fees	10,609	-	-	-	10,609
Fines	1,056	-	-	-	1,056
Garbage Stickers	1,939	-	-	-	1,939
Other Police Revenue	215	-	-	-	215
Utility Tax	-	-	66,757	-	66,757
Telecommunications Tax	-	-	21,730	-	21,730
Motor Fuel Tax	-	35,682	-	-	35,682
Interest Income	68	-	40	-	108
Business District Sales Tax	-	-	-	39,455	39,455
Stormwater Utility Fees	-	-	-	26,309	26,309
Other	11,680	-	-	4	11,684
Total Revenues Received	397,144	35,682	88,527	112,056	633,409
Expenditures Disbursed					
Current					
Administration	188,298	-	-	-	188,298
Police Department	96,813	-	-	-	96,813
Public Works	113,411	12,648	-	-	126,059
T.I.F.	-	-	-	10,453	10,453
Parks & Recreation	22,270	-	-	-	22,270
Debt Service					
Principal	-	-	35,000	-	35,000
Interest and Fees	-	-	41,845	-	41,845
Capital Outlay	-	-	32,421	-	32,421
Total Expenditures Disbursed	420,792	12,648	109,266	10,453	553,159
Excess(Deficiency) of Revenues Received Over(Under) Expenditures Disbursed	(23,648)	23,034	(20,739)	101,603	80,250
Other Financing Sources(Uses)					
Transfers	(3,600)	-	3,600	-	-
Net Change in Fund Balances	(27,248)	23,034	(17,139)	101,603	80,250
Fund Balances, May 1 (As Restated for General Fund)	187,203	(9,877)	36,010	195,742	409,078
Fund Balances, April 30	\$ 159,955	\$ 13,157	\$ 18,871	\$ 297,345	\$ 489,328

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

VILLAGE OF CERRO GORDO, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED,
EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

MODIFIED CASH BASIS

April 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 80,250
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as
expenditures while governmental activities report
depreciation expense to allocate those expenditures
over the life of the assets:

Depreciation expense	(53,433)
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Bond principal payments are treated as debt service
expenditures in the funds and as decreases in bonds payable
in the Statement of Net Position and are not recorded
in the Statement of Activities.

35,000

Change in Net Position of Governmental Activities	\$ <u>61,817</u>
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Notes to Financial Statements are an integral part of this statement.

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
MODIFIED CASH BASIS

April 30, 2017

	<u>Water and Sewer Fund</u>
ASSETS	
Current Assets	
Cash	\$ 994,052
Certificates of Deposit	48,869
Due From General Fund	<u>2,729</u>
Total Current Assets	<u>1,045,650</u>
Non-current Assets	
Land	30,135
Water System and Equipment	2,082,107
Sewer System and Equipment	2,339,598
Water Main Project Work in Progress	117,533
Less: Accumulated Depreciation	<u>(2,938,361)</u>
Net Land, Property, Plant and Equipment	<u>1,631,012</u>
Total Assets	<u>2,676,662</u>
LIABILITIES	
Current Liabilities:	
Meter Deposits	<u>30,795</u>
Total Liabilities	<u>30,795</u>
NET POSITION	
Net Investment in Capital Assets	1,631,012
Restricted	-
Unrestricted	<u>1,014,855</u>
Total Net Position	<u>\$ 2,645,867</u>

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

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
MODIFIED CASH BASIS

For the Year Ended April 30, 2017

	<u>Water and Sewer Fund</u>
Operating Revenues	
Charges for Services - Water	\$ 241,868
Charges for Services - Sewer	<u>114,408</u>
Total Operating Revenues	<u>356,276</u>
Operating Expenses	
Personal Services	
Salaries and Wages	85,207
Payroll Taxes	6,519
IMRF	237
Group Health Insurance	15,127
Professional Fees	<u>10,450</u>
Total Personal Services	<u>117,540</u>
Maintenance, Operations and Contractual Services	
Chemicals	12,414
Postage	2,719
Telephone Service	1,228
Maintenance, Repairs and Supplies -	
Water and Sewer System, Salt	
and Softener Supplies	31,836
Equipment Maintenance and Repair	7,513
Small Equipment	14,035
Travel and Seminar	83
Liability Insurance	11,538

Continued on next page

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

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
MODIFIED CASH BASIS
(Continued)

For the Year Ended April 30, 2017

	<u>Water and Sewer Fund</u>
Maintenance, Operations and Contractual Services (Continued)	
Utilities	27,793
Depreciation	<u>92,224</u>
Total Maintenance, Operations and Contractual Services	<u>201,383</u>
Materials and Supplies	
Office Supplies	3,210
Gasoline and Oil	4,167
Clothing Allowance	<u>350</u>
Total Materials and Supplies	<u>7,727</u>
Total Operating Expenses	<u>326,650</u>
Operating Income (Loss)	<u>29,626</u>
Non-Operating Revenues (Expenses)	
Interest Income	<u>1,135</u>
Total Non-Operating Revenues (Expenses)	<u>1,135</u>
Change in Net Position	30,761
Total Net Position, May 1 (As Restated)	<u>2,615,106</u>
Total Net Position, April 30	\$ <u><u>2,645,867</u></u>

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

VILLAGE OF CERRO GORDO, ILLINOIS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
MODIFIED CASH BASIS

For the Year Ended April 30, 2017

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities	
Charges for Services - Water	\$ 241,868
Charges for Services - Sewer	114,408
Payments to Suppliers	(149,219)
Payments to Employees	(85,207)
Increase in Customer Meter Deposits	<u>1,065</u>
Net Cash Provided(Used) by Operating Activities	<u>122,915</u>
Cash Flows from Non-Capital Financing Activities	
Net Payments under Interfund Loan Agreements	<u>(12,520)</u>
Net Cash Provided(Used) by Non-Capital Financing Activities	<u>(12,520)</u>
Cash Flows from Capital and Related Financing Activities	
Water Main Project Work in Progress	<u>(95,044)</u>
Net Cash Provided(Used) by Capital and Related Financing Activities	<u>(95,044)</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,135</u>
Net Cash Provided(Used) by Investing Activities	<u>1,135</u>
Net Increase(Decrease) in Cash	16,486
Cash - May 1	<u>977,566</u>
Cash - April 30	\$ <u><u>994,052</u></u>

