

**VILLAGE OF ASHLAND, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED APRIL 30, 2016**

Village of Ashland, Illinois  
Annual Financial Report  
For the Year Ended April 30, 2016

Table of Contents

|   | <u>Page</u>      |
|---|------------------|
| List of Principal Officials   | 1                |
| Independent Auditor's Report on the Financial Statements  | 2-4              |
| <b>BASIC FINANCIAL STATEMENTS:</b>  |                  |
|   | <u>Statement</u> |
| <i>Government-Wide Financial Statements:</i>  |                  |
| Statement of Net Position – (Cash Basis – Governmental Activities)  | 1 5              |
| Statement of Activities – (Cash Basis – Governmental Activities)  | 2 6              |
| <i>Fund Financial Statements:</i>   |                  |
| Balance Sheet – Cash Basis – Governmental Funds   | 3 7              |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Cash Basis – Governmental Funds                   | 4 8              |
| Statement of Net Position – Proprietary Funds   | 5 9              |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds                                      | 6 10             |
| Statement of Cash Flows – Proprietary Funds   | 7 11             |
| Statement of Fiduciary Net Position   | 8 12             |
| Statement of Changes in Fiduciary Net Position  | 9 13             |
| Notes to the Basic Financial Statements   | 14-32            |
| <b>SUPPLEMENTARY AND OTHER INFORMATION:</b>   |                  |
|   | <u>Schedule</u>  |
| Budgetary Comparison Schedules – Cash Basis – General Fund  | 1 33-35          |
| Budgetary Comparison Schedules – Cash Basis – Major Governmental Fund – Motor Fuel Tax Fund                           | 2 36             |
| Notes to Supplementary Information – Budgetary Comparison Schedules   | 37               |
| Combining Balance Sheet – Cash Basis – Nonmajor Governmental Funds  | 3 38             |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Cash Basis – Nonmajor Governmental Funds | 4 39             |
| Statements of Revenues and Expenses – Waterworks Utility  | 5 40             |
| Statements of Revenues and Expenses – Sewerage Utility  | 6 41             |
| Schedule of Assessed Valuations, Rates, Extensions and Collections  | 7 42             |
| Schedule of Legal Debt Margin   | 8 43             |

Village of Ashland, Illinois  
**LIST OF PRINCIPAL OFFICIALS**  
For the Year Ended April 30, 2016

**PRESIDENT AND BOARD OF TRUSTEES**

President: Terry Blakeman

Trustees: Nathan Grieme  
Frank Wallace  
Kelly Sutphin-Gutmann  
Fadra Birdsell  
Greg Pettit  
Brian Rennecker

**VILLAGE CLERK/TREASURER**

Village Clerk: Angela Scheer

Deputy Village Clerk: Kitty Mau

Village Treasurer: Phyllis Sutphin

**PUBLIC WORKS DIRECTOR**

Director: Kevin Hinderliter

**CHIEF OF POLICE**

Chief of Police: Jim Birdsell

# Estes, Bridgewater & Ogden

LORI K. MILOSEVICH, C.P.A., C.F.E.  
TERRI L. PHELPS, C.P.A.  
JAMES C. LEGG, C.P.A.

RICHARD W. OGDEN, C.P.A.  
RICHARD L. GRAFTON, C.P.A.  
ROY A. BALLINGER, C.P.A., M.B.A.  
MICHAEL A. FAFOGLIA, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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Springfield, Illinois 62704  
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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

ILLINOIS CPA SOCIETY

TEXAS SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the President  
And Trustees  
Village of Ashland, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village of Ashland, 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 cash basis of accounting described in Note 1; this includes determining that the 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 the 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 Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village of Ashland, Illinois as of April 30, 2016, and the respective changes in cash basis financial position, and, when applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Village of Ashland, Illinois' basic financial statements. The introductory section, budgetary comparison information, combining and individual nonmajor fund financial statements, statements of cash revenues and expenses for utilities, and schedules of assessed valuations, rates, extensions and legal debt margin are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The introductory section and schedules of assessed valuations, rates, extensions and legal debt margin have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on such information.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Ashland, Illinois' basic financial statements for the year ended April 30, 2015, which are not presented with the accompanying financial statements and we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Ashland, Illinois' basic financial statements as a whole. The Budgetary Comparison Schedules for the General Fund and Motor Fuel Tax Fund and the Statements of Revenues and Expenses for the Waterworks Utility and Sewerage Utility related to the financial statements for the year ended April 30, 2015, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 Budgetary Comparison Schedules for the General Fund and Motor Fuel Tax Fund and the Statements of Revenues and Expenses for the Waterworks Utility and Sewerage Utility are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

*Estes, Bridgewater & Padden*

Certified Public Accountants  
Springfield, Illinois

September 23, 2016

Village of Ashland, Illinois  
**STATEMENT OF NET POSITION**  
**(CASH BASIS – GOVERNMENTAL ACTIVITIES)**  
April 30, 2016

Statement 1

|  | <u>Governmental<br/>Activities</u> | <u>Business-<br/>Type<br/>Activities</u> | <u>Total</u>           |
|--|------------------------------------|--|------------------------|
| <b>ASSETS</b>  |                                    |  |                        |
| Cash and cash equivalents.....                       | \$ 293,056                         | \$ 191,115                               | \$ 484,171             |
| Certificates of deposit.....                         | 156,113                            | -  | 156,113                |
| Restricted cash and cash equivalents .....           | -                                  | 111,195                                  | 111,195                |
| Restricted investments.....                          | -                                  | 38,152                                   | 38,152                 |
| Accounts receivable .....                            | -                                  | 57,013                                   | 57,013                 |
| Interfund balances .....                             | ( 6,060)                           | 6,060                                    | -                      |
| Capital assets, net of accumulated depreciation..... | <u>-</u>                           | <u>2,156,954</u>                         | <u>2,156,954</u>       |
| <br>Total assets .....                               | <br><u>443,109</u>                 | <br><u>2,560,489</u>                     | <br><u>3,003,598</u>   |
| <b>LIABILITIES</b>                                   |                                    |  |                        |
| Accounts payable .....                               | -                                  | 10,604                                   | 10,604                 |
| Customer deposits payable.....                       | -                                  | 32,956                                   | 32,956                 |
| Non-current liabilities:                             |                                    |  |                        |
| Due within one year.....                             | -                                  | 52,469                                   | 52,469                 |
| Due in more than one year.....                       | <u>-</u>                           | <u>587,287</u>                           | <u>587,287</u>         |
| <br>Total liabilities .....                          | <br><u>-</u>                       | <br><u>683,316</u>                       | <br><u>683,316</u>     |
| <b>NET POSITION</b>                                  |                                    |  |                        |
| Net investment in capital assets.....                | -                                  | 1,517,198                                | 1,517,198              |
| Restricted for:                                      |                                    |  |                        |
| Special projects.....                                | 249,294                            | -  | 249,294                |
| Debt service .....                                   | -                                  | 149,347                                  | 149,347                |
| Unrestricted .....                                   | <u>193,815</u>                     | <u>210,628</u>                           | <u>404,443</u>         |
| <br>Total net position.....                          | <br><u>\$ 443,109</u>              | <br><u>\$1,877,173</u>                   | <br><u>\$2,320,282</u> |

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

Village of Ashland, Illinois  
**STATEMENT OF ACTIVITIES**  
**(CASH BASIS – GOVERNMENTAL ACTIVITIES)**  
 For the Year Ended April 30, 2016

|                                      | Program Revenues     |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                     |
|--------------------------------------|----------------------|----------------------------------|---|--------------------------|---------------------|
|                                      | Charges for Services | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total               |
| <b>FUNCTIONS/PROGRAMS</b>            |                      |                                  |   |                          |                     |
| <b>Primary Government:</b>           |                      |                                  |   |                          |                     |
| Governmental activities:             |                      |                                  |   |                          |                     |
| General government.....              | \$ 7,213             | \$ -                             | (\$ 151,846)                                      | \$ -                     | (\$ 151,846)        |
| Public safety.....                   | 25,348               | -                                | ( 196,507)  | -                        | ( 196,507)          |
| Street & public works.....           | -                    | -                                | ( 97,138)   | -                        | ( 97,138)           |
| Health and welfare.....              | -                    | -                                | ( 19,702)   | -                        | ( 19,702)           |
| Total governmental activities.....   | <u>32,561</u>        | <u>-</u>                         | <u>( 465,193)</u>                                 | <u>-</u>                 | <u>( 465,193)</u>   |
| Business-type activities:            |                      |                                  |   |                          |                     |
| Water works utility.....             | 434,133              | -                                | -   | 13,156                   | 13,156              |
| Sewer utility.....                   | <u>148,779</u>       | <u>-</u>                         | <u>-</u>  | <u>( 111,422)</u>        | <u>( 111,422)</u>   |
| Total business-type activities.....  | <u>582,912</u>       | <u>-</u>                         | <u>-</u>  | <u>( 98,266)</u>         | <u>( 98,266)</u>    |
| <b>Total Primary Government.....</b> | <b>\$ 615,473</b>    | <b>\$ -</b>                      | <b>( 465,193)</b>                                 | <b>( 98,266)</b>         | <b>( 563,459)</b>   |
| <b>General revenues:</b>             |                      |                                  |   |                          |                     |
| Income and use taxes.....            |                      |                                  | 174,231   | -                        | 174,231             |
| Sales taxes.....                     |                      |                                  | 53,408  | -                        | 53,408              |
| Property taxes.....                  |                      |                                  | 109,066   | -                        | 109,066             |
| Motor fuel tax.....                  |                      |                                  | 34,163  | -                        | 34,163              |
| Other taxes.....                     |                      |                                  | 53,424  | -                        | 53,424              |
| Board of managers distribution.....  |                      |                                  | 6,853   | -                        | 6,853               |
| Interest income.....                 |                      |                                  | 1,218   | 500                      | 1,718               |
| Miscellaneous.....                   |                      |                                  | 52,955  | -                        | 52,955              |
| Insurance payout.....                |                      |                                  | -   | 5,674                    | 5,674               |
| Total general revenues.....          |                      |                                  | <u>485,318</u>                                    | <u>6,174</u>             | <u>491,492</u>      |
| Change in net position.....          |                      |                                  | 20,125  | ( 92,092)                | ( 71,967)           |
| Net Position - Beginning.....        |                      |                                  | 422,984   | 1,969,265                | 2,392,249           |
| Net Position - Ending.....           |                      |                                  | <u>\$ 443,109</u>                                 | <u>\$ 1,877,173</u>      | <u>\$ 2,320,282</u> |

