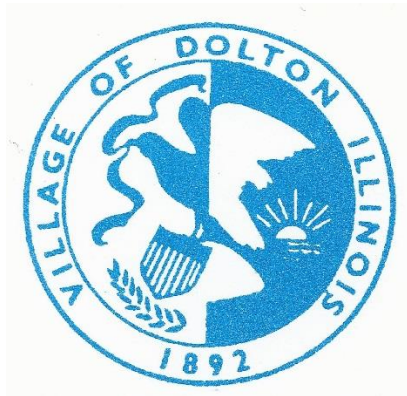


VILLAGE OF DOLTON, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2017

VILLAGE OF DOLTON, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

December 19, 2017

The Honorable Village Mayor
Members of the Board of Trustees
Village of Dolton, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dolton, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Dolton, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dolton, Illinois' basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

Our discussion and analysis of the Village of Dolton's financial performance provides an overview of the Village of Dolton's financial activities for the fiscal year ended April 30, 2017. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. While net position of business-type activities increased by \$603,453, or 9.3 percent, net position of the governmental activities decreased by \$289,357, or 0.5 percent.
- During the year, government-wide revenues totaled \$29,982,768, while expenses totaled \$29,668,672, resulting in an increase to net position of \$314,096.
- The Village's net position totaled a deficit of \$47,112,248 on April 30, 2017, which includes \$4,353,429 net investment in capital assets, \$8,199,717 subject to external restrictions, and a deficit of \$59,565,394 unrestricted net position.
- The General Fund reported a surplus this year of \$1,085,666, resulting in ending fund balance of (\$2,862,163), an increase of 27.5 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village of Dolton acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, public property maintenance and economic development. The business-type activities of the Village include water, sewer and recreation operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, and Debt Service Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all major and nonmajor governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 12 of this report.

Proprietary Funds

The Village maintains one proprietary fund types: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer and recreation operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Recreation Center Fund, Dorchester Fund, and Sewer Fund, all of which is considered to be a major funds of the Village except the Sewer Fund.

The basic proprietary fund financial statements can be found on pages 13 - 16 of this report.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 17 - 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 - 70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police and firefighters' employee pension obligations, other post-employment benefit obligations and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 71 - 81 of this report. Combining and individual fund statements and schedules can be found on pages 82 - 97 of this report.

VILLAGE OF DOLTON, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of the Village, liabilities/deferred inflows exceeded assets/deferred outflows by \$47,112,248.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 15,272,325	16,184,207	362,339	(243,642)	15,634,664	15,940,565
Capital Assets	4,790,315	6,247,753	11,262,398	11,487,809	16,052,713	17,735,562
Other Assets	1,402,499	500,457	191,956	43,015	1,594,455	543,472
Total Assets	21,465,139	22,932,417	11,816,693	11,287,182	33,281,832	34,219,599
Deferred Outflows of Resources	7,746,281	7,881,111	141,944	103,702	7,888,225	7,984,813
Total Assets/ Deferred Outflows	29,211,420	30,813,528	11,958,637	11,390,884	41,170,057	42,204,412
Long-Term Debt	61,821,719	65,724,474	1,078,563	2,114,157	62,900,282	67,838,631
Other Liabilities	9,902,082	11,527,073	3,740,223	2,596,428	13,642,305	14,123,501
Total Liabilities	71,723,801	77,251,547	4,818,786	4,710,585	76,542,587	81,962,132
Deferred Inflows of Resources	11,713,146	7,647,880	26,572	-	11,739,718	7,647,880
Total Liabilities/ Deferred Inflows	83,436,947	84,899,427	4,845,358	4,710,585	88,282,305	89,610,012
Net Position						
Net Investment in Capital Assets	(7,008,969)	(7,117,036)	11,262,398	11,487,809	4,253,429	4,370,773
Restricted	8,199,717	8,840,436	-	-	8,199,717	8,840,436
Unrestricted (Deficit)	(55,416,275)	(55,809,299)	(4,149,119)	(4,807,510)	(59,565,394)	(60,616,809)
Total Net Position	(54,225,527)	(54,085,899)	7,113,279	6,680,299	(47,112,248)	(47,405,600)

A large portion of the Village’s net position, \$4,253,429, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$8,199,717, of the Village’s net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$59,565,394), represents unrestricted net position.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 5,792,485	3,940,218	4,699,101	6,042,250	10,491,586	9,982,468
Operating Grants/Contrib.	586,848	850,699	-	-	586,848	850,699
Capital Grants/Contrib.	-	-	-	-	-	-
General Revenues						
Property Taxes	10,737,255	11,595,567	-	-	10,737,255	11,595,567
Sales Taxes	2,629,481	2,642,162	-	-	2,629,481	2,642,162
Other Taxes	2,595,023	2,573,194	-	-	2,595,023	2,573,194
Income Taxes	2,192,577	2,346,847	-	-	2,192,577	2,346,847
Replacement Taxes	256,360	232,883	-	-	256,360	232,883
Interest	10,066	8,389	3	55	10,069	8,444
Miscellaneous	483,569	430,229	-	-	483,569	430,229
Total Revenues	25,283,664	24,620,188	4,699,104	6,042,305	29,982,768	30,662,493
Expenses						
General Government	4,448,278	5,102,500	-	-	4,448,278	5,102,500
Public Safety	13,717,459	13,989,251	-	-	13,717,459	13,989,251
Public Works	4,306,943	3,588,768	-	-	4,306,943	3,588,768
Public Property Maintenance	1,196,281	1,649,097	-	-	1,196,281	1,649,097
Economic Development	350,000	351,407	-	-	350,000	351,407
Interest on Long-Term Debt	1,524,238	1,521,276	-	-	1,524,238	1,521,276
Water	-	-	3,370,142	5,897,521	3,370,142	5,897,521
Recreation Center	-	-	486,165	502,473	486,165	502,473
Dorchester	-	-	2,195	1,172,275	2,195	1,172,275
Sewer	-	-	266,971	194,293	266,971	194,293
Total Expenses	25,543,199	26,202,299	4,125,473	7,766,562	29,668,672	33,968,861
Change in Net Position						
Before Transfers	(259,535)	(1,582,111)	573,631	(1,724,257)	314,096	(3,306,368)
Transfers	(29,822)	(9,186,836)	29,822	9,186,836	-	-
Change in Net Position	(289,357)	(10,768,947)	603,453	7,462,579	314,096	(3,306,368)
Net Position - Beginning as Restated	(53,936,170)	(43,316,952)	6,509,826	(782,280)	(47,426,344)	(44,099,232)
Net Position - Ending	(54,225,527)	(54,085,899)	7,113,279	6,680,299	(47,112,248)	(47,405,600)