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

VILLAGE OF CERRO GORDO, ILLINOIS

RECONCILIATION OF THE STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
MODIFIED CASH BASIS

For the Year Ended April 30, 2017

Reconciliation of Operating Income (Loss) to Net Cash
Provided (Used) by Operating Activities

Operating Income	\$ 29,626
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities	
Depreciation	92,224
Excess of Meter Deposits Collected Over Meter Deposits Refunded	<u>1,065</u>
Total Adjustments	<u>93,289</u>
Net Cash Provided(Used) by Operating Activities	\$ <u><u>122,915</u></u>

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

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
April 30, 2017**Note 1 Significant accounting policies followed by the Village are as follows****A. Measurement Focus and Basis of Accounting**

The governmental activities, business-type activities and proprietary fund financial statements are prepared using the economic resources measurement focus, which measures both financial and capital resources. The governmental fund financial statements are prepared using the current financial resource measurement focus, which is based on the concept of fiscal accountability. Therefore, due to the differences in measurement focuses, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The Village maintains its accounting records for all funds on the modified cash basis of accounting. The government-wide financial statements are also prepared using the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

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. Modified cash basis differs from cash basis due to the capitalization of fixed assets and the recording of annual depreciation on these fixed assets. Accordingly, the statements do not present financial position or results of operations in accordance with generally accepted accounting principles.

All investments are carried at cost, which approximates market, unless otherwise noted. All investments are comprised of federally insured savings accounts or certificates.

B. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

B. Capital Assets (Continued)Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The Village has not maintained records of its governmental activities general capital assets acquired prior to May 1, 2004. Accordingly, the amount presented in the Statement of Net Position for Governmental Activities' capital assets only includes capital assets purchased after May 1, 2004.

Prior to May 1, 2004, Governmental Activities' infrastructure assets were not required to be capitalized. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

The Village has adopted a minimum threshold for capitalizing infrastructure and capital assets of \$10,000.

Depreciation of all exhaustible fixed assets is recorded as an expense in the Statement of Activities, with Accumulated Depreciation reflected in the Statement of Net Position. For the business activities water plant and sewer plant main systems, depreciation has been provided over 40 to 50 years, the estimated useful life of the assets, by using the straight-line method. All other fixed assets of the water and sewer system are being depreciated using the straight-line method over an estimated useful life of 5 to 10 years. The governmental activities capital assets are being depreciated using the straight-line method over an estimated useful life of 5 to 20 years for equipment, 25 to 40 years for infrastructure, and 25 years for buildings.

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as expenses of the governmental funds upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows**- (Continued)****C. Reporting Entity**

In evaluating how to define the Village, for financial reporting purposes, the Village's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Village's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships; regardless of whether the Village is able to exercise oversight responsibilities. Based upon the application of the above criteria, no component units exist.

D. Basis of Presentation

Although the Village presents its annual financial statements on the modified cash basis of accounting, a special purpose framework other than GAAP, the aspects of financial statement content and format, as prescribed by GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments have been implemented in the financial statements, effective for the year ended April 30, 2005 and after. This change had a material effect on the comparability of previous year financial statements to statements dated April 30, 2005 and after.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
 - (Continued)

D. Basis of Presentation (Continued)

The following represents the Village's basis of financial statement presentation based on the GASB 34 format.

Governmental-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Village as a whole. They include all funds of the Village except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external customers for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenses. Funds are organized into two major categories: governmental and proprietary. The Village presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is either the General Fund or if it meets the following criteria:

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

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

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

D. Basis of Presentation (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

GENERAL FUND

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

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for cash received from specific sources. The expenses in excess of the amounts received for these special revenue funds become an obligation of the general fund.

FundBrief Description

Motor Fuel Tax Fund

Accounts for revenues collected from the motor fuel tax and expenses associated with the Village's streets, lighting, and alleys.

B & I (Bonds and Interest)
Project and Repayment Fund

Accounts for bond principal issued, revenues collected from the Utility and Telecommunications Taxes, bond principal and interest repayments, and qualifying expenditures for special projects approved by the Board for payment from the bond proceeds.

Business District Fund

Accounts for revenues collected from sales taxes to be used to improve and promote the Village's business district.

Stormwater Management Fund

Accounts for revenues collected from stormwater utility fees to be used to construct, maintain, rebuild and reconstruct the Village's stormwater management system and related infrastructure.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

D. Basis of Presentation (Continued)

SPECIAL REVENUE FUNDS (Continued)

<u>Fund</u>	<u>Brief Description</u>
T.I.F. Fund	Accounts for revenues collected from property taxes generated within the T.I.F. district restricted to paying allowable expenditures of the T.I.F. district.
D.U.I. Fund	Accounts for the Village's portion of D.U.I. fines collected and restricted for the purchase of D.U.I. enforcement equipment.
Vehicle Fund	Accounts for the Village's portion of traffic court supervision fees collected restricted for the requisition of police vehicles.

Proprietary Funds

Enterprise Funds

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

<u>Fund</u>	<u>Brief Description</u>
Water & Sewer Fund	Accounts for the activities of providing water and sanitation services to the public.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

D. Basis of Presentation (Continued)

Major and Nonmajor Funds

The funds are classified as major or nonmajor as follows:

<u>Major Funds</u>	<u>Nonmajor Funds</u>
General Fund	Business District Fund
Motor Fuel Tax Fund	Stormwater Management Fund
B & I Project and	T.I.F. Fund
Repayment Fund	D.U.I Fund
Water & Sewer Fund	Vehicle Fund

E. Budgets and Budgetary Accounting

The budget for all governmental and enterprise fund types is prepared on the cash basis of accounting which is similar to the modified cash basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The Village budget was passed on June 20, 2016.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. The Expenditures exceeded budgeted amounts by \$109,266 and \$10,453 in the B & I Project and Repayment Fund and T.I.F. Fund, respectively, for the fiscal year ended April 30, 2017. These expenditures exceed budgeted amount due to the Village not separately budgeting for these funds.