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



Village of Ashland, Illinois  
**BALANCE SHEET – CASH BASIS**  
**GOVERNMENTAL FUNDS**  
 April 30, 2016

Statement 3

|   | General<br>Fund         | Motor Fuel<br>Tax Fund  | Other<br>Governmental<br>Fund | Total<br>Governmental<br>Funds |
|---|-------------------------|-------------------------|-------------------------------|--------------------------------|
| <b>ASSETS</b>   |                         |                         |                               |                                |
| Cash and cash equivalents.....                          | \$164,479               | \$ 41,243               | \$ 87,334                     | \$293,056                      |
| Certificates of deposit.....                            | 10,000                  | 40,000                  | 106,113                       | 156,113                        |
| Due from other funds .....                              | <u>19,336</u>           | -                       | <u>2,331</u>                  | <u>21,667</u>                  |
| <b>TOTAL ASSETS.....</b>                                | <b><u>\$193,815</u></b> | <b><u>\$ 81,243</u></b> | <b><u>\$195,778</u></b>       | <b><u>\$470,836</u></b>        |
| <b>LIABILITIES AND FUND BALANCES</b>                    |                         |                         |                               |                                |
| Liabilities:  |                         |                         |                               |                                |
| Due to other funds .....                                | \$ -                    | \$ -                    | \$ 27,727                     | \$ 27,727                      |
| Fund Balances:  |                         |                         |                               |                                |
| Restricted for special projects.....                    | -                       | 81,243                  | 168,051                       | 249,294                        |
| Unassigned.....   | <u>193,815</u>          | -                       | -                             | <u>193,815</u>                 |
| <b>Total Fund Balances .....</b>                        | <b><u>193,815</u></b>   | <b><u>81,243</u></b>    | <b><u>168,051</u></b>         | <b><u>443,109</u></b>          |
| <b>TOTAL LIABILITIES AND<br/>    FUND BALANCES.....</b> | <b><u>\$193,815</u></b> | <b><u>\$ 81,243</u></b> | <b><u>\$195,778</u></b>       | <b><u>\$470,836</u></b>        |

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

Village of Ashland, Illinois  
**STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES – CASH BASIS  
 GOVERNMENTAL FUNDS**  
 For the Year Ended April 30, 2016

Statement 4

|   | General<br>Fund             | Motor Fuel<br>Tax Fund      | Other<br>Governmental<br>Fund | Total<br>Governmental<br>Funds |
|---|-----------------------------|-----------------------------|-------------------------------|--------------------------------|
| <b>REVENUES:</b>  |                             |                             |                               |                                |
| Taxes.....  | \$335,619                   | \$ -                        | \$ 54,510                     | \$390,129                      |
| Intergovernmental taxes .....   | -                           | 34,163                      | -                             | 34,163                         |
| Charges for services.....   | 2,453                       | -                           | 22,630                        | 25,083                         |
| Fines and forfeitures .....   | 2,718                       | -                           | -                             | 2,718                          |
| Licenses and permits .....  | 4,760                       | -                           | -                             | 4,760                          |
| Miscellaneous .....   | 655                         | -                           | 52,300                        | 52,955                         |
| Interest income .....   | <u>288</u>                  | <u>143</u>                  | <u>787</u>                    | <u>1,218</u>                   |
| <br>Total revenues.....   | <br><u>346,493</u>          | <br><u>34,306</u>           | <br><u>130,227</u>            | <br><u>511,026</u>             |
| <b>EXPENDITURES:</b>  |                             |                             |                               |                                |
| Current operating:  |                             |                             |                               |                                |
| General Government.....   | 121,095                     | -                           | 37,964                        | 159,059                        |
| Public Safety:  |                             |                             |                               |                                |
| Police.....   | 73,051                      | -                           | -                             | 73,051                         |
| Fire Department .....   | -                           | -                           | 148,804                       | 148,804                        |
| Streets and Public Works:   |                             |                             |                               |                                |
| Streets.....  | 72,572                      | 12,818                      | 11,748                        | 97,138                         |
| Health and welfare.....   | <u>-</u>                    | <u>-</u>                    | <u>19,702</u>                 | <u>19,702</u>                  |
| <br>Total expenditures.....   | <br><u>266,718</u>          | <br><u>12,818</u>           | <br><u>218,218</u>            | <br><u>497,754</u>             |
| <br>EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES BEFORE<br>OTHER FINANCING SOURCES (USES) ..... | <br><u>79,775</u>           | <br><u>21,488</u>           | <br>( <u>87,991</u> )         | <br><u>13,272</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                             |                             |                               |                                |
| Transfers in .....  | -                           | -                           | 17,050                        | 17,050                         |
| Transfers (out) .....   | ( 17,050 )                  | -                           | -                             | ( 17,050 )                     |
| Board of managers distribution .....  | <u>-</u>                    | <u>-</u>                    | <u>6,853</u>                  | <u>6,853</u>                   |
| <br>Total other financing sources (uses).....   | <br>( <u>17,050</u> )       | <br><u>-</u>                | <br><u>23,903</u>             | <br><u>6,853</u>               |
| <br><b>NET CHANGES IN FUND BALANCES.....</b>  | <br><b><u>62,725</u></b>    | <br><b><u>21,488</u></b>    | <br><b>( <u>64,088</u> )</b>  | <br><b><u>20,125</u></b>       |
| <br>FUND BALANCES – BEGINNING .....   | <br><u>131,090</u>          | <br><u>59,755</u>           | <br><u>232,139</u>            | <br><u>422,984</u>             |
| <br>FUND BALANCES – ENDING .....  | <br><b><u>\$193,815</u></b> | <br><b><u>\$ 81,243</u></b> | <br><b><u>\$168,051</u></b>   | <br><b><u>\$443,109</u></b>    |

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

Village of Ashland, Illinois  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
April 30, 2016

Statement 5

|  | Business-type Activities |                     |                    |
|--|--------------------------|---------------------|--------------------|
|  | Waterworks<br>Utility    | Sewerage<br>Utility | Total              |
| <b>ASSETS</b>  |                          |                     |                    |
| Current assets:                                      |                          |                     |                    |
| Cash and cash equivalents .....                      | \$ 68,731                | \$ 122,384          | \$ 191,115         |
| Accounts receivable.....                             | 41,930                   | 15,083              | 57,013             |
| Due from other funds.....                            | 3,333                    | 2,727               | 6,060              |
| Total current assets .....                           | <u>113,994</u>           | <u>140,194</u>      | <u>254,188</u>     |
| Noncurrent assets:                                   |                          |                     |                    |
| Restricted cash and cash equivalents.....            | 110,934                  | 261                 | 111,195            |
| Restricted investments.....                          | 38,152                   | -                   | 38,152             |
| Capital assets, net of accumulated depreciation..... | 1,632,426                | 524,528             | 2,156,954          |
| Total noncurrent assets .....                        | <u>1,781,512</u>         | <u>524,789</u>      | <u>2,306,301</u>   |
| Total assets.....                                    | <u>1,895,506</u>         | <u>664,983</u>      | <u>2,560,489</u>   |
| <b>LIABILITIES</b>                                   |                          |                     |                    |
| Current Liabilities:                                 |                          |                     |                    |
| Accounts payable.....                                | 3,305                    | 7,299               | 10,604             |
| Customer deposits payable.....                       | 32,956                   | -                   | 32,956             |
| Note payable – Pickup Truck, current portion .....   | 2,509                    | 1,673               | 4,182              |
| Note payable – IEPA, current portion.....            | 30,438                   | -                   | 30,438             |
| Note payable – Sewer Repairs, current portion.....   | -                        | 17,849              | 17,849             |
| Total current liabilities.....                       | <u>69,208</u>            | <u>26,821</u>       | <u>96,029</u>      |
| Long-term liabilities:                               |                          |                     |                    |
| Note payable – Pickup Truck .....                    | 6,915                    | 4,610               | 11,525             |
| Note payable – IEPA .....                            | 410,907                  | -                   | 410,907            |
| Note payable – Sewer Repairs.....                    | -                        | 164,855             | 164,855            |
| Total long-term liabilities .....                    | <u>417,822</u>           | <u>169,465</u>      | <u>587,287</u>     |
| Total liabilities .....                              | <u>487,030</u>           | <u>196,286</u>      | <u>683,316</u>     |
| <b>NET POSITION</b>                                  |                          |                     |                    |
| Net investment in capital assets.....                | 1,181,657                | 335,541             | 1,517,198          |
| Restricted for:                                      |                          |                     |                    |
| Debt Service .....                                   | 149,086                  | 261                 | 149,347            |
| Unrestricted .....                                   | 77,733                   | 132,895             | 210,628            |
| Total net position.....                              | <u>\$1,408,476</u>       | <u>\$ 468,697</u>   | <u>\$1,877,173</u> |

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

Village of Ashland, Illinois  
**STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 PROPRIETARY FUNDS**  
 For the Year Ended April 30, 2016