Beginning net position was restated due to the implementation of a new capital asset policy and to correct an error in the recognition of deposits and accounts payable.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

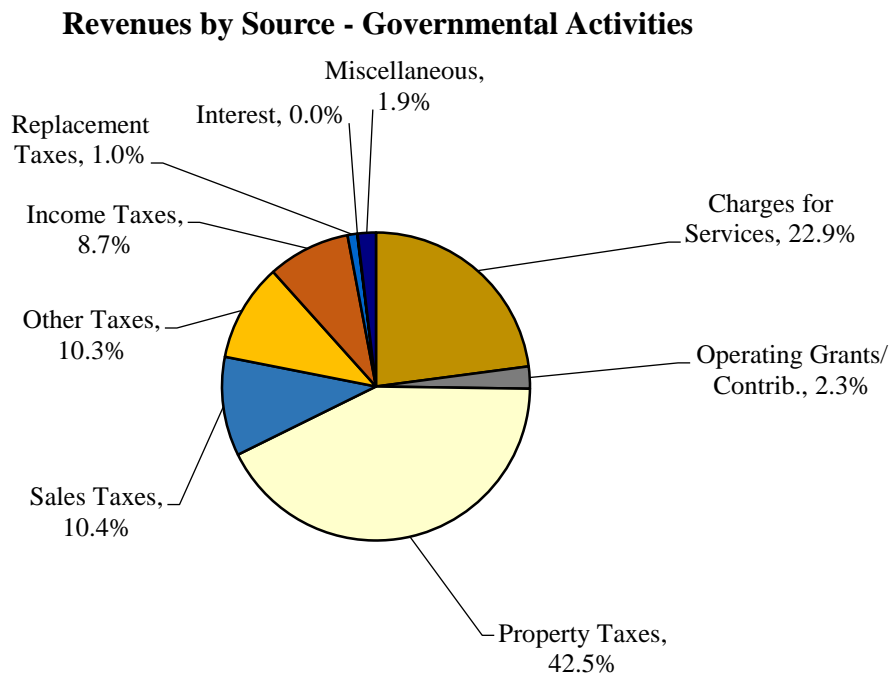
Net position of the Village's governmental activities decreased by 0.5 percent (\$54,225,527 deficit in 2017 compared to \$53,936,170 restated deficit in 2016). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$55,416,275 at April 30, 2017.

Net position of business-type activities increased by 9.3 percent (\$7,113,279 surplus in 2017 compared to \$6,509,826 restated surplus in 2016).

Governmental Activities

Revenues for governmental activities totaled \$25,283,664, while the cost of all governmental functions totaled \$25,543,199. This resulted in a deficit of \$259,535, before a transfer out of \$29,822. In 2016, expenses of \$26,202,299 exceeded revenues of \$24,620,188, resulting in a deficit of \$1,582,111, before transfers out of \$9,186,836. The decrease in the expenses during the year is due to decreased expenses for the I.M.R.F., Police Pension and Firefighters' Pension net pension liabilities and related deferred items.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, utility taxes and use taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from income taxes.



VILLAGE OF DOLTON, ILLINOIS

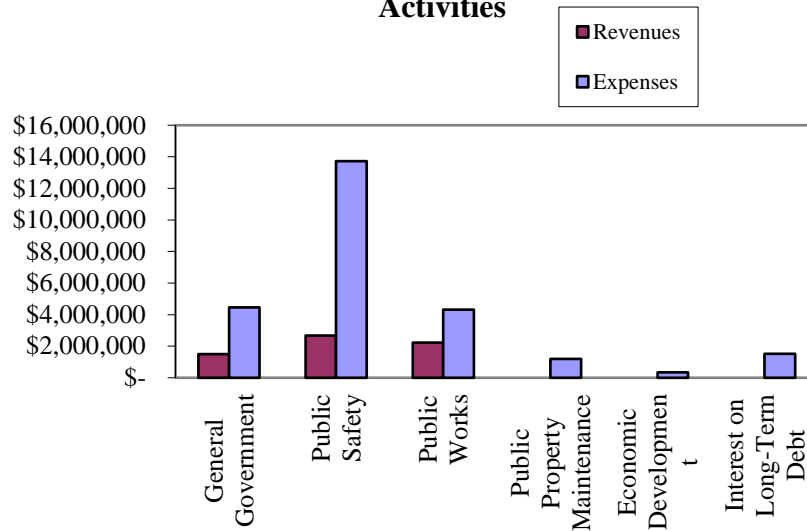
**Management’s Discussion and Analysis
April 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues.

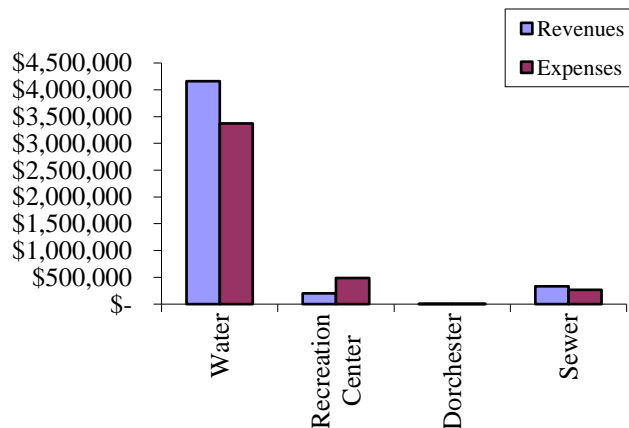
Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities reported total revenues of \$4,699,104, while the cost of all business-type activities totaled \$4,125,473. This resulted in a surplus of \$573,631, prior to transfers in of \$29,822. In 2016, total expenses of \$7,766,562, exceed revenues of \$6,042,305 resulting in a deficit of \$1,724,257, prior to transfers in of \$9,186,836. The surplus in 2017 was primarily due to a decrease in the cost of water and sewer utilities from the City of Chicago and Homewood Disposal and an increase in the utility rates for commercial and industrial locations.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for utility operations.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$2,723,557, which is \$260,701, or 10.6 percent, higher than last year's total of \$2,462,856.

The General Fund is the chief operating fund of the Village. At April 30, 2017, General Fund had a deficit of \$2,862,163, which resulted in a positive change in fund balance for the year of \$1,085,666, an increase of 27.5 percent. This was due in large part due to an increase in revenues for fines and forfeiture of 57.7 percent.

The Motor Fuel Tax Fund fund balance of \$3,521,774 reported a increase from the prior year of \$233,011. This increase was due to the Village spending less to repair deteriorating roadways in comparison to the prior fiscal year.