F. Priority for Use of Restricted and Unrestricted Assets

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

G. Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Village's program revenue includes the collection of water and sewer charges, rents, police fines, donations, and fees for licenses, permits, stormwater utilities and garbage stickers.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

H. Operating and Nonoperating Revenues and Expenses

Proprietary fund statements classify revenues and expenses as either operating or as nonoperating. The Village considers operating revenues and expenses for proprietary funds to be those that result from providing services and producing and delivering goods and/or services. Revenues and expenses related to capital and related financing, noncapital financing, or investing activities are considered to be nonoperating.

I. Internal Interfund Balances and Activities

If any interfund activity occurs or balances exist in the fund financial statements, they are eliminated or reclassified in the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities.

J. Debt Limitation

The statutory debt limitation is 8.625% of the 2016 assessed valuation of \$11,124,736.

Statutory Debt Limitation	\$ 959,508
Applicable Debt	730,000

Legal Debt Margin	\$ 229,508
	=====

K. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Non-Current Liabilities

The Village considers any liability not expected to be paid within one year to be a non-current liability. The liabilities shown on the Statement of Net Position and the Statement of Fund Net Position - Proprietary Fund are broken down between current and non-current liabilities.

M. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments. The carrying values of cash and cash equivalents approximates fair value because of the short maturities of those financial investments.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
 - (Continued)

N. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable, restricted, committed, assigned and unassigned. Below are definitions of each classification.

a. Nonspendable Fund Balance

The nonspendable 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. Due to the modified cash basis nature of the Village, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

b. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are (1) subject to outside restrictions, not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation of the government itself. All special revenue funds have been restricted for their respective specified purposes.

Additionally, \$57,206 of the General Fund's fund balance has been restricted as follows as of April 30, 2017:

Purpose	Amount
-----	-----
Unemployment Taxes	\$ 15,206
Village Sign	2,000
Born Park	40,000

	\$ 57,206
	=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

N. Fund Balance Reporting (Continued)

c. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Village Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Additionally, \$3,250 of the General Fund's fund balance has been committed for the reimbursement of health insurance expenses as of April 30, 2017.

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. The Village Board has the authority to assign amounts to be used for specific purposes.

The Village Board had not assigned any fund balances as of April 30, 2017.

e. Unassigned Fund Balance

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

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows
- (Continued)

N. Fund Balance Reporting (Continued)

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. As of April 30, 2017, no formal fund balance policy had been adopted by the Village.

O. Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position -

The Village follows GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position which was effective for audits of periods beginning after November 15, 2011. A deferred outflow of resources represents the consumption of a government's net assets that is applicable to a future period. A deferred inflow of resources represents the acquisition of net assets that is applicable to a future reporting period. Deferred outflows of resources are reported in a separate section of the Statement of Net Position following assets. Deferred inflows of resources are reported in a separate section of the Statement of Net Position following liabilities. As of April 30, 2017, the Village had not engaged in any transactions which qualified for reporting as a deferred outflow of resources or a deferred inflow of resources. Additionally, the Village does not disclose deferred inflows and outflows of resources related to pensions due to reporting on the modified cash basis, which also impacts Note 4 to the financial statements.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 2 Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The 2015 levy was passed by the Board on December 21, 2015. The 2016 levy was passed by the Board on December 19, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in July and September. The Village receives significant distributions of tax receipts approximately within two months after these due dates. Taxes recorded in these financial statements are from the 2015 tax levy.

The following are the tax rates applicable to the various levies per \$100.00 of assessed valuation:

		Actual	
	Limit	2016 Levy	2015 Levy
	-----	-----	-----
General Corporate	.2500	.25000	.24927
Police	.1500	.15000	.15000
IMRF	As Needed	.25170	.25147
Social Security	As Needed	.04495	.04491
Street Lighting	.0500	.05000	.05000
Audit	As Needed	.02697	.02695
Insurance	As Needed	.11804	.07239
Recreation	.0500	.00000	.00765
		-----	-----
Total		.89166	.85264
		=====	=====

Note 3 Accrued Vacation/Leave

Due to the Village reporting on the modified cash basis of accounting, no accrual has been made for employees vacation/leave earned but not taken.

Note 4 Defined Benefit Pension Plan -**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 (agent multiple-employer plan). 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.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 4 Defined Benefit Pension Plan - (Continued)**Benefits Provided**

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

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

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

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

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 4 Defined Benefit Pension Plan - (Continued)**Employees Covered by Benefit Terms**

As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	2
Active Plan Members	3
	--
Total	10
	==

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 for calendar year 2016 was 19.54%. For the fiscal year ended December 31, 2016, the Village contributed \$31,449 to the plan. 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.

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. No amount has been recorded on these financial statements due to the modified cash basis of accounting.