Statement 6

|  | Business-type Activities  |                          |                           |
|--|---------------------------|--------------------------|---------------------------|
|  | Waterworks<br>Utility     | Sewerage<br>Utility      | Total                     |
| <b>OPERATING REVENUES:</b>                   |                           |                          |                           |
| Metered water/sewer sales.....               | \$ 431,992                | \$ 148,691               | \$ 580,683                |
| Miscellaneous income .....                   | <u>2,141</u>              | <u>88</u>                | <u>2,229</u>              |
| Total operating revenues.....                | <u>434,133</u>            | <u>148,779</u>           | <u>582,912</u>            |
| <b>OPERATING EXPENSES:</b>                   |                           |                          |                           |
| Salaries, taxes and benefits.....            | 54,251                    | 45,882                   | 100,133                   |
| Water purchases.....                         | 98,727                    | -                        | 98,727                    |
| Pro rata capacity service costs.....         | 144,452                   | -                        | 144,452                   |
| Materials and supplies .....                 | 7,049                     | 8,947                    | 15,996                    |
| Depreciation.....                            | 74,175                    | 55,755                   | 129,930                   |
| Insurance.....                               | 13,383                    | 13,383                   | 26,766                    |
| Repairs and maintenance.....                 | 16,292                    | 95,831                   | 112,123                   |
| Rent.....                                    | -                         | 100                      | 100                       |
| Professional fees/contractual services ..... | 4,743                     | 5,000                    | 9,743                     |
| IEPA testing fees .....                      | 1,906                     | 1,312                    | 3,218                     |
| Utilities.....                               | 4,733                     | 26,958                   | 31,691                    |
| Miscellaneous .....                          | <u>1,078</u>              | <u>758</u>               | <u>1,836</u>              |
| Total operating expenses .....               | <u>420,789</u>            | <u>253,926</u>           | <u>674,715</u>            |
| Operating gain (loss).....                   | <u>13,344</u>             | ( <u>105,147</u> )       | ( <u>91,803</u> )         |
| <b>NONOPERATING REVENUES (EXPENSES):</b>     |                           |                          |                           |
| Interest income .....                        | 306                       | 194                      | 500                       |
| Interest (expense).....                      | ( 188 )                   | ( 6,275 )                | ( 6,463 )                 |
| Insurance payout.....                        | <u>5,674</u>              | <u>-</u>                 | <u>5,674</u>              |
| Total nonoperating revenues (expenses) ..... | <u>5,792</u>              | ( <u>6,081</u> )         | ( <u>289</u> )            |
| <b>NET CHANGE IN NET POSITION .....</b>      | <b>19,136</b>             | <b>( 111,228 )</b>       | <b>( 92,092 )</b>         |
| NET POSITION – BEGINNING .....               | <u>1,389,340</u>          | <u>579,925</u>           | <u>1,969,265</u>          |
| <b>NET POSITION – ENDING.....</b>            | <b><u>\$1,408,476</u></b> | <b><u>\$ 468,697</u></b> | <b><u>\$1,877,173</u></b> |

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

Village of Ashland, Illinois  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended April 30, 2016

Statement 7

|  | Business-type Activities |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
|  | Waterworks<br>Utility    | Sewerage<br>Utility      | Total                    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                          |                          |                          |
| Receipts from customers and users .....  | \$ 431,014               | \$ 147,975               | \$ 578,989               |
| Payments for goods and services.....   | ( 287,250)               | ( 147,362)               | ( 434,612)               |
| Payments on behalf of employees for services .....                                     | ( 57,584)                | ( 48,609)                | ( 106,193)               |
| Other receipts.....  | <u>2,141</u>             | <u>88</u>                | <u>2,229</u>             |
| Net cash provided by (used for) operating activities.....                              | <u>88,321</u>            | ( <u>47,908</u> )        | <u>40,413</u>            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                 |                          |                          |                          |
| Insurance payout.....  | <u>5,674</u>             | <u>-</u>                 | <u>5,674</u>             |
| <b>CASH FLOW CAPITAL AND RELATED FINANCING ACTIVITIES</b>                              |                          |                          |                          |
| Purchase of capital assets, net.....   | ( 571)                   | ( 16,284)                | ( 16,855)                |
| Principal paid on notes .....  | ( 32,904)                | ( 18,940)                | ( 51,844)                |
| Interest paid on notes.....  | ( 188)                   | ( 6,275)                 | ( 6,463)                 |
| Proceeds from notes .....  | <u>-</u>                 | <u>200,000</u>           | <u>200,000</u>           |
| Net cash provided by (used for) capital and related<br>financing activities .....      | ( <u>33,663</u> )        | <u>158,501</u>           | <u>124,838</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                          |                          |                          |
| Interest received.....   | <u>306</u>               | <u>194</u>               | <u>500</u>               |
| <b>NET INCREASE (DECREASE) CASH AND<br/>CASH EQUIVALENTS .....</b>                     | <b>60,638</b>            | <b>110,787</b>           | <b>171,425</b>           |
| CASH AND CASH EQUIVALENTS – BEGINNING.....   | <u>119,027</u>           | <u>11,858</u>            | <u>130,885</u>           |
| <b>CASH AND CASH EQUIVALENTS - ENDING .....</b>  | <b><u>\$ 179,665</u></b> | <b><u>\$ 122,645</u></b> | <b><u>\$ 302,310</u></b> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b> |                          |                          |                          |
| Operating income (loss) .....  | \$ 13,344                | (\$ 105,147)             | (\$ 91,803)              |
| Adjustment to reconcile operating income (loss) to cash<br>from operating activities:  |                          |                          |                          |
| Depreciation.....  | 74,175                   | 55,755                   | 129,930                  |
| Changes in assets and liabilities:   |                          |                          |                          |
| (Increase) decrease in investments .....   | ( 48)                    | -                        | ( 48)                    |
| (Increase) decrease in accounts receivable.....  | ( 978)                   | ( 716)                   | ( 1,694)                 |
| (Increase) decrease in due from other funds.....                                       | ( 3,333)                 | ( 2,727)                 | ( 6,060)                 |
| Increase (decrease) in accounts payable .....  | 616                      | 4,927                    | 5,543                    |
| Increase (decrease) in customer meter deposits.....                                    | <u>4,545</u>             | <u>-</u>                 | <u>4,545</u>             |
| Net cash provided by (used for) operating activities.....                              | <u>\$ 88,321</u>         | ( <u>\$ 47,908</u> )     | <u>\$ 40,413</u>         |

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

Village of Ashland, Illinois  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
 April 30, 2016

Statement 8

|  | <u>Private Purpose<br/>Trust Fund<br/>Cemetery</u> | <u>Agency<br/>Fund<br/>Payroll</u> | <u>Total</u>            |
|--|--|------------------------------------|-------------------------|
| <u>Assets</u>                                  |  |                                    |                         |
| Cash and cash equivalents.....                 | \$ 28,864  | \$ 6,029                           | \$ 34,893               |
| Certificates of deposit.....                   | <u>46,307</u>                                      | <u>-</u>                           | <u>46,307</u>           |
| <b>TOTAL ASSETS.....</b>                       | <b><u>\$ 75,171</u></b>                            | <b><u>\$ 6,029</u></b>             | <b><u>\$ 81,200</u></b> |
| <br><u>Liabilities and Net Position</u>        |  |                                    |                         |
| <b>NET POSITION</b>                            |  |                                    |                         |
| Reserved .....                                 | \$ 75,171  | \$ 6,029                           | \$ 81,200               |
| <b>TOTAL LIABILITIES AND NET POSITION.....</b> | <b><u>\$ 75,171</u></b>                            | <b><u>\$ 6,029</u></b>             | <b><u>\$ 81,200</u></b> |

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

Village of Ashland, Illinois  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
April 30, 2016

Statement 9

|                                    | <u>Private Purpose<br/>Trust Fund<br/>Cemetery</u> | <u>Agency<br/>Fund<br/>Payroll</u> | <u>Total</u>            |
|------------------------------------|--|------------------------------------|-------------------------|
| <b>ADDITIONS</b>                   |  |                                    |                         |
| Lot sales .....                    | \$ 700   | \$ -                               | \$ 700                  |
| Interest income .....              | 865  | -                                  | 865                     |
| Payroll transfers .....            | <u>-</u>   | <u>233,079</u>                     | <u>233,079</u>          |
| Total additions .....              | <u>1,565</u>                                       | <u>233,079</u>                     | <u>234,644</u>          |
| <b>DEDUCTIONS</b>                  |  |                                    |                         |
| Payroll expenses .....             | -  | 235,231                            | 235,231                 |
| Fees and miscellaneous .....       | 496  | -                                  | 496                     |
| Transfers to other funds .....     | <u>3,439</u>                                       | <u>-</u>                           | <u>3,439</u>            |
| Total deductions .....             | <u>3,935</u>                                       | <u>235,231</u>                     | <u>239,166</u>          |
| <b>CHANGE IN NET POSITION.....</b> | <b>( 2,370)</b>                                    | <b>( 2,152)</b>                    | <b>( 4,522)</b>         |
| NET POSITION – BEGINNING .....     | <u>77,541</u>                                      | <u>8,181</u>                       | <u>85,722</u>           |
| <b>NET POSITION – ENDING.....</b>  | <b><u>\$ 75,171</u></b>                            | <b><u>\$ 6,029</u></b>             | <b><u>\$ 81,200</u></b> |

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

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Except for the use of the cash basis of accounting for governmental funds as discussed in Note 1C., the Village complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

**1A. FINANCIAL REPORTING ENTITY**

The Village's financial reporting entity is comprised of the following:

Primary Government: Village of Ashland

Component Units: None

In determining the financial reporting entity, the Village complies with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*.

**1B. BASIS OF PRESENTATION**

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity 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 parties 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 expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Village presently has three fiduciary funds. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. 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
- b. 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.



Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1B. BASIS OF PRESENTATION, (continued)**

The funds of the financial reporting entity are described below:

**GOVERNMENTAL FUNDS:**

General Fund

The General Fund is the primary operating fund of the Village and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**SPECIAL REVENUE FUNDS:**

Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes or designated to finance particular functions or activities of the Village. The reporting entity includes the following special revenue funds:

| <u>Fund</u>               | <u>Brief Description</u>  |
|---------------------------|---|
| Motor Fuel Tax Fund       | Accounts for revenues received and expenditures paid for street improvements and projects provided by the motor fuel taxes received from the State of Illinois.                       |
| Cemetery Fund             | Accounts for all cemetery revenues, which are legally restricted for cemetery use.  |
| Special Tax Fund          | Accounts for property taxes received which are legally restricted for the payment of social security and medicare taxes, audit fees and liability and workers compensation insurance. |
| Storm Sewer Fund          | Accounts for revenues received and expenditures paid for the improvement of the storm sewer system.   |
| Fire Prevention Fund      | Accounts for property taxes received which are legally restricted for fire prevention use.  |
| Volunteer Fire Department | Accounts for revenues received and expenditures paid for the services of the volunteer fire department.   |
| Flood Control Fund        | Accounts for revenues received and expenditures paid for flood control improvements.  |
| Memorial Fund             | Accounts for revenues received and expenditures paid for the memorials made to the Village.   |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**1B. BASIS OF PRESENTATION, (continued)**

**PROPRIETARY FUNDS:**

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

| <u>Fund</u>        | <u>Brief Description</u>   |
|--------------------|--|
| Waterworks Utility | Accounts for the activities of the Waterworks Utility in providing water services to the public. This fund is classified as a major fund.                |
| Sewer Utility Fund | Accounts for the activities of the Sewer Utility in providing wastewater and sanitation services to the public. This fund is classified as a major fund. |

**FIDUCIARY FUNDS: (NOT INCLUDED IN GOVERNMENT-WIDE STATEMENTS)**

Trust Funds and Agency Funds

Trust and Agency Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. An expendable trust fund is accounted for in essentially the same manner as a governmental fund.

| <u>Fund</u>                          | <u>Brief Description</u>  |
|--------------------------------------|---|
| Cemetery – Expendable Trust Fund     | Accounts for the general operations and upkeep of the cemetery.                                 |
| Cemetery – Non-Expendable Trust Fund | Accounts for the perpetual care of the cemetery.  |
| Payroll Fund                         | Accounts for payroll transfers from each fund and payments to employees for services and taxes. |

**MAJOR AND NON-MAJOR FUNDS:**

The funds are classified as major or non-major as follows:

| <u>Major Funds</u>  | <u>Non-Major Funds</u> |                           |
|---------------------|------------------------|---------------------------|
| General Fund        | Cemetery Fund          | Volunteer Fire Department |
| Motor Fuel Tax Fund | Special Tax Fund       | Flood Control Fund        |
| Waterworks Utility  | Storm Sewer Fund       | Memorial Fund             |
| Sewerage Utility    | Fire Prevention Fund   |                           |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “which” 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 and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. 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.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position and cash flows. All assets and liabilities (whether current or non-current, financial or non-financial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental activities are presented on the cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditure/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Business-like activities are presented on the accrual basis of accounting.

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 use the accrual basis. All government-wide financials would be presented on the accrual basis of accounting.

Accrual Basis – Revenue is recognized when earned, such as billing for water or sewer services, and expenses (including depreciation and amortization) would be recorded when the liability was incurred or economic asset used.

Modified Accrual Basis – Revenues would be recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1D. ASSETS, LIABILITIES AND EQUITY**

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Additional cash and investment disclosures are presented in Note 3A.

Investments

Investments classified in the financial statements consist of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates market. Additional cash and investment disclosures are presented in Note 3A.

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. In accordance with provisions of GASB 34, the City has elected not to report major general infrastructure assets.

*Governmental Funds:* Capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

*Proprietary Funds:* 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. Depreciation of capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000 is used to report capital assets. The range of useful estimated useful lives by type of asset is as follows:

- Buildings 40 years
- Improvements, other than buildings 20-40 years
- Machinery, furniture and equipment 3-7 years
- Utility property and improvements 10-40 years

Restricted Assets

Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are related to utility customer deposits and enterprise funds restricted for debt service.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1D. ASSETS, LIABILITIES AND EQUITY, (Continued)**

Long-Term Debt

All long-term debt arising from cash transactions to be repaid from business-type resources are reported as liabilities in the government-wide statements. Presently, the Village's long-term debt consists of notes payable and General Obligation Bonds.

Long-term debt arising from cash transactions for governmental funds is not reported as a liability in the government-wide statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

As a result of the use of the cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid leave and compensatory time along with related employer costs that would be due to employees upon termination is immaterial to the financial statement presentation.

Equity Classification

*Government-Wide Statements:*

Equity is classified as net assets and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets Net of accumulated depreciation and reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted net position – Consist of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the Villages' policy to first use restricted net position prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1D. ASSETS, LIABILITIES AND EQUITY, (Continued)**

*Fund Financial Statements:*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Village Board, President and Trustees through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Village Board. Assigned fund balances is a limitation imposed by a designee of the Village Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Proprietary fund net position are classified the same as in the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Village to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the city that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

**1E. REVENUES, EXPENDITURES AND EXPENSES**

Sales Tax

The Village presently receives a one percent sales tax on taxable sales within the Village. The sales tax is collected by the Illinois Department of revenue and remitted to the Village in the following months. The sales tax received is to be recorded as sales tax revenue within the General Fund.

Property Tax

Property tax is levied and becomes an enforceable lien each January 1st, on the assessed value listed as of the prior January 1<sup>st</sup> for all real and business personal property located in the Village. The Village Board of trustees determines the tax rate by approving a tax levy ordinance each year prior to January 1<sup>st</sup> based on the expected financial needs of the Village. Property tax rate increases are limited to a maximum 5% increase by state law each year. The Cass County Treasurer appraises property each year and bills and collects all taxes as they become due and payable. Property taxes are payable in two installments on June 1<sup>st</sup> and September 1<sup>st</sup> each year. The county remits the property tax revenue collected in monthly installments beginning in July each year. Village property tax revenues are recognized when received.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1E. REVENUES, EXPENDITURES AND EXPENSES, (Continued)**

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 has the following program revenues in each activity:

|                          |  |
|--------------------------|--|
| General Government       | Licenses and permits and charges for services.   |
| Public Safety            | Fines revenue, operating and capital grants from the State of Illinois and the US Department of Justice. |
| Public Works and Streets | Motor fuel tax shared by the State of Illinois.  |
| Cemetery                 | Grave opening/closing and marker fees.   |
| Culture and Recreation   | Specific donations and miscellaneous fees.   |

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

Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

|                                    |  |
|------------------------------------|--|
| Governmental Funds – By Character: | Current (further classified by activity) |
|                                    | Capital Outlay                           |

Proprietary Funds – By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the use of economic resources.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as inter-fund activity and balances in the fund financial statements have been eliminated or reclassified.

*Fund Financial Statements:*

Interfund activity, if any, within and among the government and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans (Due to/from other funds) – amounts provided with a requirement for repayment are as due to/from other funds.
2. Interfund services – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers as in and out.

*Government-Wide Financial Statements*

Interfund activity and balances, if any are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residua amounts due between governmental and business-type activities, which are reported as Internal balances.
2. Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as transfers – Internal Activities.



Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**1G. USE OF ESTIMATES**

The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the Village requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the Village is subject to various federal, state and local laws and contractual regulations. An analysis of the Village's compliance with significant laws, regulations, grants and contracts and demonstration of its stewardship over Village resources follows:

**2A. BUDGETS AND BUDGETARY ACCOUNTING**

In accordance with State laws, the Village Board annually adopts a budget on the cash basis following the required public notice and hearing for all funds.

- a. Prior to July 31<sup>st</sup>, the Village Board prepares a proposed operating budget for the fiscal year commencing the previous May 1<sup>st</sup>. The operating budget includes proposed expenditures/expenses and the means of financing them.
- b. The proposed budget is placed on file for 30 days before adoption.
- c. Prior to July 31<sup>st</sup>, the budget is legally adopted through passage of a resolution.
- d. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- e. Budgets for the General and Special Revenue Funds are prepared on the cash basis.

For the year ended April 30, 2016, the Village complied, in all material respects, with the applicable budget laws. There were no funds that expenditures exceeded appropriations.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**NOTE 3. DETAIL NOTES – TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

**3A. DEPOSITS AND INVESTMENTS**

Following is a reconciliation of deposits and investments as of April 30, 2016:

|   | <u>Primary<br/>Government</u> |
|---|-------------------------------|
| <b>Statement of Net Position:</b>         |                               |
| Cash and cash equivalents                 | \$504,635                     |
| Certificates of deposit                   | 156,113                       |
| Restricted cash and cash equivalents      | 111,195                       |
| Restricted investments                    | 38,152                        |
| <br>                                      |                               |
| <b>Statement of Fiduciary Net Assets:</b> |                               |
| Cash and cash equivalents                 | 34,893                        |
| Certificates of deposit                   | <u>46,307</u>                 |
| <br>                                      |                               |
| <b>Total</b>                              | <b><u>\$891,295</u></b>       |

Deposits with Financial Institutions:

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The government does not have a policy for custodial credit risk but to guard against credit risk for deposits with financial institutions in excess of federal depository insurance be collateralized with collateral held by the Village or third party or escrow agent of the pledging institution, evidenced by a written safekeeping agreement.