The Debt Service Fund fund balance of (\$534,572) reported a decrease from the prior year of \$141,662. This decrease was due to debt payments for the fiscal year exceeding property taxes received.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water Fund as a major proprietary fund and the Sewer Fund as a nonmajor proprietary fund. The Water and Sewer Funds account for all of the operations of the municipal water and sewer system. Water is purchased from the City of Chicago at a rate of \$3.31 per thousand gallons. Water is sold to all municipal customers at a rate of \$5.61 per thousand gallons for water and a rate of 20% of water consumption for sewer. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the funds at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. At year-end, the Water Fund reported a deficit net position of \$854,844 and the Sewer Fund reported a net position of \$62,660, while the previous fiscal year reported a restated deficit of \$1,676,291 in the Water Fund and a restated deficit of \$3,753 in the Sewer Fund. Unrestricted net position for the Water Fund and Sewer Fund totaled (\$854,844) and \$62,660, respectively, at April 30, 2017.

The Recreation Center Fund and the Dorchester Fund are both also major funds. The Recreation fund reports a decrease of \$285,501 in net position and the Dorchester Fund and reports an increase of \$1,092 in net position in the current fiscal year. The decrease for the Recreation Center Fund was primarily due to increase cost of instruction for the various recreational classes the Recreation Center provides to its membership. The increase for Dorchester was primarily due to a refunding from vendors due to an overpayment.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$19,437,975, compared to budgeted revenues of \$17,564,753. Revenues for taxes, intergovernmental, licenses and permits, charges for services, fines and forfeitures, and interest were higher than budgeted.

The General Fund actual expenditures for the year were \$1,364,762 lower than budgeted (\$21,297,576 actual compared to \$22,662,338 budgeted). The cost of Public Safety was \$1 million higher than budgeted to maintain a safe community, which was offset by the \$2.6 million lower than budget debt retirement.

VILLAGE OF DOLTON, ILLINOIS

**Management's Discussion and Analysis
April 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2017 was \$16,052,713, (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment, vehicles and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 806,995	853,495	-	-	806,995	853,495
Land Improvements	979,753	1,026,082	905,379	905,379	1,885,132	1,931,461
Buildings	337,982	348,397	10,296,744	10,375,322	10,634,726	10,723,719
Equipment	625,103	1,144,107	60,275	63,762	685,378	1,207,869
Vehicles	2,040,482	2,534,469	-	-	2,040,482	2,534,469
Total	4,790,315	5,906,550	11,262,398	11,344,463	16,052,713	17,251,013

This year's major additions included:

Vehicles \$ 83,840

Additional information on the Village's capital assets can be found in note 3 on pages 38 - 39 of this report.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$25,165,216 as compared to \$27,227,503 the previous year, a decrease of 7.6 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2017	2016
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 23,625,000	25,605,000	-	-	23,625,000	25,605,000
Installment Contracts	1,300,000	1,306,477	-	-	1,300,000	1,306,477
Capital Leases	240,216	316,026	-	-	240,216	316,026
Total	25,165,216	27,227,503	-	-	25,165,216	27,227,503

Additional information on the Village's long-term debt can be found in Note 3 on pages 41 - 45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates for April 30, 2017 for Cook County was 4.4 percent and the state and national unemployment rates were 4.7 and 4.4 percent, respectively.

These indicators were considered when proposing the General Fund budget for 2018. The Village anticipates \$17,542 million in revenues, a decrease of 21.25 percent from the final 2017 budget of \$22,276 million. With the decrease of expected revenue, the Village has decreased its appropriation by 7.88% to \$20,334 million from \$22,075 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Director, Village of Dolton, 14122 Chicago Road, Dolton, IL 60419.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position
April 30, 2017

See Following Page

VILLAGE OF DOLTON, ILLINOIS

**Statement of Net Position
April 30, 2017**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,076,052	693,236	2,769,288
Cash at Paying Agent	166,377	-	166,377
Receivables - Net of Allowances	9,934,387	2,451,704	12,386,091
Internal Balances	2,782,601	(2,782,601)	-
Prepays/Inventories - Land Held for Resale	312,908	-	312,908
Total Current Assets	15,272,325	362,339	15,634,664
Noncurrent Assets			
Capital Assets			
Nondepreciable	806,995	-	806,995
Depreciable	12,155,332	18,303,182	30,458,514
Accumulated Depreciation	(8,172,012)	(7,040,784)	(15,212,796)
	4,790,315	11,262,398	16,052,713
Other Assets			
Net Pension Asset - IMRF	1,402,499	191,956	1,594,455
Total Noncurrent Assets	6,192,814	11,454,354	17,647,168
Total Assets	21,465,139	11,816,693	33,281,832
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	2,077,227	141,944	2,219,171
Deferred Items - Police Pension	1,990,370	-	1,990,370
Deferred Items - Firefighters' Pension	2,897,131	-	2,897,131
Unamortized Loss on Refunding	781,553	-	781,553
Total Deferred Outflows of Resources	7,746,281	141,944	7,888,225
Total Assets and Deferred Outflows of Resources	29,211,420	11,958,637	41,170,057

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 2,838,510	3,204,328	6,042,838
Accrued Payroll	410,979	22,416	433,395
Deposits Payable	91,500	-	91,500
Accrued Interest Payable	541,719	-	541,719
Tax Anticipation Warrants Payable	1,955,556	-	1,955,556
Current Portion of Long-Term Liabilities	4,063,818	513,479	4,577,297
Total Current Liabilities	<u>9,902,082</u>	<u>3,740,223</u>	<u>13,642,305</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,533,665	47,479	1,581,144
Net Pension Liability - Police Pension	24,177,714	-	24,177,714
Net Pension Liability - Firefighters' Pension	12,784,480	-	12,784,480
Net Other Post-Employment Benefit Payable	278,474	-	278,474
City of Chicago Payable	-	1,031,084	1,031,084
Claims Payable	1,344,673	-	1,344,673
General Obligation Bonds Payable - Net	21,540,399	-	21,540,399
Capital Lease Payable	162,314	-	162,314
Total Noncurrent Liabilities	<u>61,821,719</u>	<u>1,078,563</u>	<u>62,900,282</u>
Total Liabilities	<u>71,723,801</u>	<u>4,818,786</u>	<u>76,542,587</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	414,856	26,572	441,428
Deferred Items - Police Pension	2,807,565	-	2,807,565
Deferred Items - Firefighters' Pension	1,238,502	-	1,238,502
Grants	18,545	-	18,545
Property Taxes	7,233,678	-	7,233,678
Total Deferred Inflows of Resources	<u>11,713,146</u>	<u>26,572</u>	<u>11,739,718</u>
Total Liabilities and Deferred Inflows of Resources	<u>83,436,947</u>	<u>4,845,358</u>	<u>88,282,305</u>
NET POSITION			
Net Investment in Capital Assets	(7,008,969)	11,262,398	4,253,429
Restricted - Grants and Forfeitures	409,303	-	409,303
Restricted - Public Works	3,521,774	-	3,521,774
Restricted - Economic Development	4,268,640	-	4,268,640
Unrestricted (Deficit)	<u>(55,416,275)</u>	<u>(4,149,119)</u>	<u>(59,565,394)</u>
Total Net Position	<u>(54,225,527)</u>	<u>7,113,279</u>	<u>(47,112,248)</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,448,278	1,490,940	-	-
Public Safety	13,717,459	2,667,725	-	-
Public Works	4,306,943	1,633,820	586,848	-
Public Property Maintenance	1,196,281	-	-	-
Economic Development	350,000	-	-	-
Interest on Long-Term Debt	1,524,238	-	-	-
Total Governmental Activities	25,543,199	5,792,485	586,848	-
Business-Type Activities				
Water	3,370,142	4,161,767	-	-
Recreation Center	486,165	200,661	-	-
Dorchester	2,195	3,287	-	-
Sewer	266,971	333,386	-	-
Total Business-Type Activities	4,125,473	4,699,101	-	-
Total Primary Government	29,668,672	10,491,586	586,848	-