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%.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 4 Defined Benefit Pension Plan - (Continued)

Actuarial Assumptions (Continued)

- **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.
- For **Non-disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

Total	100%	
	===	

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 4 Defined Benefit Pension Plan - (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%.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 4 Defined Benefit Pension Plan - (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	-----	-----	-----
Balances at December 31, 2015	\$1,099,321	\$ 806,263	\$ 293,058
Changes for the year:			
Service Cost	21,632		21,632
Interest on the Total Pension Liability	78,663		78,663
Changes of Benefit Terms			0
Differences Between Expected and Actual Experience of the Total Pension Liability	24,350		24,350
Changes of Assumptions	(26,670)		(26,670)
Contributions - Employer		31,449	(31,449)
Contributions - Employees		7,243	(7,243)
Net Investment Income		55,966	(55,966)
Benefit Payments, including Refunds of Employee Contributions	(59,215)	(59,215)	0
Other (Net Transfer)		6,749	(6,749)
	-----	-----	-----
Net Changes	38,760	42,192	(3,432)
	-----	-----	-----
Balances at December 31, 2016	\$1,138,081	\$ 848,455	\$ 289,626
	=====	=====	=====

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% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
	-----	-----	-----
Net Pension Liability	\$ 419,628	\$ 289,626	\$ 180,853

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 5 Demand and Time Deposits

The Village maintains multiple checking, negotiable order of withdrawal (NOW), passbook, money market and certificate of deposit accounts to account for their various individual funds. Each fund's portion of these accounts is displayed on the appropriate Statement of Assets, Liabilities and Fund Balances - Governmental Funds or on the Statement of Fund Net Position - Proprietary Funds. The Village is allowed to invest in securities authorized by State statute, section 2 and 6 of the Public Funds Investment act (30 ILCS 235/2 and 6). The Village currently only invests in certificates of deposit, money market, NOW and passbook savings accounts at federally insured financial institutions.

The Village does not have policies regarding credit risk, custodial credit risk or concentration of credit risk.

Custodial credit risk for deposits and cash equivalents is the risk that in the event of a bank failure, the Village's deposits and cash equivalents may not be returned or the Village will not be able to recover collateral securities in the possession of an outside party. Demand deposits of the Village are federally insured up to \$250,000, and \$92,244 is collateralized by the pledging financial institution's trust department or as agent in favor of the Village. Time deposits of the Village are also federally insured up to \$250,000, and \$964,155 is collateralized by the pledging financial institution's trust department or as agent in favor of the Village.

As of April 30, 2017 the Village had the following deposits and cash equivalents:

Types of Deposits/ Cash Equivalents -----	Fair Value -----	Cost -----	Average Credit Quality Ratings (1) -----
Demand Deposits	\$ 342,244	\$ 342,244	N/A
NOW, Money Markets, and Passbook Deposits	1,110,591	1,110,591	N/A
Certificates of Deposit	103,564 -----	103,564 -----	N/A
Total	\$1,556,399 =====	\$1,556,399 =====	

(1) Ratings are provided where applicable to indicate associated credit risk.
N/A indicates no applicable.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 5 Demand and Time Deposits - (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the Village's investing activities are managed by the Finance Committee.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Village uses the specific identification method of managing interest rate risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. External investment pools are excluded when assessing concentration of credit risk.

Note 6 Fair Value Measurements -

Effective for the year ended April 30, 2017, the Village has implemented GASB No. 72 Fair Value Measurement and Application in the preparation of these financial statements. 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability to which the government has access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

As of April 30, 2017, the Village does not have any financial or nonfinancial assets or liabilities measured at fair market value on a recurring or non-recurring basis.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 7 Land, Property, Plant and Equipment and Depreciation - Governmental Activities

The breakdown of Land, Property, Plant and Equipment by type and the related accumulated depreciation for Governmental Activities is as follows:

	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Land	\$ 265,717			\$ 265,717
Building & Improvements - Admin.	32,420			32,420
Building & Improvements - Public Safety	57,229			57,229
Building & Improvements - Parks & Rec.	168,525			168,525
Equipment - Public Safety	79,654			79,654
Equipment - Public Works	28,657			28,657
Infrastructure - Public Works	1,095,083			1,095,083
Infrastructure - Parks & Rec.	176,555			176,555
	-----	-----	-----	-----
	\$1,903,840	\$ 0	\$ 0	\$1,903,840
	=====	=====	=====	=====
	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Accumulated Depreciation:				
Building & Improvements - Admin.	\$ 8,921	\$ 1,297		\$ 10,218
Building & Improvements - Police	23,021	2,290		25,311
Building & Improvements - Parks & Rec.	20,270	6,741		27,011
Equipment - Police	64,960	5,642		70,602
Equipment - Public Works	18,490	2,227		20,717
Infrastructure - Public Works	131,378	30,464		161,842
Infrastructure - Parks & Rec.	15,039	4,772		19,811
	-----	-----	-----	-----
	282,079	\$ 53,433	\$ 0	335,512
	=====	=====	=====	=====
Ending Book Value				\$1,568,328
				=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 7 Land, Property, Plant and Equipment and Depreciation - Governmental Activities
- (Continued)

Total depreciation for all governmental activities assets amounted to \$53,433 for the current year, of which \$32,694 was charged to the Public Works Function, \$1,297 was charged to Administration, \$7,931 was charged to Police and \$11,511 was charged to Parks and Recreation. Land is a non-depreciating asset.

Note 8 Land, Property, Plant and Equipment and Depreciation - Business -
type Activities

The breakdown of Land, Property, Plant and Equipment by type and the related accumulated depreciation for the Business-type Activities (Water and Sewer Fund) is as follows:

	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Land	\$ 30,135			\$ 30,135
Water System and Equipment	2,082,107			2,082,107
Sewer System and Equipment	2,339,598			2,339,598
Water Main Project Work In Progress	22,489	\$ 95,044		117,533
	-----	-----	-----	-----
Total	\$4,474,329	\$ 95,044	\$ 0	\$4,569,373
	=====	=====	=====	=====
	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Accumulated Depreciation:				
Water System and Equipment	\$1,136,273	\$ 42,887		\$1,179,160
Sewer System and Equipment	1,709,864	49,337		1,759,201
	-----	-----	-----	-----
Total	\$2,846,137	\$ 92,224	\$ 0	2,938,361
	=====	=====	=====	=====
Ending Book Value				\$1,631,012
				=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 9 General Obligation Bonds (Alternative Revenue Source)

The Village approved \$900,000 in Series 2011 General Obligation Bonds (Alternate Revenue Source) on January 17, 2011 to finance capital municipal improvements including but not limited to storm water and drainage projects.