As of April 30, 2016, none of the Village's deposits with financial institutions of \$910,254 was exposed to custodial credit risk.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**3B. RESTRICTED ASSETS**

The amounts reported as restricted assets are comprised of amounts held by the Waterworks Utility for utility deposits (refunded upon termination of service or applied to final bill) and the reserve accounts for the Sewer Bonds as described in Note 2B. The restricted assets as of April 30, 2016 were as follows:

| <u>Type of Restricted Assets</u>           | <u>Business-Type Activities</u> |
|--|---------------------------------|
| Cash and Cash Equivalents:                 |                                 |
| Utility deposits – refundable              | \$ 24,129                       |
| EPA Fees & Water Tower                     | 66,781                          |
| Bond Reserve Accounts:                     |                                 |
| Waterworks - Bond reserve/depreciation     | 1,977                           |
| Sewer- Bond and interest                   | 261                             |
| IEPA                                       | <u>18,047</u>                   |
| Total restricted cash and cash equivalents | <u>\$111,195</u>                |
| Investments:                               |                                 |
| Waterworks – bond reserve/depreciation     | <u>\$ 38,152</u>                |

**3C. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2016 was as follows:

| Business-Type Activities:               | <u>April 30,</u><br><u>2015</u> | <u>Additions</u>      | <u>Deletions</u> | <u>April 30,</u><br><u>2016</u> |
|---|---------------------------------|-----------------------|------------------|---------------------------------|
| Land                                    | \$ 75,154                       | \$ -                  | \$ -             | \$ 75,154                       |
| Land improvements                       | 214,183                         | -                     | -                | 214,183                         |
| Waterworks plant and distribution lines | 2,161,279                       | -                     | -                | 2,161,279                       |
| Sewer plant and system                  | 2,369,063                       | 14,850                | -                | 2,383,913                       |
| Equipment                               | 122,132                         | 2,005                 | -                | 124,137                         |
| Water tower                             | <u>684,193</u>                  | <u>-</u>              | <u>-</u>         | <u>684,193</u>                  |
| Total assets                            | 5,626,004                       | 16,855                | -                | 5,642,859                       |
| Less: accumulated depreciation          | ( <u>3,355,975</u> )            | ( <u>129,930</u> )    | <u>-</u>         | ( <u>3,485,905</u> )            |
| Net assets                              | <u>\$2,270,029</u>              | ( <u>\$ 113,075</u> ) | <u>\$ -</u>      | <u>\$2,156,954</u>              |

Depreciation expense was charged to function as follows in the Statement of Activities:

|                            |                  |
|----------------------------|------------------|
| Business-Type Activities:  |                  |
| Waterworks utility         | \$ 74,175        |
| Sewerage utility           | <u>55,755</u>    |
| Total depreciation expense | <u>\$129,930</u> |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**3D. LONG-TERM DEBT**

**Governmental Funds – Bonds Payable**

Ordinance No. 2012-71, adopted June 13, 2012, authorized the issuance of \$165,000 General Obligation Debt Certificates Series 2012 for the purpose of financing the acquisition of certain real property and an easement.

Series 2012 – Bonds issued in the principal amount of \$165,000.

The Certificates shall bear interest at the rate of 3% per annum and are payable on August 1<sup>st</sup> of each year.

The annual debt service requirements to maturity, including principal and interest, for the years subsequent to April 30, 2016, are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|------------------------------|------------------|------------------|------------------|
| 2017                         | \$ 10,000        | \$ 3,107         | \$ 13,107        |
| 2018                         | 10,000           | 2,807            | 12,807           |
| 2019                         | 10,000           | 2,507            | 12,507           |
| 2020                         | 11,000           | 2,207            | 13,207           |
| 2021                         | 11,000           | 1,877            | 12,877           |
| 2021-2026                    | <u>51,562</u>    | <u>4,254</u>     | <u>55,816</u>    |
|                              | <u>\$103,562</u> | <u>\$ 16,759</u> | <u>\$120,321</u> |

**Governmental Funds – Note Payable – Police Vehicle:**

The Village obtained a note on August 15, 2013 from West Central Bank for the purchase of a 2013 Dodge Ram 1500 plus money to add lights and decals for police use. The note has an interest rate of 1.85% and is due on August 20, 2018.

|                              | <u>Balance<br/>April 30,<br/>2015</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance<br/>April 30,<br/>2016</u> |
|------------------------------|---------------------------------------|------------------|--------------------|---------------------------------------|
| General Fund – Public Safety | \$ <u>19,244</u>                      | \$ <u>-</u>      | (\$ <u>5,826</u> ) | \$ <u>13,418</u>                      |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**3D. LONG-TERM DEBT, (Continued)**

**Business-Type Activities:**

Note Payable – IEPA:

The Village has obtained funding from IEPA for construction of two water system capital projects. The amount of the note to be repaid is 75% of the funding provided by IEPA as of April 30, 2014. The loan is at a 0% fixed rate for a term of 20 years payments are to be made semi-annually beginning six months after completion of project. As of April 30, 2016, the Village has received \$774,254 of funding of which \$188,746 was forgiven and owes IEPA \$441,344.

|                                | <u>Balance</u><br><u>April 30,</u><br><u>2015</u> | <u>Additions</u>   | <u>Retirements</u>  | <u>Balance</u><br><u>April 30,</u><br><u>2016</u> |
|--------------------------------|---|--------------------|---------------------|---|
| Waterworks utility – IEPA Loan | \$ <u>471,782</u>                                 | \$ <u>      </u> - | (\$ <u>30,438</u> ) | \$ <u>441,344</u>                                 |

The annual debt service requirement to maturity, for the years subsequent to April 30, 2016, are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> |
|------------------------------|------------------|
| 2017                         | \$ 30,438        |
| 2018                         | 30,438           |
| 2019                         | 30,438           |
| 2020                         | 30,438           |
| 2021                         | 30,438           |
| 2022-2025                    | <u>289,154</u>   |
|                              | <u>\$441,344</u> |

Note Payable – Sewer Repairs

The Village obtained a loan from West Central Bank for various sewer repairs. The principal amount of the loan of \$200,000 is to be repaid in 120 equal installments of \$1945.66 a 3.15% interest rate beginning May 30, 2015 and ending on April 30, 2025.

|               | <u>Balance</u><br><u>April 30,</u><br><u>2015</u> | <u>Additions</u>  | <u>Retirements</u>  | <u>Balance</u><br><u>April 30,</u><br><u>2016</u> |
|---------------|---|-------------------|---------------------|---|
| Sewer Utility | \$ <u>      </u> -                                | \$ <u>200,000</u> | (\$ <u>17,296</u> ) | \$ <u>182,704</u>                                 |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**3D. LONG-TERM DEBT, (Continued)**

The annual debt service requirement to maturity including principal and interest, for the years subsequent to April 30, 2016, are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|------------------------------|------------------|------------------|------------------|
| 2017                         | \$ 17,849        | \$ 5,499         | \$ 23,348        |
| 2018                         | 18,419           | 4,929            | 23,348           |
| 2019                         | 19,008           | 4,340            | 23,348           |
| 2020                         | 19,616           | 3,732            | 23,348           |
| 2021                         | 20,243           | 3,105            | 23,348           |
| 2022-2025                    | <u>87,569</u>    | <u>5,823</u>     | <u>93,392</u>    |
|                              | <u>\$182,704</u> | <u>\$ 27,428</u> | <u>\$210,132</u> |

Note Payable – Water/Sewer Utility Pick-up Truck

The Village obtained a note on December 16, 2014 from West Central Bank for the purchase of a 2015 Ford F-350 Pick-up Truck. Payment for this loan is split between the General Fund, Waterworks Utility and Sewer Utility, 50%, 30% and 20%, respectively. The Waterworks and Sewer Utilities are on the accrual basis of accounting so the 30% and 20% are recognized as a liability. The note has an interest rate of 1.75% and is due on December 15, 2019.

|                       | <u>Balance<br/>April 30,<br/>2015</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance<br/>April 30,<br/>2016</u> |
|-----------------------|---------------------------------------|------------------|--------------------|---------------------------------------|
| Waterworks Utility    | \$ 11,890                             | \$ -             | (\$ 2,466)         | \$ 9,424                              |
| Sewer Utility         | 7,927                                 | -                | ( 1,644)           | 6,283                                 |
| General Fund – Street | <u>19,817</u>                         | -                | ( 4,110)           | <u>15,707</u>                         |
| Total                 | <u>\$ 39,634</u>                      | <u>\$ -</u>      | <u>(\$ 8,220)</u>  | <u>\$ 31,414</u>                      |

The annual debt service requirement to maturity including principal and interest, for the years subsequent to April 30, 2016, are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|------------------------------|------------------|-----------------|------------------|
| 2017                         | \$ 8,365         | \$ 483          | \$ 8,848         |
| 2018                         | 8,513            | 335             | 8,848            |
| 2019                         | 8,663            | 185             | 8,848            |
| 2020                         | <u>5,873</u>     | <u>39</u>       | <u>5,912</u>     |
|                              | <u>\$ 31,414</u> | <u>\$ 1,042</u> | <u>\$ 32,456</u> |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**3D. LONG-TERM DEBT, (Continued)**

The General Fund requirements are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|------------------------------|------------------|-----------------|------------------|
| 2017                         | \$ 4,183         | \$ 241          | \$ 4,424         |
| 2018                         | 4,256            | 168             | 4,424            |
| 2019                         | 4,331            | 93              | 4,424            |
| 2020                         | <u>2,937</u>     | <u>19</u>       | <u>2,956</u>     |
|                              | <u>\$ 15,707</u> | <u>\$ 521</u>   | <u>\$ 16,228</u> |

The Waterworks Utility requirements are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|------------------------------|------------------|-----------------|-----------------|
| 2017                         | \$ 2,509         | \$ 145          | \$ 2,654        |
| 2018                         | 2,554            | 100             | 2,654           |
| 2019                         | 2,599            | 55              | 2,654           |
| 2020                         | <u>1,762</u>     | <u>12</u>       | <u>1,774</u>    |
|                              | <u>\$ 9,424</u>  | <u>\$ 312</u>   | <u>\$ 9,736</u> |