General Revenues
 Taxes
 Property
 State Sales
 Other Taxes
 Intergovernmental - Unrestricted
 Income Taxes
 Replacement Taxes
 Interest
 Miscellaneous
 Transfers - Internal Activity
 Total General Revenues

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(2,957,338)	-	(2,957,338)
(11,049,734)	-	(11,049,734)
(2,086,275)	-	(2,086,275)
(1,196,281)	-	(1,196,281)
(350,000)	-	(350,000)
(1,524,238)	-	(1,524,238)
(19,163,866)	-	(19,163,866)
-	791,625	791,625
-	(285,504)	(285,504)
-	1,092	1,092
-	66,415	66,415
-	573,628	573,628
(19,163,866)	573,628	(18,590,238)
10,737,255	-	10,737,255
2,629,481	-	2,629,481
2,595,023	-	2,595,023
2,192,577	-	2,192,577
256,360	-	256,360
10,066	3	10,069
483,569	-	483,569
(29,822)	29,822	-
18,874,509	29,825	18,904,334
(289,357)	603,453	314,096
(53,936,170)	6,509,826	(47,426,344)
(54,225,527)	7,113,279	(47,112,248)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2017

	<u>General</u>
ASSETS	
Cash and Investments	\$ 944,946
Cash at Paying Agent	-
Receivables - Net of Allowances	
Property Taxes	3,493,856
Other Taxes	1,168,568
Accounts	1,007,159
Loans	267,281
Due from Other Governments	207,008
Advances to Other Funds	4,930,731
Prepays	44,897
Land Held for Resale	245,712
Inventories	22,299
	<hr/>
Total Assets	<u>12,332,457</u>
LIABILITIES	
Accounts Payable	1,289,551
Accrued Payroll	410,979
Deposits Payable	91,500
Advances from Other Funds	7,934,633
Tax Anticipation Warrants Payable	1,955,556
Total Liabilities	<hr/> <u>11,682,219</u>
DEFERRED INFLOWS OF RESOURCES	
Grants	18,545
Property Taxes	3,493,856
Total Deferred Inflows of Resources	<hr/> <u>3,512,401</u>
Total Liabilities and Deferred Inflows of Resources	<hr/> <u>15,194,620</u>
FUND BALANCES	
Nonspendable	5,243,639
Restricted	409,303
Committed	14,292
Unassigned	(8,529,397)
Total Fund Balances	<hr/> <u>(2,862,163)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<hr/> <u>12,332,457</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue	Debt Service	Nonmajor	Totals
Motor Fuel Tax			
486,102	75,061	569,943	2,076,052
-	166,377	-	166,377
-	3,739,822	-	7,233,678
50,693	-	-	1,219,261
-	-	-	1,007,159
-	-	-	267,281
-	-	-	207,008
3,060,722	-	3,828,512	11,819,965
-	-	-	44,897
-	-	-	245,712
-	-	-	22,299
3,597,517	3,981,260	4,398,455	24,309,689
75,743	-	1,147,667	2,512,961
-	-	-	410,979
-	-	-	91,500
-	776,010	652,270	9,362,913
-	-	-	1,955,556
75,743	776,010	1,799,937	14,333,909
-	-	-	18,545
-	3,739,822	-	7,233,678
-	3,739,822	-	7,252,223
75,743	4,515,832	1,799,937	21,586,132
-	-	-	5,243,639
3,521,774	-	4,268,640	8,199,717
-	-	-	14,292
-	(534,572)	(1,670,122)	(10,734,091)
3,521,774	(534,572)	2,598,518	2,723,557
3,597,517	3,981,260	4,398,455	24,309,689

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to
Net Position - Governmental Activities**

April 30, 2017

Total Governmental Fund Balances \$ 2,723,557

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 4,790,315

The net pension assets of the pension funds are included in the governmental
activities in the Statement of Net Position.
Net Pension Asset - IMRF 1,402,499

Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Deferred Items - IMRF	1,662,371
Deferred Items - Police Pension	(817,195)
Deferred Items - Firefighters' Pension	1,658,629

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(1,919,581)
Net Pension Liability - Police Pension	(24,177,714)
Net Pension Liability - Firefighters' Pension	(12,784,480)
Net Other Post-Employment Benefit Payable	(278,474)
Claims Payable	(1,344,673)
General Obligation Bonds Payable - Net	(23,840,399)
Installment Contracts Payable	(1,300,000)
Capital Lease Payable	(240,216)
Unamortized Loss on Refunding	781,553
Accrued Interest Payable	(541,719)

Net Position of Governmental Activities (54,225,527)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2017**