The revenue bond ordinance requires pledged revenues will provide an amount not less than 1.25 times principal and interest on the bonds due in the next bond year. The Village has pledged utility and telecommunications tax for bond repayment. All bond principal issued, repayments, pledged revenues and project expenses are reported in the B & I (Bonds and Interest) Project and Repayment Fund.

Following is the maturity schedule of the Alternate Revenue Bond Ordinance as of April 30, 2017.

GENERAL OBLIGATION BONDS
(Alternate Revenue Source)
2011 Series

Date -----	Principal -----	Coupon -----	Interest -----
Jun 1, 2017		6.750%	19,491.25
Dec 1, 2017	35,000	6.750%	19,491.25
Jun 1, 2018		6.750%	18,310.00
Dec 1, 2018	40,000	6.750%	18,310.00
Jun 1, 2019		6.750%	16,960.00
Dec 1, 2019	40,000	6.750%	16,960.00
Jun 1, 2020		6.750%	15,610.00
Dec 1, 2020	45,000	6.750%	15,610.00
Jun 1, 2021		4.300%	14,091.25
Dec 1, 2021	45,000	4.300%	14,091.25
Jun 1, 2022		4.450%	13,123.75
Dec 1, 2022	50,000	4.450%	13,123.75
Jun 1, 2023		4.600%	12,011.25
Dec 1, 2023	50,000	4.600%	12,011.25
Jun 1, 2024		4.750%	10,861.25
Dec 1, 2024	55,000	4.750%	10,861.25
Jun 1, 2025		4.900%	9,555.00
Dec 1, 2025	55,000	4.900%	9,555.00
Jun 1, 2026		5.000%	8,207.50
Dec 1, 2026	55,000	5.000%	8,207.50
Jun 1, 2027		5.100%	6,832.50
Dec 1, 2027	60,000	5.100%	6,832.50
Jun 1, 2028		5.200%	5,302.50
Dec 1, 2028	65,000	5.200%	5,302.50
Jun 1, 2029		5.300%	3,612.50
Dec 1, 2029	65,000	5.300%	3,612.50

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 9 General Obligation Bonds (Alternative Revenue Source) - (Continued)

Jun 1, 2030		5.400%	1,890.00
Dec 1, 2030	70,000	5.400%	1,890.00
	-----		-----
	\$ 730,000		\$ 311,717.50
	=====		=====

Interest is due on bonds June 1 and December 1 of every year. Additionally, the bonds due on or after December 1, 2021 may be redeemed prior to maturity at the Village's option, either in whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village.

The Village abated its 2015 bond tax levy by ordinance and evaluates annually if the Village is financially capable of doing so.

Note 10 Changes in Long-Term Debt - Governmental Activities

The following is a summary of debt transactions for the current fiscal year, the details of which are contained in this report.

	Beginning Balance	Issued or (Retired)	Ending Balance
	-----	-----	-----
Alternate Revenue Bonds Series 2011	\$ 765,000	\$ 35,000	\$ 730,000
	-----	-----	-----
Totals	\$ 765,000	\$ 35,000	\$ 730,000
	=====	=====	=====

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 10 Changes in Long-Term Debt - Governmental Activities - (Continued)

The annual debt service requirements to maturity, including principal and interest, for long term debt as of April 30, 2017 are as follows:

Year Ending April 30	To be Paid by B & I Project and Repayment Fund
-----	-----
2018	73,982.50
2019	76,620.00
2020	73,920.00
2021	76,220.00
2022	73,182.50
2023-2027	372,517.50
2028-2031	295,275.00

Total Principal and Interest	\$1,041,717.50
Less Interest	(311,717.50)

Liability as of April 30, 2017	\$ 730,000.00
	=====

Note 11 Risks

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village joined other governmental units and became a member of the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for member governmental units. The Village pays an annual premium to IMLRMA for its general insurance coverage.

IMLRMA is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$7,000,000 for each insured event.

For the insured programs there have been no significant reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current year or prior three years.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 12 Other Required Individual Fund Disclosures (Continued)

- A. Individual fund interfund loans. As of April 30, 2017 the General Fund owes \$7,706 to the Nonmajor Governmental Funds (\$7,706 to the T.I.F. Fund). The amount payable to the T.I.F. Fund is due to T.I.F. property tax levies having been deposited in the General Fund, which exceeded the amounts spent and later transferred to the T.I.F. Fund for the restricted purposes, on a cumulative basis. As of April 30, 2017, the MFT fund owes \$35,000 to the General Fund. This loan was made to pay for approved MFT expenditures exceeding MFT revenues and fund balances available to pay such expenditures. As of April 30, 2017, the B & I Project and Repayment Fund owes \$38,716 to the General Fund. This loan was made to pay for repairs to the Village's infrastructure. Additionally, as of April 30, 2017, the General Fund owes the Water Fund \$2,729. This loan resulted from the General Fund and Water Fund sharing a common checking account, which allowed the General Fund's portion of the account to run a negative balance. The Village does not have a formal plan to repay these interfund balances.
- B. Interfund transfers. The General Fund transferred \$3,600 to the B & I Project and Repayment Fund during the year ended April 30, 2017. The transfer was made to allocate certain utility franchise fees to be used by the B & I Project and Repayment Fund.

Note 13 Related Party Transactions

The Village purchases products and services from businesses owned by the brother and sister of the Village President during the normal course of business. These purchases are approved by the Board and are not material.

Note 14 Civic Center

The Village received the donation of the Cerro Gordo Community Ambulance Services building valued at \$148,000 on March 24, 2014. The building is now being operated by the Village as the Cerro Gordo Civic Center to promote community and recreational events.

Note 15 T.I.F. District

The Village's T.I.F. District was set up to encourage economic development within the Village limits. The T.I.F. Fund receives the property tax levies and pays out direct development costs. As of April 30, 2017 the Village has one agreement in place to pay 75% of property taxes received on property within the T.I.F. 1 District. Future remaining payments under this T.I.F. reimbursement agreement are capped at \$21,150 and are limited to actual reimbursable costs. The agreement will expire with the T.I.F. District in fiscal year 2030.