The Sewer Utility requirements are as follows:

| <u>Year Ending April 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|------------------------------|------------------|-----------------|-----------------|
| 2017                         | \$ 1,673         | \$ 97           | \$ 1,770        |
| 2018                         | 1,702            | 68              | 1,770           |
| 2019                         | 1,733            | 37              | 1,770           |
| 2020                         | <u>1,175</u>     | <u>8</u>        | <u>1,183</u>    |
|                              | <u>\$ 6,283</u>  | <u>\$ 210</u>   | <u>\$ 6,493</u> |

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**3E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

*Interfund receivables and payables.* At April 30, 2016, there were three receivables and payables interfund balances to report. The balances related to reimbursements due to each fund for payroll taxes and insurance by the Special Tax Fund.

|                                   | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|-----------------------------------|----------------------------------|-------------------------------|
| General Fund:                     |                                  |                               |
| Nonmajor governmental funds ..... | \$ 19,336                        | \$ -                          |
| Nonmajor governmental funds:      |                                  |                               |
| General Fund .....                | -                                | 19,336                        |
| Waterworks utility .....          | -                                | 3,333                         |
| Sewer utility .....               | -                                | 2,727                         |
| Waterworks utility:               |                                  |                               |
| Nonmajor governmental funds ..... | 3,333                            | -                             |
| Sewer utility:                    |                                  |                               |
| Nonmajor governmental funds ..... | <u>2,727</u>                     | <u>-</u>                      |
|                                   | <u>\$ 25,396</u>                 | <u>\$ 25,396</u>              |

*Interfund transfers.* At April 30, 2016, interfund transfers were as follows:

|                                   | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------------|---------------------|----------------------|
| Primary Government                |                     |                      |
| Major funds:                      |                     |                      |
| General Fund .....                | \$ -                | \$ 17,050            |
| Nonmajor governmental funds ..... | <u>17,050</u>       | <u>-</u>             |
|                                   | <u>\$ 17,050</u>    | <u>\$ 17,050</u>     |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 April 30, 2016

**NOTE 4 – OTHER NOTES**

**4A. RISK MANAGEMENT**

The Village received its insurance coverage as a member of the Illinois Municipal League Risk Management Association and is a single policy in force for the period from December 31, 2015 to December 31, 2016.

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

The Village manages these various risks of loss as follows:

| <u>Type of Loss</u>                             | <u>Method Managed</u>          | <u>Risk of Loss Retained</u> |
|---|--------------------------------|------------------------------|
| a. Torts, errors and omissions, health and life | Purchased commercial insurance | None                         |
| b. Workers Compensation:<br>- Employee injuries | Purchased commercial insurance | None                         |
| c. Physical property loss and natural disasters | Purchased commercial insurance | None                         |

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**4B. PENSION AND RETIREMENT COMMITMENTS**

The Village set up a 403(b) Pension Plan with Equitable in 1996. The Village contributes \$50 a month per employee and will match an employees’ contribution up to an additional \$50. Total retirement contributions for 2016 was \$4,650.

Village employees are also covered under the Social Security system. The Village’s share of Social Security taxes was \$16,546. The Village has no future pension or retirement commitments for current year wages.

Village of Ashland, Illinois  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
April 30, 2016

**4C. JOINT VENTURES**

During fiscal year 2005, the Village entered into a wholesale water agreement with the Cass Rural Water District #1 whereby the Water District will supply water to the Village until August 22, 2045 and may be renewed or extended for such term, or terms as may be agreed upon. This will continue until the City of Virginia, Illinois completes the new well field, raw water mains, water treatment plant, water storage tank and all appurtenances thereto. The Village pays 24.8% of the costs of the Regional Water System Project by the City of Virginia. This was based on the Village's pro-rata share of these costs based upon their percentage of the projected average daily water usage for the design year 2030. This amount is \$144,453 annually.

The Water District is a municipal corporation established pursuant to the provisions of the Water Commission Act of the State of Illinois (65 ILCS 5/11-135-1 et. seq.) for the purpose of constructing and operating a water supply distribution system serving its customers.

During fiscal year 2009, the Village entered into a wholesale water agreement with the North Morgan Water Cooperative whereby the Water Cooperative will supply potable water to the Village until May 13, 2049 and thereafter may be renewed or extended for such term or terms and upon such conditions as may be agreed upon.

The Water Cooperative is a municipal corporation established pursuant to the provisions of the Water Commission Act of the State of Illinois (65 ILCS 5/11-135/1 et. seq.) for the purpose of constructing and operating a water supply distribution system serving its customers.

Village of Ashland, Illinois  
**BUDGETARY COMPARISON SCHEDULES – CASH BASIS**  
**GENERAL FUND**  
For the Years Ended April 30, 2016 and 2015

Schedule 1

|   | <u>Budgeted Amounts</u> | <u>2016</u>    | <u>2015</u>    |
|---|-------------------------|----------------|----------------|
|   | <u>Original/Final</u>   | <u>Actual</u>  | <u>Actual</u>  |
| <b>REVENUES:</b>                            |                         |                |                |
| Taxes:                                      |                         |                |                |
| Property taxes .....                        |                         | \$ 54,556      | \$ 54,465      |
| Income and use taxes.....                   |                         | 174,231        | 150,445        |
| Sales taxes.....                            |                         | 53,408         | 67,888         |
| Personal property taxes.....                |                         | 6,135          | 6,056          |
| Video gaming tax .....                      |                         | 4,763          | 2,227          |
| Utility taxes.....                          |                         | <u>42,526</u>  | <u>-</u>       |
| Total taxes.....                            |                         | <u>335,619</u> | <u>281,081</u> |
| Charges For Services:                       |                         |                |                |
| Rental.....                                 |                         | 335            | 2,200          |
| Sale of materials/labor .....               |                         | <u>2,118</u>   | <u>3,484</u>   |
| Total charges for services .....            |                         | <u>2,453</u>   | <u>5,684</u>   |
| Fines and Forfeitures:                      |                         |                |                |
| Traffic fines and ordinance violations..... |                         | <u>2,719</u>   | <u>2,992</u>   |
| Licenses and Permits .....                  |                         | <u>4,760</u>   | <u>3,873</u>   |
| Miscellaneous:                              |                         |                |                |
| Miscellaneous .....                         |                         | 655            | 4,983          |
| Donation .....                              |                         | <u>-</u>       | <u>1,420</u>   |
| Total Miscellaneous.....                    |                         | <u>655</u>     | <u>6,403</u>   |
| Interest Income .....                       |                         | <u>288</u>     | <u>192</u>     |
| Total Revenues .....                        |                         | <u>346,493</u> | <u>300,225</u> |

(continued)

Village of Ashland, Illinois  
**BUDGETARY COMPARISON SCHEDULES – CASH BASIS**  
**GENERAL FUND**  
For the Years Ended April 30, 2016 and 2015

Schedule 1

|  | <u>Budgeted Amounts</u> | <u>2016</u>    | <u>2015</u>    |
|--|-------------------------|----------------|----------------|
|  | <u>Original/Final</u>   | <u>Actual</u>  | <u>Actual</u>  |
| <b>EXPENDITURES:</b>                   |                         |                |                |
| Administration:                        |                         |                |                |
| Salaries.....                          | \$ 33,950               | \$ 25,186      | \$ 19,163      |
| Fringe benefits and payroll taxes..... | 3,850                   | 2,040          | 962            |
| Office supplies.....                   | 6,000                   | 2,745          | 1,163          |
| Repairs and maintenance.....           | 1,200                   | 4,002          | 1,377          |
| Equipment purchases.....               | 4,000                   | 610            | 608            |
| Insurance.....                         | 5,800                   | 6,163          | 20,000         |
| Utilities.....                         | 20,000                  | 16,873         | 13,546         |
| Trustees.....                          | 8,100                   | 3,625          | 4,875          |
| Dispatch fees.....                     | -                       | 1,902          | -              |
| Legal.....                             | 10,000                  | 13,008         | 9,468          |
| Mayor.....                             | 6,000                   | 6,000          | 6,000          |
| Printing.....                          | 2,000                   | 408            | 860            |
| Building maintenance.....              | 6,000                   | 216            | 4,158          |
| Park.....                              | 10,000                  | 3,161          | 3,075          |
| Miscellaneous.....                     | 10,000                  | 2,788          | 18,287         |
| Donations.....                         | -                       | -              | 250            |
| Supplies.....                          | -                       | 621            | -              |
| Unemployment.....                      | 2,700                   | -              | 1,108          |
| Postage.....                           | 5,000                   | 1,693          | 783            |
| Payroll preparation.....               | 3,000                   | 2,554          | 2,247          |
| TIF District.....                      | 10,000                  | 27,500         | -              |
| Animal control.....                    | <u>2,000</u>            | <u>-</u>       | <u>396</u>     |
| Total administration.....              | <u>149,600</u>          | <u>121,095</u> | <u>108,326</u> |
| Police Department:                     |                         |                |                |
| Salaries.....                          | 66,000                  | 46,182         | 49,967         |
| Fringe benefits and payroll taxes..... | 9,300                   | 4,997          | 4,300          |
| Supplies.....                          | 6,000                   | 4,303          | 4,109          |
| Repairs and maintenance.....           | 4,500                   | 1,591          | 282            |
| Equipment purchases.....               | 6,000                   | 471            | 862            |
| Insurance.....                         | 5,800                   | -              | -              |
| Miscellaneous.....                     | 3,500                   | 635            | 2,293          |
| Unemployment.....                      | 2,300                   | -              | 1,019          |
| Communications.....                    | 3,000                   | 1,302          | 2,239          |
| Dispatch fees.....                     | 6,000                   | 6,386          | 7,122          |
| Utilities.....                         | -                       | 1,034          | -              |
| Principal payments.....                | 6,200                   | 5,826          | 6,150          |
| Interest expense.....                  | <u>-</u>                | <u>324</u>     | <u>-</u>       |
| Total police.....                      | <u>118,600</u>          | <u>73,051</u>  | <u>78,343</u>  |