See Following Page

VILLAGE OF DOLTON, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2017

	<u>General</u>
Revenues	
Taxes	\$ 10,660,066
Intergovernmental	2,518,559
Licenses and Permits	1,451,069
Charges for Services	1,673,691
Fines and Forfeitures	2,644,577
Interest	6,782
Miscellaneous	483,231
Total Revenues	<u>19,437,975</u>
Expenditures	
Current	
General Government	5,495,808
Public Safety	11,300,706
Public Works	3,113,172
Public Property Maintenance	1,196,281
Economic Development	-
Debt Service	
Principal Retirement	75,810
Interest and Fiscal Charges	115,799
Total Expenditures	<u>21,297,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,859,601)</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	370,875
Debt Issuance	1,300,000
Transfers In	1,304,214
Transfers Out	(29,822)
	<u>2,945,267</u>
Net Change in Fund Balances	1,085,666
Fund Balances - Beginning as Restated	<u>(3,947,829)</u>
Fund Balances - Ending	<u><u>(2,862,163)</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue				
Motor Fuel Tax	Debt Service	Nonmajor	Totals	
-	4,519,324	735,895	15,915,285	
586,848	-	-	3,105,407	
-	-	-	1,451,069	
-	-	-	1,673,691	
-	-	-	2,644,577	
1,279	-	2,005	10,066	
-	338	-	483,569	
588,127	4,519,662	737,900	25,283,664	
-	-	-	5,495,808	
-	-	-	11,300,706	
355,116	-	-	3,468,288	
-	-	-	1,196,281	
-	-	350,000	350,000	
-	3,286,477	-	3,362,287	
-	1,374,847	-	1,490,646	
355,116	4,661,324	350,000	26,664,016	
233,011	(141,662)	387,900	(1,380,352)	
-	-	-	370,875	
-	-	-	1,300,000	
-	-	-	1,304,214	
-	-	(1,304,214)	(1,334,036)	
-	-	(1,304,214)	1,641,053	
233,011	(141,662)	(916,314)	260,701	
3,288,763	(392,910)	3,514,832	2,462,856	
3,521,774	(534,572)	2,598,518	2,723,557	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 260,701
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	83,840
Depreciation Expense	(1,153,575)
Disposals - Cost	(46,500)

An increase in a net pension asset is not considered to be an decrease in a
financial assets in the governmental funds. 902,042

Deferred outflows (inflows) of resources related to the pensions not reported
in the funds.

Change in Deferred Items - IMRF	455,837
Change in Deferred Items - Police Pension	(2,711,099)
Change in Deferred Items - Firefighters' Pension	(1,561,721)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

(Additions) to Compensated Absences Payable	(234,885)
Deductions to Net Pension Liability - Police Pension	1,365,165
Deductions to Net Pension Liability - Firefighters' Pension	578,477
Deductions to Net Other Post-Employment Benefit Payable	24,290
(Additions) to Claims Payable	(280,624)
Issuance of Debt	(1,300,000)
Retirement of Debt	3,362,287
Amortization of Loss on Refunding	(81,553)
Amortization of Premium on Debt Issuance	26,572
Amortization of Discount on Debt Issuance	(3,119)

Changes to accrued interest on long-term debt in the Statement of Activities
do not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds. 24,508

Changes in Net Position of Governmental Activities	<u><u>(289,357)</u></u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2017

See Following Page

VILLAGE OF DOLTON, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2017**

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
ASSETS					
Current Assets					
Cash and Investments	\$ 570,609	6,935	26,870	88,822	693,236
Receivables - Net of Allowances					
Customers	2,269,466	-	-	182,238	2,451,704
Advances to Other Funds	820,798	-	-	-	820,798
Total Current Assets	3,660,873	6,935	26,870	271,060	3,965,738
Noncurrent Assets					
Capital Assets					
Depreciable	1,742,995	3,886,831	12,673,356	-	18,303,182
Accumulated Depreciation	(1,742,995)	(2,079,623)	(3,218,166)	-	(7,040,784)
	-	1,807,208	9,455,190	-	11,262,398
Other Assets					
Net Pension Asset - IMRF	160,110	8,053	-	23,793	191,956
Total Noncurrent Assets	160,110	1,815,261	9,455,190	23,793	11,454,354
Total Assets	3,820,983	1,822,196	9,482,060	294,853	15,420,092
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	118,395	5,955	-	17,594	141,944
Total Assets and Deferred Outflow of Resources	3,939,378	1,828,151	9,482,060	312,447	15,562,036

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
LIABILITIES					
Current Liabilities					
Accounts Payable	3,175,028	26,609	-	2,691	3,204,328
Accrued Payroll	16,182	2,969	-	3,265	22,416
Advances from Other Funds	-	192,033	3,180,102	231,264	3,603,399
Current Portion of Long-Term Liabilities	511,240	384	-	1,855	513,479
Total Current Liabilities	3,702,450	221,995	3,180,102	239,075	7,343,622
Noncurrent Liabilities					
Compensated Absences Payable	38,525	1,536	-	7,418	47,479
City of Chicago Payable	1,031,084	-	-	-	1,031,084
Total Noncurrent Liabilities	1,069,609	1,536	-	7,418	1,078,563
Total Liabilities	4,772,059	223,531	3,180,102	246,493	8,422,185
DEFERRED INFLOWS OF RESOURCES					
Deferred Items - IMRF	22,163	1,115	-	3,294	26,572
Total Liabilities and Deferred Inflows of Resources	4,794,222	224,646	3,180,102	249,787	8,448,757
NET POSITION					
Investment in Capital Assets	-	1,807,208	9,455,190	-	11,262,398
Unrestricted (Deficit)	(854,844)	(203,703)	(3,153,232)	62,660	(4,149,119)
Total Net Position	(854,844)	1,603,505	6,301,958	62,660	7,113,279

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2017**

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
Operating Revenues					
Charges for Services	\$ 4,058,517	199,061	29	333,386	4,590,993
Miscellaneous	103,250	1,600	3,258	-	108,108
Total Operating Revenues	4,161,767	200,661	3,287	333,386	4,699,101
Operating Expenses					
Operations	3,370,142	404,100	2,195	266,971	4,043,408
Depreciation	-	82,065	-	-	82,065
Total Operating Expenses	3,370,142	486,165	2,195	266,971	4,125,473
Operating Income (Loss)	791,625	(285,504)	1,092	66,415	573,628
Nonoperating Revenues					
Interest Income	-	3	-	-	3
Income (Loss) before Transfers	791,625	(285,501)	1,092	66,415	573,631
Transfers In	29,822	-	-	-	29,822
Change in Net Position	821,447	(285,501)	1,092	66,415	603,453
Net Position - Beginning as Restated	(1,676,291)	1,889,006	6,300,866	(3,755)	6,509,826
Net Position - Ending	(854,844)	1,603,505	6,301,958	62,660	7,113,279