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
 April 30, 2017
 (Continued)

Note 16 Commitments and Contingencies

On October 9, 2017, the Village began work on a water main extension project. This project is estimated to cost \$1,200,000. The Village acquired a loan from United States Department of Agriculture Rural Development on September 14, 2017 for \$790,000. The Village plans to pay all project costs exceeding the loan proceeds through the Water Fund.

The Village and a previous contractor are in dispute regarding a previous construction project. The Village intends to contest any litigation that may result from this dispute. As of the date of issuance of these financial statements, neither the likelihood of an adverse judgment against the Village nor an estimate of any potential contingent liability as a result of an adverse judgment is known.

Note 17 Prior Period Adjustment

The Village changed its classification of certain disbursements for engineering costs expended during the fiscal year ended April 30, 2016. This resulted in the reclassification of items previously expended to Work in Progress (WIP) related to the water main extension project. This change also identified an amount due between the Governmental Activities/General Fund and the Business-type Activities/Water and Sewer Fund. Consequently, the beginning of year net positions/fund balance of the Governmental Activities, Business-type Activities, General Fund and Water and Sewer Fund have been restated as follows:

	As of April 30, 2016 Ending Net Position -----	Change in Amount Due from Water Fund -----	Change in Water Main Project WIP -----	Restated As of May 1, 2016 Beginning Net Position -----
Governmental Activities	\$ 1,256,048	\$ 9,791		\$1,265,839
Business-type Activities/ Water & Sewer Fund	\$ 2,602,408	\$ (9,791)	\$ 22,489	\$2,615,106
General Fund	\$ 177,412	\$ 9,791		\$ 187,203

VILLAGE OF CERRO GORDO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

(Continued)

Note 18 Health Insurance Reimbursement Program

During the fiscal year ended April 30, 2017, the Village adopted its Health Insurance Reimbursement Program allowing employees to receive tax free reimbursement for amounts paid as premiums for individually owned health insurance expenses that meet the definition of medical care. This program is accounted for as part of the Village's General Fund, and \$3,250 of the General Funds' fund balance was committed for future health insurance expense reimbursements. Additionally, the Water and Sewer Fund reimburses the General Fund for its portion of the health care expenses.

SUPPLEMENTARY INFORMATION

VILLAGE OF CERRO GORDO, ILLINOIS

SCHEDULE OF EXPENDITURES DISBURSED

MODIFIED CASH BASIS

GENERAL FUND

Year Ended April 30, 2017

Administration

Salaries and Wages-Administration	\$ 31,750
Employer Social Security and Medicare	10,507
Employer IMRF Contribution	28,569
Maintenance	11,942
Rent	1,045
Telephone Service	2,315
Utilities - Building	11,151
Printing and Publications	726
Office Supplies	4,411
Dues and Subscriptions	1,912
Scout Hall	1,070
Donations	6,250
Professional Fees	52,177
Computer and Internet Service	720
Liability Insurance	17,308
Audit	3,017
Unemployment Insurance	514
Postage	553
Economic Development	2,361
Total Administration	<u>188,298</u>

Police Department

Salaries and Wages	68,462
Group Insurance	15,319
Maintenance and Repairs -	
Equipment and Vehicle	2,514
Telephone	2,812
Dues and Subscriptions	345
Animal Control	151
Office Supplies	3,684

(Continued on Next Page)

VILLAGE OF CERRO GORDO, ILLINOIS
 SCHEDULE OF EXPENDITURES DISBURSED
 MODIFIED CASH BASIS
 GENERAL FUND
 Year Ended April 30, 2017
 (Continued)

Police Department (Continued)	
Gasoline and Oil	2,848
Equipment	678
	<hr/>
Total Police Department	96,813
	<hr/>
Public Works	
Salaries and Wages	25,289
Group Insurance	16,220
Telephone	1,101
Maintenance and Repairs -	
Building	704
Operating and Equipment	4,279
Utilities - Buildings	7,360
Street Lighting	7,477
Tree Trimming	3,300
Operating Supplies	3,163
Gasoline and Oil	2,017
Clothing Allowance	504
Sidewalks	10,000
Drainage	29,574
Garbage Stickers	2,423
	<hr/>
Total Public Works	113,411
	<hr/>
Parks and Recreation	
Salaries and Wages	2,995
Park Maintenance & Supplies	15,479
Civic Center	3,796
	<hr/>
Total Parks and Recreation	22,270
	<hr/>
Capital Outlay	-
	<hr/>
Total Expenditures Disbursed	\$ 420,792

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
 AGGREGATE REMAINING NON-MAJOR FUNDS
 MODIFIED CASH BASIS
 April 30, 2017

	Business District Fund	Stormwater Management Fund	T.I.F. Fund	D.U.I. Fund	Vehicle Fund	Total Non- Major Funds
Cash in Bank	\$ 145,499	\$ 32,815	\$ 109,186	\$ 711	\$ 1,428	\$ 289,639
Due from General Fund	-	-	7,706	-	-	7,706
TOTAL ASSETS	<u>\$ 145,499</u>	<u>\$ 32,815</u>	<u>\$ 116,892</u>	<u>\$ 711</u>	<u>\$ 1,428</u>	<u>\$ 297,345</u>
LIABILITIES AND FUND BALANCES						
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances	<u>145,499</u>	<u>32,815</u>	<u>116,892</u>	<u>711</u>	<u>1,428</u>	<u>297,345</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 145,499</u>	<u>\$ 32,815</u>	<u>\$ 116,892</u>	<u>\$ 711</u>	<u>\$ 1,428</u>	<u>\$ 297,345</u>