(continued)

Village of Ashland, Illinois  
**BUDGETARY COMPARISON SCHEDULES – CASH BASIS**  
**GENERAL FUND**  
For the Years Ended April 30, 2016 and 2015

Schedule 1

|  | <u>Budgeted Amounts</u> | <u>2016</u>             | <u>2015</u>             |
|--|-------------------------|-------------------------|-------------------------|
|  | <u>Original/Final</u>   | <u>Actual</u>           | <u>Actual</u>           |
| <b>EXPENDITURES, (Continued):</b>  |                         |                         |                         |
| Maintaining and Improvements of<br>Streets, Alleys and Sidewalks:            |                         |                         |                         |
| Salaries.....  | \$ 59,200               | \$ 26,842               | \$ 20,455               |
| Fringe benefits and payroll .....  | 8,800                   | 2,688                   | 1,060                   |
| Supplies.....  | 25,000                  | 3,581                   | 19,567                  |
| Repairs and maintenance .....  | 75,000                  | 13,130                  | 4,734                   |
| Equipment purchases.....   | 40,000                  | -                       | 1,158                   |
| Equipment repairs .....  | 12,000                  | -                       | -                       |
| Contract labor .....   | -                       | -                       | 400                     |
| Insurance.....   | 11,600                  | 5,492                   | -                       |
| Street lighting.....   | -                       | 113                     | 12,850                  |
| Sidewalk repairs.....  | 2,500                   | -                       | 620                     |
| Unemployment .....   | 1,600                   | -                       | 533                     |
| Miscellaneous .....  | -                       | 177                     | 430                     |
| Utilities.....   | 18,000                  | 16,126                  | -                       |
| Dump truck expense .....   | -                       | -                       | 3,235                   |
| Principal payments.....  | 3,000                   | 3,844                   | 1,475                   |
| Interest expense.....  | -                       | 580                     | -                       |
|  | <u>256,700</u>          | <u>72,572</u>           | <u>66,517</u>           |
| Total maintaining and improvements<br>of streets, alleys and sidewalks ..... |                         |                         |                         |
| Other Financing Sources:   |                         |                         |                         |
| Transfer to other funds .....  | -                       | 17,050                  | 18,600                  |
| Contingency.....   | <u>120,000</u>          | -                       | -                       |
| Total other financing sources.....   | <u>120,000</u>          | <u>17,050</u>           | <u>18,600</u>           |
| Total Expenditures.....  | <u>\$644,900</u>        | <u>283,769</u>          | <u>271,786</u>          |
| <b>NET CHANGE IN FUND BALANCE .....</b>                                      |                         | 62,725                  | 28,439                  |
| FUND BALANCES - BEGINNING.....   |                         | <u>131,090</u>          | <u>102,651</u>          |
| <b>FUND BALANCE - ENDING .....</b>   |                         | <u><b>\$193,815</b></u> | <u><b>\$131,090</b></u> |

Village of Ashland, Illinois  
**BUDGETARY COMPARISON SCHEDULES – CASH BASIS**  
**MAJOR GOVERNMENTAL FUND**  
**MOTOR FUEL TAX FUND**  
For the Years Ended April 30, 2016 and 2015

Schedule 2

|   | <u>Budgeted Amounts</u><br><u>Original/Final</u> | <u>2016</u><br><u>Actual</u> | <u>2015</u><br><u>Actual</u> |
|---|--|------------------------------|------------------------------|
| <b>REVENUES:</b>                        |  |                              |                              |
| Intergovernmental revenue:              |  |                              |                              |
| Motor fuel taxes .....                  |  | \$ 34,163                    | \$ 43,845                    |
| Interest income .....                   |  | <u>143</u>                   | <u>134</u>                   |
| Total Revenues .....                    |  | <u>34,306</u>                | <u>43,979</u>                |
| <b>EXPENDITURES:</b>                    |  |                              |                              |
| Professional fees .....                 | \$ 5,000   | 1,800                        | 3,000                        |
| Materials and supplies .....            | <u>83,000</u>                                    | <u>11,018</u>                | <u>41,587</u>                |
| Total Expenditures .....                | <u>\$ 88,000</u>                                 | <u>12,818</u>                | <u>44,587</u>                |
| <b>NET CHANGE IN FUND BALANCE .....</b> |  | <b>21,488</b>                | <b>( 608)</b>                |
| FUND BALANCES - BEGINNING .....         |  | <u>59,755</u>                | <u>60,363</u>                |
| <b>FUND BALANCE - ENDING .....</b>      |  | <b><u>\$ 81,243</u></b>      | <b><u>\$ 59,755</u></b>      |

Village of Ashland, Illinois  
**NOTES TO THE SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
For the Years Ended April 30, 2016 and 2015

Budgetary Accounting

The Village prepares its budget for the General Fund on the cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the General Fund and the Special Revenue Funds in the basic financial statements. All unexpended appropriations lapse at year-end.

Revenues were not included in the appropriation ordinance adopted and therefore not presented in the budgetary comparison schedules.

Village of Ashland, Illinois  
**COMBINING BALANCE SHEET – CASH BASIS**  
**NONMAJOR GOVERNMENTAL FUND**  
 For the Year Ended April 30, 2016

|  | Special Revenue Funds |                        |                        |                            |                                 |                          | Total<br>Nonmajor<br>Governmental<br>Funds |                   |
|--|-----------------------|------------------------|------------------------|----------------------------|---------------------------------|--------------------------|--|-------------------|
|  | Cemetery<br>Fund      | Special<br>Tax<br>Fund | Storm<br>Sewer<br>Fund | Fire<br>Prevention<br>Fund | Volunteer<br>Fire<br>Department | Flood<br>Control<br>Fund |  | Memorial<br>Fund  |
| <b>ASSETS</b>  |                       |                        |                        |                            |                                 |                          |  |                   |
| Cash and cash equivalents.....                       | \$ -                  | \$ 32,944              | \$ 2,723               | \$ 17,986                  | \$ 27,588                       | \$ 25,252                | \$ 1,305                                   | \$ 107,798        |
| Certificates of deposit.....                         | 15,000                | -                      | 20,000                 | -                          | 71,113                          | -                        | -  | 106,113           |
| Due from other funds .....                           | -                     | -                      | -                      | 2,331                      | -                               | -                        | -  | 2,331             |
| <b>TOTAL ASSETS.....</b>                             | <b>\$ 15,000</b>      | <b>\$ 32,944</b>       | <b>\$ 22,723</b>       | <b>\$ 20,317</b>           | <b>\$ 98,701</b>                | <b>\$ 25,252</b>         | <b>\$ 1,305</b>                            | <b>\$ 216,242</b> |
| <b>LIABILITIES</b>                                   |                       |                        |                        |                            |                                 |                          |  |                   |
| Cash.....  | \$ 20,464             | -                      | \$ -                   | \$ -                       | \$ -                            | \$ -                     | \$ -                                       | \$ 20,464         |
| Due from other funds .....                           | -                     | 27,727                 | -                      | -                          | -                               | -                        | -  | 27,727            |
| Total liabilities.....                               | 20,464                | 27,727                 | -                      | -                          | -                               | -                        | -  | 48,191            |
| <b>FUND BALANCES</b>                                 |                       |                        |                        |                            |                                 |                          |  |                   |
| Restricted for special projects .....                | ( 5,464)              | 5,217                  | 22,723                 | 20,317                     | 98,701                          | 25,252                   | 1,305                                      | 168,051           |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES .....</b> | <b>\$ 15,000</b>      | <b>\$ 32,944</b>       | <b>\$ 22,723</b>       | <b>\$ 20,317</b>           | <b>\$ 98,701</b>                | <b>\$ 25,252</b>         | <b>\$ 1,305</b>                            | <b>\$ 216,242</b> |



Village of Ashland, Illinois

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2016

|   | Special Revenue Funds |                        |                        |                            |                                 |                          | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------|------------------------|------------------------|----------------------------|---------------------------------|--------------------------|--|
|   | Cemetery<br>Fund      | Special<br>Tax<br>Fund | Storm<br>Sewer<br>Fund | Fire<br>Prevention<br>Fund | Volunteer<br>Fire<br>Department | Flood<br>Control<br>Fund |  |
| <b>REVENUES:</b>  |                       |                        |                        |                            |                                 |                          |  |
| Property taxes.....   | \$ -                  | \$ 36,490              | \$ -                   | \$ 18,020                  | \$ -                            | \$ -                     | \$ 54,510                                  |
| Charges for services.....   | -                     | -                      | -                      | -                          | 22,630                          | -                        | 22,630                                     |
| Donations.....  | -                     | -                      | -                      | -                          | 47,729                          | -                        | 47,729                                     |
| Interest income.....  | -                     | 38                     | 58                     | -                          | 660                             | 30                       | 787  |
| Miscellaneous.....  | 298                   | -                      | -                      | -                          | 4,273                           | -                        | 4,571                                      |
| Total Revenues.....   | <u>298</u>            | <u>36,528</u>          | <u>58</u>              | <u>18,020</u>              | <u>75,292</u>                   | <u>30</u>                | <u>130,227</u>                             |
| <b>EXPENDITURES:</b>  |                       |                        |                        |                            |                                 |                          |  |
| Current:  |                       |                        |                        |                            |                                 |                          |  |
| General government.....   | -                     | 37,964                 | -                      | -                          | -                               | -                        | 37,964                                     |
| Public safety.....  | -                     | -                      | -                      | 9,536                      | 139,268                         | -                        | 148,804                                    |
| Public works/streets.....   | -                     | -                      | 497                    | -                          | -                               | 11,251                   | 11,748                                     |
| Cemetery.....   | 19,702                | -                      | -                      | -                          | -                               | -                        | 19,702                                     |
| Total Expenditures.....   | <u>19,702</u>         | <u>37,964</u>          | <u>497</u>             | <u>9,536</u>               | <u>139,268</u>                  | <u>11,251</u>            | <u>218,218</u>                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES.....</b> | ( 19,404)             | ( 1,436)               | ( 439)                 | 8,484                      | ( 63,976)                       | ( 11,221)                | ( 87,991)                                  |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                       |                        |                        |                            |                                 |                          |  |
| Transfers in.....   | -                     | -                      | 2,750                  | -                          | -                               | 14,300                   | 17,050                                     |
| Board of managers distribution.....                               | 6,853                 | -                      | -                      | -                          | -                               | -                        | 6,853                                      |
| Total Other Financing Sources (Uses).....                         | <u>6,853</u>          | <u>-</u>               | <u>2,750</u>           | <u>-</u>                   | <u>-</u>                        | <u>14,300</u>            | <u>23,903</u>                              |
| <b>NET CHANGE IN FUND BALANCES.....</b>                           | ( 12,551)             | ( 1,436)               | 2,311                  | 8,484                      | ( 63,976)                       | 3,079                    | ( 64,088)                                  |
| <b>FUND BALANCES – BEGINNING.....</b>                             | <u>7,087</u>          | <u>6,653</u>           | <u>20,412</u>          | <u>11,833</u>              | <u>162,677</u>                  | <u>22,173</u>            | <u>232,139</u>                             |
| <b>FUND BALANCES – ENDING.....</b>                                | <u>(\$ 5,464)</u>     | <u>\$ 5,217</u>        | <u>\$ 22,723</u>       | <u>\$ 20,317</u>           | <u>\$ 98,701</u>                | <u>\$ 25,252</u>         | <u>\$168,051</u>                           |