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2017**

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 3,819,226	200,661	3,287	246,526	4,269,700
Payments to Suppliers	(2,931,482)	(287,429)	(2,194)	(218,003)	(3,439,108)
Payments to Employees	(483,122)	(103,566)	-	(70,017)	(656,705)
	<u>404,622</u>	<u>(190,334)</u>	<u>1,093</u>	<u>(41,494)</u>	<u>173,887</u>
Cash Flow from Noncapital Financing Activities					
Transfers In	29,822	-	-	-	29,822
Changes in Interfund Activity	(719,850)	192,033	-	130,316	(397,501)
	<u>(690,028)</u>	<u>192,033</u>	<u>-</u>	<u>130,316</u>	<u>(367,679)</u>
Cash Flows from Investing Activities					
Interest Received	-	3	-	-	3
	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Net Change in Cash and Cash Equivalents	<u>(285,406)</u>	<u>1,702</u>	<u>1,093</u>	<u>88,822</u>	<u>(193,789)</u>
Cash and Cash Equivalents - Beginning	<u>856,015</u>	<u>5,233</u>	<u>25,777</u>	<u>-</u>	<u>887,025</u>
Cash and Cash Equivalents - Ending	<u><u>570,609</u></u>	<u><u>6,935</u></u>	<u><u>26,870</u></u>	<u><u>88,822</u></u>	<u><u>693,236</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	791,625	(285,504)	1,092	66,415	573,628
Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	82,065	-	-	82,065
Other Revenues (Expenses)	(159,662)	20,830	-	(21,779)	(160,611)
(Increase) Decrease in Current Assets	(342,541)	-	-	(86,860)	(429,401)
Increase (Decrease) in Current Liabilities	115,200	(7,725)	1	730	108,206
	<u>115,200</u>	<u>(7,725)</u>	<u>1</u>	<u>730</u>	<u>108,206</u>
Net Cash Provided by Operating Activities	<u><u>404,622</u></u>	<u><u>(190,334)</u></u>	<u><u>1,093</u></u>	<u><u>(41,494)</u></u>	<u><u>173,887</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2017**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,479,703
Investments	
U.S. Government Obligations	2,672,521
U.S. Agency Obligations	4,132,160
State and Local Government Obligations	66,143
Corporate Bonds	3,287,001
Equity Mutual Funds	19,756,307
Annuities	5,317,402
Common Stock	1,060,506
Receivables	
Accrued Interest	36,223
Advances to Other Funds	325,549
Reserve Uncollectable - Interfund	(310,327)
Prepays	<u>880</u>
Total Assets	37,824,068
LIABILITIES	
Accounts Payable	<u>13,285</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>37,810,783</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2017**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,248,002
Contributions - Plan Members	<u>524,363</u>
Total Contributions	<u>1,772,365</u>
Investment Earnings	
Interest Earned	675,952
Net Change in Fair Value	<u>2,475,312</u>
	3,151,264
Less Investment Expenses	<u>(68,012)</u>
Net Investment Income	<u>3,083,252</u>
Total Additions	<u>4,855,617</u>
Deductions	
Administration	103,319
Benefits and Refunds	<u>2,968,127</u>
Total Deductions	<u>3,071,446</u>
Change in Fiduciary Net Position	1,784,171
Net Position Restricted for Pensions	
Beginning	<u>36,026,612</u>
Ending	<u><u>37,810,783</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dolton (Village), Illinois, operates under a Board of Trustees – Executive form of government. Elected officials are the Mayor, clerk, and six Trustees. The Board of Trustees is the Village’s legislative body, enacting the laws and establishing the policies, which govern the main activities of the Village.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village’s accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village’s financial reporting entity comprises the following:

Primary Government:	Village of Dolton
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village’s sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village’s Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village’s police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the Village's Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, public works, public property maintenance, economic development, and general administrative services are classified as governmental activities. The Village's water services, recreation services, Dorchester senior services, and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's governmental functions (general government, public safety, public works, public property maintenance, economic development, etc.) and business-type activities. The functions are supported by general government revenues (property, sales and other taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, 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

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

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains five special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The City uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one debt service fund. The Debt Service Fund, a major fund, is used to account for the principal and interest payments made on the general obligation bonds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains four enterprise funds. The Water Fund, a major fund, is used to account for the provisions of the water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

The Recreation Center Fund, also a major fund, is used to account for the provisions of the Melanie Fitness Center. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection. The Dorchester Fund, also a major fund, is used to account for the provisions of the senior building. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

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

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows 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.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility and customer charges as their major receivables.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays/Inventories – Land Held for Resale

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	10 - 30 Years
Buildings and Improvements	30 - 40 Years
Furniture and Equipment	5 - 15 Years
Vehicles	5 - 15 Years
Infrastructure	20 - 30 Years

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the Village’s personnel rules and union contracts.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists 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 legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- Prior to June 30, the Treasurer submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance.
- The Treasurer is authorized to transfer budgeted amounts between departments within any fund, however, revisions that alter the total expenditures of any fund must be approved by the Village Board. The budget was not amended this year.
- Formal budgetary integration is employed as a management control device during the year.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

- Budgets for the General Fund, Special Revenue Funds (exclusive of Housing Authority Fund), Debt Service Fund, and Proprietary Funds (exclusive of Dorchester Fund) are adopted on a basis consistent with generally accepted accounting principles.
- Appropriations lapse at the end of the fiscal year.
- The Village budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
Debt Service	\$ 1,291,978
Recreation Center	64,914
Sewer	189,655

DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balance/net position as of the date of this report:

Fund	Deficit
General	\$ 2,862,163
Debt Service	534,572
Sibley TIF #2	1,670,122
Water	854,844

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$2,318,334 and the bank balances totaled \$3,201,621. Additionally, the Village has \$617,331 invested in the Illinois Funds, which is measured at net asset value per share as determined by the Pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not address interest rate risk. The Village's investments in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk. At year-end, the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. The Village's investments in the Illinois Funds are not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$979,806 and the bank balances totaled \$967,276.

Investments. The Fund assumes any callable securities will not be called. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,792,750	998,750	794,000	-	-
U.S. Agencies	3,868,003	30	2,766,091	1,054,004	47,878
Corporate Bonds	2,076,893	-	1,006,084	1,070,809	-
	<u>7,737,646</u>	<u>998,780</u>	<u>4,566,175</u>	<u>2,124,813</u>	<u>47,878</u>

The Fund has the following recurring fair value measurements as of April 30, 2017:

Investments by Fair Value Level	April 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,792,750	1,792,750	-	-
U.S. Agencies	3,868,003	-	3,868,003	-
Corporate Bonds	2,076,893	-	2,076,893	-
Equity Securities				
Equity Mutual Funds	17,036,578	17,036,578	-	-
Total Investments by Fair Value Level	<u>24,774,224</u>	<u>18,829,328</u>	<u>5,944,896</u>	<u>-</u>

Interest Rate Risk. In accordance with the Fund’s investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund's investment policy prescribes to the "prudent person" rule which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return." The U.S. Agency obligations are rated AAA and the Corporate Bonds were all rated BBB or better by Standard and Poor's or by Moody's Investors Services or were small issues that were unrated. The Fund has an unrated obligation with Federal Home Loan Mortgage Corporation Investment with a par value of \$411 and an interest rate of 7.00% that matures on February 1, 2032.