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
 AGGREGATE REMAINING NON-MAJOR FUNDS
 MODIFIED CASH BASIS

Year Ended April 30, 2017

	Business District Fund	Stormwater Management Fund	T.I.F. Fund	D.U.I. Fund	Vehicle Fund	Total Non- Major Funds
Revenues Received						
Property Taxes	\$ -	\$ -	\$ 46,288	\$ -	\$ -	\$ 46,288
Business District Sales Tax	39,455	-	-	-	-	39,455
Stormwater Utility Fees	-	26,309	-	-	-	26,309
Other	-	-	-	-	4	4
Total Revenues Received	39,455	26,309	46,288	-	4	112,056
Expenditures Disbursed						
Current	-	-	-	-	-	-
Administration	-	-	10,453	-	-	10,453
T.I.F.	-	-	10,453	-	-	10,453
Total Expenditures Disbursed	-	-	10,453	-	-	10,453
Excess (Deficiency) of Revenues Received Over (Under)	39,455	26,309	35,835	-	4	101,603
Expenditures Disbursed	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	-	-	-
T.I.F. Capital Outlay Reimbursement	-	-	-	-	-	-
Net Change in Fund Balances	39,455	26,309	35,835	-	4	101,603
Fund Balances, May 1	106,044	6,506	81,057	711	1,424	195,742
Fund Balances, April 30	\$ 145,499	\$ 32,815	\$ 116,892	\$ 711	\$ 1,428	\$ 297,345

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION
MODIFIED CASH BASIS
WATER AND SEWER FUND

April 30, 2017

<u>ASSETS</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Water Main Extension Fund</u>	<u>Total</u>
Current Assets				
Cash	\$ 639,626	\$ 346,233	\$ -	985,859
Cash-Meter Deposits	8,193	-	-	8,193
Due From Water Main Project	25,207	-	-	25,207
Due from General Fund	95,055	-	-	95,055
Certificates of Deposit- Meter Deposits	48,869	-	-	48,869
Total Current Assets	816,950	346,233	-	1,163,183
Property and Equipment				
Land	-	30,135	-	30,135
Water System	2,082,107	-	-	2,082,107
Sewer System	-	2,339,598	-	2,339,598
Water Main Project Work in Progress	-	-	117,533	117,533
Total Property and Equipment	2,082,107	2,339,598	117,533	4,539,238
Less: Accumulated Depreciation	(1,179,160)	(1,759,201)	-	(2,938,361)
Net Property and Equipment	902,947	580,397	117,533	1,600,877
Total Assets	\$ 1,719,897	\$ 956,765	\$ 117,533	2,794,195
<u>LIABILITIES AND NET POSITION</u>				
Current Liabilities				
Meter Deposits	\$ 30,795	\$ -	\$ -	30,795
Due to General Fund	-	-	92,326	92,326
Due to Water Fund	-	-	25,207	25,207
Net Position	1,689,102	956,765	-	2,645,867
Total Liabilities and Net Position	\$ 1,719,897	\$ 956,765	\$ 117,533	2,794,195

Note: for purposes of reconciling this schedule to the Statement of Fund Net Position - Proprietary Funds - Modified Cash Basis - Water and Sewer Fund, the following current assets and liabilities are combined to show a net balance due from the General Fund: Due from Water Main Project, Due from General Fund Due to General Fund, and Due to Water Fund.

VILLAGE OF CERRO GORDO, ILLINOIS

COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENSES AND CHANGES IN FUND NET POSITION
MODIFIED CASH BASIS
WATER AND SEWER FUND

For the Year Ended April 30, 2017

	Water Fund	Sewer Fund	Water Main Extension Fund	Total
Operating Revenues				
Charges for Services - Water	\$ 241,868	\$ -	\$ -	\$ 241,868
Charges for Services - Sewer	-	114,408	-	114,408
Total Operating Revenues	241,868	114,408	-	356,276
Operating Expenses				
Personal Services				
Salaries and Wages	\$ 39,708	\$ 45,499	\$ -	\$ 85,207
Payroll Taxes	3,038	3,481	-	6,519
IMRF	-	237	-	237
Group Health Insurance	15,127	-	-	15,127
Professional Fees	7,433	3,017	-	10,450
Total Personal Services	65,306	52,234	-	117,540
Maintenance, Operations and Contractual Services				
Chemicals	12,327	87	-	12,414
Postage	1,358	1,361	-	2,719
Telephone Service	787	441	-	1,228
Maintenance, Repairs and Supplies -				
Water and Sewer System, Salt and Softener Supplies	18,484	13,352	-	31,836
Equipment Maintenance and Repair	6,247	1,266	-	7,513
Small Equipment	4,725	9,310	-	14,035
Travel and Seminar	83	-	-	83
Liability Insurance	5,769	5,769	-	11,538
Utilities	22,553	5,240	-	27,793
Depreciation	42,887	49,337	-	92,224
Total Maintenance, Operations and Contractual Services	115,220	86,163	-	201,383
Materials and Supplies				
Office Supplies	2,286	924	-	3,210
Gasoline and Oil	2,017	2,150	-	4,167
Clothing Allowance	350	-	-	350
Total Materials and Supplies	4,653	3,074	-	7,727
Total Operating Expenses	185,179	141,471	-	326,650
Operating Income (Loss)	56,689	(27,063)	-	29,626
Non-Operating Revenues (Expenses)				
Interest Income	820	315	-	1,135
Total Non-Operating Revenues (Expenses)	820	315	-	1,135
Change in Net Position	57,509	(26,748)	-	30,761
Total Net Position, May 1 (As Restated)	1,631,593	983,513		2,615,106
Total Net Position, April 30	\$ 1,689,102	\$ 956,765	\$ -	\$ 2,645,867

OTHER INFORMATION (UNAUDITED)

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)
 COMPARISON OF APPROPRIATIONS AND EXPENDITURES
 GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For the Year Ended April 30, 2017