Village of Ashland, Illinois  
**STATEMENTS OF REVENUES AND EXPENSES**  
**WATERWORKS UTILITY**  
For the Years Ended April 30, 2016 and 2015

Schedule 5

|  | <u>Actual</u><br><u>2016</u> | <u>Actual</u><br><u>2015</u> |
|--|------------------------------|------------------------------|
| <b>OPERATING REVENUES:</b>                   |                              |                              |
| Metered water sales .....                    | \$431,992                    | \$441,867                    |
| IEPA collections .....                       | <u>2,141</u>                 | <u>308</u>                   |
| Total operating revenues .....               | <u>434,133</u>               | <u>442,175</u>               |
| <b>OPERATING EXPENSES:</b>                   |                              |                              |
| Salaries, taxes and benefits .....           | 54,251                       | 62,620                       |
| Water purchases .....                        | 98,727                       | 94,510                       |
| Pro rata capacity service costs .....        | 144,452                      | 144,453                      |
| Materials and supplies .....                 | 7,049                        | 18,700                       |
| Depreciation .....                           | 74,175                       | 72,651                       |
| Insurance .....                              | 13,383                       | 14,831                       |
| Repairs and maintenance .....                | 16,292                       | 8,107                        |
| Rent .....                                   | -                            | 1,200                        |
| Professional fees/contractual services ..... | 4,743                        | -                            |
| IEPA testing fees .....                      | 1,906                        | 2,035                        |
| Utilities .....                              | 4,733                        | 6,315                        |
| Miscellaneous .....                          | <u>1,078</u>                 | <u>1,959</u>                 |
| Total operating expenses .....               | <u>420,789</u>               | <u>427,381</u>               |
| Operating gain .....                         | <u>13,344</u>                | <u>14,794</u>                |
| <b>NONOPERATING REVENUES (EXPENSES):</b>     |                              |                              |
| Interest income .....                        | 306                          | 346                          |
| Interest (expense) .....                     | ( 188)                       | ( 6,589)                     |
| Transfer (to)/from other funds .....         | -                            | 21,757                       |
| Insurance payout .....                       | <u>5,674</u>                 | <u>-</u>                     |
| Total nonoperating revenues (expenses) ..... | <u>5,792</u>                 | <u>15,514</u>                |
| <b>NET INCOME</b> .....                      | <b><u>\$ 19,136</u></b>      | <b><u>\$ 30,308</u></b>      |

Village of Ashland, Illinois  
**STATEMENTS OF REVENUES AND EXPENSES**  
**SEWERAGE UTILITY**  
For the Years Ended April 30, 2016 and 2015

Schedule 6

|  | <u>Actual</u><br><u>2016</u> | <u>Actual</u><br><u>2015</u> |
|--|------------------------------|------------------------------|
| <b>OPERATING REVENUES:</b>                   |                              |                              |
| Sewer sales.....                             | \$148,691                    | \$141,902                    |
| Miscellaneous income .....                   | <u>88</u>                    | <u>3,584</u>                 |
| Total operating revenues .....               | <u>148,779</u>               | <u>145,486</u>               |
| <b>OPERATING EXPENSES:</b>                   |                              |                              |
| Salaries, taxes and benefits .....           | 45,882                       | 52,252                       |
| Materials and supplies .....                 | 8,947                        | 16,468                       |
| Depreciation.....                            | 55,755                       | 54,136                       |
| Repairs and maintenance .....                | 95,831                       | 21,043                       |
| Rent.....                                    | 100                          | 1,200                        |
| Professional fees/contractual services ..... | 5,000                        | 6,813                        |
| Utilities.....                               | 26,958                       | 27,861                       |
| Testing.....                                 | 1,312                        | -                            |
| Miscellaneous .....                          | 758                          | 370                          |
| Insurance .....                              | <u>13,383</u>                | <u>11,295</u>                |
| Total operating expenses .....               | <u>253,926</u>               | <u>191,438</u>               |
| Operating (loss) .....                       | ( <u>105,147</u> )           | ( <u>45,952</u> )            |
| <b>NONOPERATING REVENUES (EXPENSES):</b>     |                              |                              |
| Interest income.....                         | 194                          | 621                          |
| Interest (expense).....                      | ( 6,275 )                    | ( 7,117 )                    |
| Transfers (to)/from other funds .....        | <u>-</u>                     | ( <u>19,957</u> )            |
| Total nonoperating (expenses) .....          | ( <u>6,081</u> )             | ( <u>26,453</u> )            |
| <b>NET (LOSS).....</b>                       | <b>( <u>\$111,228</u> )</b>  | <b>( <u>\$ 72,405</u> )</b>  |

Village of Ashland, Illinois  
**ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS**  
 Tax Years 2015, 2014 and 2013

Schedule 7

|   | 2015                       | 2014                       | 2013                       |
|---|----------------------------|----------------------------|----------------------------|
| <b>ASSESSED VALUATION.....</b>                | <b><u>\$13,066,750</u></b> | <b><u>\$13,237,590</u></b> | <b><u>\$13,029,695</u></b> |
| <b>TAX RATES</b>                              |                            |                            |                            |
| Corporate.....                                | .30600                     | .29462                     | .30172                     |
| Fire protection.....                          | .13011                     | .13598                     | .13579                     |
| Liability insurance .....                     | .07653                     | .05288                     | .05036                     |
| Workmen's Compensation .....                  | .06123                     | .05628                     | .05609                     |
| Social Security .....                         | .07653                     | .11332                     | .10103                     |
| Audit.....                                    | <u>.06123</u>              | <u>.05288</u>              | <u>.05215</u>              |
|   | <b><u>.71163</u></b>       | <b><u>.70596</u></b>       | <b><u>.69714</u></b>       |
| <b>TAX EXTENSIONS</b>                         |                            |                            |                            |
| Corporate.....                                | \$ 39,984                  | \$ 39,001                  | \$ 39,313                  |
| Fire protection.....                          | 17,001                     | 18,000                     | 17,693                     |
| Liability insurance .....                     | 10,000                     | 7,000                      | 6,563                      |
| Workmen's Compensation .....                  | 8,001                      | 7,450                      | 7,308                      |
| Social Security .....                         | 10,000                     | 15,001                     | 13,163                     |
| Audit.....                                    | <u>8,001</u>               | <u>7,000</u>               | <u>6,795</u>               |
|   | <b><u>\$ 92,987</u></b>    | <b><u>\$ 93,452</u></b>    | <b><u>\$ 90,835</u></b>    |
| <b>TAX COLLECTIONS</b>                        |                            |                            |                            |
| Corporate.....                                |                            | \$ 39,042                  | \$ 39,472                  |
| Fire protection.....                          |                            | 18,020                     | 17,764                     |
| Liability insurance .....                     |                            | 7,146                      | 6,549                      |
| Workmen's Compensation .....                  |                            | 7,423                      | 7,498                      |
| Social Security .....                         |                            | 14,946                     | 13,137                     |
| Audit.....                                    |                            | <u>6,974</u>               | <u>6,781</u>               |
|   |                            | <b><u>\$ 93,551</u></b>    | <b><u>\$ 91,201</u></b>    |
| <b>VILLAGE SHARE OF ROAD AND BRIDGE .....</b> |                            | <b><u>\$ 15,515</u></b>    | <b><u>\$ 14,993</u></b>    |

Village of Ashland, Illinois  
**SCHEDULE OF LEGAL DEBT MARGIN**  
April 30, 2016

Schedule 8

|   |                            |
|---|----------------------------|
| <b>ASSESSED VALUATION - 2015 TAX YEAR</b> .....                                 | <b><u>\$13,066,750</u></b> |
| <b>STATUTORY DEBT LIMITATION</b><br><b>(8.625% OF ASSESSED VALUATION)</b> ..... | \$ 1,127,007               |
| <b>TOTAL DEBT</b><br>General Obligation Debt Certificates Series 2012.....      | <u>103,562</u>             |
| <b>TOTAL LEGAL DEBT MARGIN</b> .....  | <b><u>\$ 1,023,445</u></b> |