Custodial Credit Risk – Deposits. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions. At year-end, \$681,553 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance. The percentage of the \$681,553 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Custodial Credit Risk – Investments. The Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral. Money market mutual funds and equity mutual funds are not subject custodial credit risk.

Concentration Risk. In accordance with Fund's investment policy, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. At year-end, the Fund does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments). Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In addition to the securities and fair values listed above, the Fund also has \$17,036,578 invested in equity mutual funds.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	37.00%	0.75% - 4.50%
Domestic Equities	52.00%	4.75% - 5.00%
International Equities	5.00%	5.50% - 7.75%
Real Estate	3.00%	3.75%
Cash and Cash Equivalents	3.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$499,897 and the bank balances totaled \$470,409.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 879,771	-	647,339	232,432	-
U.S. Agencies	264,157	30,010	80,754	77,358	76,035
State and Local Government Obligations	66,143	66,143	-	-	-
Corporate Bonds	1,210,108	131,043	798,546	280,519	-
	<u>2,420,179</u>	<u>227,196</u>	<u>1,526,639</u>	<u>590,309</u>	<u>76,035</u>

The Fund has the following recurring fair value measurements as of April 30, 2017:

Investments by Fair Value Level	April 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 879,771	879,771	-	-
U.S. Agencies	264,157	-	264,157	-
State and Local Government Obligations	66,143	-	66,143	-
Corporate Bonds	1,210,108	-	1,210,108	-
Equity Securities				
Equity Mutual Funds	2,719,729	2,719,729	-	-
Annuities	5,317,402	5,317,402	-	-
Common Stock	1,060,506	1,060,506	-	-
Total Investments by Fair Value Level	<u>11,517,816</u>	<u>9,977,408</u>	<u>1,540,408</u>	<u>-</u>

Interest Rate Risk. In accordance with the Fund’s investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund’s investment policy prescribes to the “prudent person” rule which states, “investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the second objective of the attainment of market rates of return.” The investments in the U.S. agencies were not rated or rated AAA to AA+ by Moody’s, the corporate bonds were rated A1 to Baa1 by Moody’s, and the state and local government obligations were rated Aa2 by Moody’s.

Custodial Credit Risk. The Fund’s investment policy does not require pledging of collateral for excess bank balances since flow-through FDIC insurance is available for the Fund’s deposits with financial institutions.

For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral.

Concentration Risk. The Fund does not have a formal written policy with regards to concentration credit risk for investments. In addition to the securities and fair values listed above, the Fund also has \$2,719,729 invested in equity mutual funds, \$5,317,402 invested in annuities, and \$1,060,506 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40.00%	0.60%
Domestic Equities	40.00%	5.20%
International Equities	10.00%	5.00%
Emerging Mkt Equities	5.00%	6.50%
Cash and Cash Equivalents	5.00%	0.00%

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk – Continued. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 853,495	-	46,500	806,995
Depreciable Capital Assets				
Land Improvements	1,351,990	-	-	1,351,990
Buildings and Improvements	2,346,424	-	-	2,346,424
Equipment	3,792,265	-	-	3,792,265
Vehicles	4,580,813	83,840	-	4,664,653
	<u>12,071,492</u>	<u>83,840</u>	<u>-</u>	<u>12,155,332</u>
Less Accumulated Depreciation				
Land Improvements	325,908	46,329	-	372,237
Buildings and Improvements	1,998,027	10,415	-	2,008,442
Equipment	2,648,158	519,004	-	3,167,162
Vehicles	2,046,344	577,827	-	2,624,171
	<u>7,018,437</u>	<u>1,153,575</u>	<u>-</u>	<u>8,172,012</u>
Net Depreciable Capital Assets	<u>5,053,055</u>	<u>(1,069,735)</u>	<u>-</u>	<u>3,983,320</u>
Net Capital Assets	<u><u>5,906,550</u></u>	<u><u>(1,069,735)</u></u>	<u><u>46,500</u></u>	<u><u>4,790,315</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 143,505
Public Safety	143,735
Public Works	<u>866,335</u>
	<u><u>1,153,575</u></u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Land Improvements	\$ 1,077,393	-	-	1,077,393
Buildings and Improvements	14,676,885	-	-	14,676,885
Furniture and Equipment	822,069	-	-	822,069
Vehicles	35,104	-	-	35,104
Infrastructure	1,691,731	-	-	1,691,731
	<u>18,303,182</u>	-	-	<u>18,303,182</u>
Less Accumulated Depreciation				
Land Improvements	172,014	-	-	172,014
Buildings and Improvements	4,301,563	78,578	-	4,380,141
Furniture and Equipment	758,307	3,487	-	761,794
Vehicles	35,104	-	-	35,104
Infrastructure	1,691,731	-	-	1,691,731
	<u>6,958,719</u>	<u>82,065</u>	-	<u>7,040,784</u>
Net Capital Assets	<u>11,344,463</u>	<u>(82,065)</u>	-	<u>11,262,398</u>

Depreciation expense was charged to business-type activities as follows:

Recreation Center	<u>\$ 82,065</u>
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VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 1,304,214
Water	General	<u>29,822</u>
		<u><u>1,334,036</u></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, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) the Village transferred the remaining fund balance of \$6,099 in the Housing Authority Fund (nonmajor governmental) to the General Fund as of April 30, 2017.

Interfund Advances

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 776,010
General	Nonmajor Governmental	652,270
General	Recreation Center	192,033
General	Dorchester	3,180,102
General	Nonmajor Business-Type	130,316
Motor Fuel Tax	General	3,060,722
Nonmajor Governmental	General	3,828,512
Water	General	719,850
Water	Nonmajor Business-Type	100,948
Police Pension	General	310,327
Firefighters' Pension	General	<u>15,222</u>
		<u><u>12,966,312</u></u>

Interfund advances represent payments of tax increment financing expenditures from the General Fund on behalf of these funds and property taxes owed to the pension funds from the General Fund. These amounts will be paid over several years.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

SHORT-TERM DEBT

Tax Anticipation Warrants

The Village issues tax anticipation warrants to finance operations. Tax anticipation warrants currently outstanding are as follows:

<u>Issue</u>	<u>Retired by</u>	<u>Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balances</u>
\$2,700,000 General Obligation Tax Anticipation Warrants of 2015 - Due in one installment of \$2,700,000 plus interest not to exceed 5.0% through December 15, 2016.	General	\$ 2,700,000	-	2,700,000	-
\$2,200,000 General Obligation Tax Anticipation Warrants of 2016 - Due in monthly installment of \$122,222 through November 10, 2017 and principal balance of \$1,100,000 on November 10, 2017 plus interest not to exceed 5.0% through November 10, 2017.	General	-	2,200,000	244,444	1,955,556
		<u>2,700,000</u>	<u>2,200,000</u>	<u>2,944,444</u>	<u>1,955,556</u>

LONG-TERM DEBT

Deferred Charge on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2017 was \$81,553 which is reported in the governmental activities. The balance of the deferred charge on refunding at April 30, 2017 was \$781,553 which is reported as a deferred outflow on the Statement of Net Position.