	<u>Appropriations Ordinance</u>	<u>Expenditures</u>	<u>Unexpended Balance</u>
General Fund			
Current			
Administration	\$ 349,041	\$ 188,298	\$ 160,743
Police Department	163,978	96,813	67,165
Public Works	139,188	113,411	25,777
Parks and Recreation	13,351	22,270	(8,919)
Capital Outlay	<u>318,780</u>	<u>-</u>	<u>318,780</u>
Total General Fund	<u>984,338</u>	<u>420,792</u>	<u>563,546</u>
Special Revenue Funds			
Motor Fuel Tax Fund	111,704	12,648	99,056
B & I Project & Repayment Fund	-	109,266	(109,266)
Business District Fund	-	-	-
Stormwater Management Fund	-	-	-
T.I.F. Fund	-	10,453	(10,453)
D.U.I. Fund	-	-	-
Vehicle Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	\$ <u>1,096,042</u>	\$ <u>553,159</u>	\$ <u>542,883</u>

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)

IMRF REGULAR PLAN

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET

PENSION LIABILITY AND RELATED RATIOS

LAST TEN CALENDAR YEARS

(SCHEDULE TO BE BUILT PROSPECTIVELY)

	2016	2015
Total Pension Liability:		
Service Cost	\$ 21,632	\$ 20,387
Interest on the Total Pension Liability	78,663	74,413
Benefit Changes	-	-
Difference between Expected and Actual Experience	24,350	20,428
Assumption Changes	(26,670)	2,389
Benefit Payments and Refunds	(59,215)	(54,931)
Net Change in Total Pension Liability	38,760	62,686
Total Pension Liability at Beginning of Year	1,099,321	1,036,635
Total Pension Liability at End of Year	\$ 1,138,081	\$ 1,099,321
Plan Fiduciary Net Position:		
Employer Contributions	\$ 31,449	\$ 29,999
Employee Contributions	7,243	7,068
Pension Plan Net Investment Income	55,966	3,844
Benefit Payments and Refunds	(59,215)	(54,931)
Other	6,749	42,479
Net Change in Plan Fiduciary Net Position	42,192	28,459
Plan Fiduciary Net Position at Beginning of Year	806,263	777,804
Plan Fiduciary Net Position at End of Year	\$ 848,455	\$ 806,263
Net Pension Liability at End of Year	\$ 289,626	\$ 293,058
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.55%	73.34%
Covered Valuation Payroll	\$ 160,948	\$ 157,062
Net Pension Liability as a Percentage of Covered Valuation Payroll	179.95%	186.59%

VILLAGE OF CERRO GORDO, ILLINOIS
OTHER INFORMATION (UNAUDITED)
IMRF REGULAR PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY)

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 31,449	\$ 31,449	\$ -	\$ 160,948	19.54%
2015	\$ 29,999	\$ 29,999	\$ -	\$ 157,062	19.10%

NOTES TO IMRF REGULAR PLAN SCHEDULES

Valuation Date: 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 Rates*:

Actuarial Cost Method: Aggregate entry age normal
 Amortization Method: Level percentage of payroll, closed
 Remaining Amortization Period: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period)
 Asset Valuation Method: 5-year smoothed market; 20% corridor
 Wage Growth: 3.50%
 Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.
 Salary Increases: 3.75% to 14.50%, including inflation
 Investment Rate of Return: 7.50%
 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 to 2013.
 Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with 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 adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

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

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)
TAX RATES, EXTENSIONS AND COLLECTIONS
TAX LEVY YEARS 2016, 2015, 2014 AND 2013

	Tax Levy Years			
	2016	2015	2014	2013
Assessed Valuation				
Piatt County	\$ 11,124,736	\$ 11,134,952	\$ 11,219,734	\$ 11,177,601
Tax Rates:				
General Corporate Fund	0.25000	0.24927	0.23560	0.20850
Police	0.15000	0.15000	0.15000	0.15000
IMRF	0.25170	0.25147	0.24957	0.25050
Social Security	0.04495	0.04491	0.04457	0.04480
Street Lighting	0.05000	0.05000	0.05000	0.05000
Audit	0.02697	0.02695	0.02674	0.02690
Unemployment Insurance	0.00000	0.00000	0.00000	0.00000
Insurance	0.11804	0.07239	0.07184	0.07220
Recreation	0.00000	0.00765	0.00000	0.00000
	0.89166	0.85264	0.82832	0.80290
Tax Extensions:				
General Corporate Fund	\$ 27,812	\$ 27,756	\$ 26,434	\$ 23,305
Police	16,687	16,702	16,830	16,766
IMRF	28,001	28,001	28,001	28,000
Social Security	5,001	5,001	5,001	5,008
Street Lighting	5,562	5,567	5,610	5,589
Audit	3,000	3,001	3,000	3,007
Unemployment Insurance	0	0	0	0
Insurance	13,132	8,061	8,060	8,070
Recreation	0	852	0	0
	\$ 99,195	\$ 94,941	\$ 92,935	\$ 89,745
Collections:				
General Corporate Fund		\$ 27,754	\$ 26,297	\$ 23,543
Police		16,685	16,743	16,766
IMRF		27,972	27,857	28,000
Social Security		4,996	4,975	5,008
Street Lighting		5,562	5,581	5,589
Audit		2,998	2,985	3,007
Unemployment Insurance		0	0	0
Insurance		8,052	8,019	8,070
Playground and Recreation		851	0	0
Subtotal		94,870	92,457	89,983
Road and Bridge		29,391	30,097	30,308
Total		\$ 124,261	\$ 122,554	\$ 120,291
Tax Increment Financing District (T.I.F.):				
Assessed Valuation	\$ 591,371	\$ 551,450	\$ 529,492	\$ 527,648
Tax Extensions	\$ 48,672	\$ 46,292	\$ 43,746	\$ 43,783
Collections		\$ 46,288	\$ 43,877	\$ 42,114

VILLAGE OF CERRO GORDO, ILLINOIS

OTHER INFORMATION (UNAUDITED)
VILLAGE OFFICIALS AND TRUSTEES

April 30, 2017

President:	Brad Williams
Clerk:	Tina McCarty
Treasurer:	Stacy Henderson
Trustees:	Tim Allen
	Dick Seitz
	Mike Martin
	Mike Gross
	Terry Marvin
	Jeff Powers