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for operations. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,930,000 General Obligation Refunding Bonds of 2004C - Due in annual installments of \$165,000 to \$265,000 plus interest at 3.00% to 4.20% through December 1, 2019.	Debt Service	\$ 1,000,000	-	235,000	765,000
\$2,275,000 General Obligation Corporate Purpose Bonds of 2004D - Due in annual installments of \$120,000 to \$220,000 plus interest at 4.70% to 6.00% through December 1, 2019.	Debt Service	820,000	-	190,000	630,000
\$11,535,000 General Obligation Bonds of 2009A - Due in annual installments of \$500,000 to \$1,000,000 plus interest at 2.50% to 4.50% through December 1, 2026.	Debt Service	9,415,000	-	650,000	8,765,000
\$5,455,000 General Obligation Build America Direct Payments Bonds of 2009B - Due in annual installments of \$220,000 to \$880,000 plus interest at 6.10% through December 1, 2029.	Debt Service	5,455,000	-	-	5,455,000
\$12,655,000 Taxable General Obligation Bonds of 2009C - Due in annual installments of \$500,000 to \$1,000,000 plus interest at 2.61% to 5.77% through December 1, 2024.	Debt Service	8,915,000	-	905,000	8,010,000
		<u>25,605,000</u>	<u>-</u>	<u>1,980,000</u>	<u>23,625,000</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts Payable

The Village also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Retired by	Balances	Issuances	Retirements	Balances
\$1,400,000 Installment Contract of 2014 - Due in semi-annual installments of \$80,000 to \$1,278,952 plus interest of 4.10% through December 15, 2016.	Debt Service	\$ 1,306,477	-	1,306,477	-
\$1,300,000 Installment Contract of 2016 - Due in semi-annual installments of \$600,000 to \$752,411 including interest of 3.557% through December 15,	General	-	1,300,000	-	1,300,000
		1,306,477	1,300,000	1,306,477	1,300,000
		1,306,477	1,300,000	1,306,477	1,300,000

Capital Leases

The Village has entered into a lease agreement as lessee for financing the acquisition of a fire truck. Capital assets of \$539,000 have been added to vehicles as a result of this capital lease. This lease agreement qualifies as a capital lease for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital lease has been recorded as a governmental activity liability.

The future minimum lease payments and the net present value of these minimum lease payments are as follows

Fiscal Year	Lease Payment
2018	\$ 84,532
2019	84,532
2020	84,532
	253,596
Interest Portion	(13,380)
Principal Balance	240,216

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,684,696	469,770	234,885	1,919,581	385,916
Net Pension Liability - Police	25,542,879	-	1,365,165	24,177,714	-
Net Pension Liability - Firefighters'	13,362,957	-	578,477	12,784,480	-
Net Other Post-Employment					
Benefit Obligation	302,764	-	24,290	278,474	-
General Obligation Bonds	25,605,000	-	1,980,000	23,625,000	2,300,000
Unamortized Bond Premium	281,216	-	26,572	254,644	-
Unamortized Bond Discount	(42,364)	-	(3,119)	(39,245)	-
Installment Contracts	1,306,477	1,300,000	1,306,477	1,300,000	1,300,000
Capital Leases	316,026	-	75,810	240,216	77,902
Claims Payable	1,064,049	944,774	664,150	1,344,673	-
	<u>69,423,700</u>	<u>2,714,544</u>	<u>6,252,707</u>	<u>65,885,537</u>	<u>4,063,818</u>
Business-Type Activities					
Compensated Absences	99,818	40,469	80,938	59,349	11,870
City of Chicago Payable	2,034,302	-	501,609	1,532,693	501,609
	<u>2,134,120</u>	<u>40,469</u>	<u>582,547</u>	<u>1,592,042</u>	<u>513,479</u>

For the governmental activities, payments on the compensated absences, the net pension liabilities, and the net other post-employment benefits obligation are made by the General Fund. The General Fund and the Debt Service Fund makes payments on the installment contracts. The General Fund makes payments on the capital leases. Payments on general obligation bonds are being liquidated by the General and the Debt Service Funds.

Additionally, for business-type activities, the compensated absences are being liquidated by the Water Fund, the Recreation Fund, and the Dorchester Fund. The Water Fund makes payments on the City of Chicago payable.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Installment Contracts	
	Principal	Interest	Principal	Interest
2018	\$ 2,300,000	1,217,818	1,300,000	52,411
2019	2,365,000	1,111,607	-	-
2020	1,540,000	1,002,124	-	-
2021	2,185,000	924,855	-	-
2022	2,250,000	815,135	-	-
2023	2,275,000	699,685	-	-
2024	2,300,000	582,710	-	-
2025	2,325,000	461,710	-	-
2026	1,755,000	339,185	-	-
2027	1,785,000	248,130	-	-
2028	815,000	155,245	-	-
2029	850,000	105,530	-	-
2030	880,000	53,680	-	-
Totals	<u>23,625,000</u>	<u>7,717,414</u>	<u>1,300,000</u>	<u>52,411</u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

OTHER COMMITMENTS

Homewood Disposal Payable

In February 2014, an agreement was reached between the Village and Homewood Disposal for balances owed by the Village for past refuse collection and disposal services. Per the agreement, the balance to be paid by the Village was \$2,384,477. In April 2014, the Village issued a bond for \$1,500,000 to pay a portion of the amount due. The remaining portion of the balance is to be paid by the Village with a down payment of \$67,500 and 48 equal monthly installments of \$12,656 from October 20, 2014 to August 20, 2018. As of April 30, 2017, the Village has made payments of \$459,844, including \$164,531 of current year expenditures recorded as an expenditure in the General Fund. The outstanding balance has been recorded as a liability in the General Fund. As of the fiscal year ended April 30, 2017, the amount outstanding from the Village to Homewood Disposal is \$215,156.

City of Chicago Agreement

In November 2014, an agreement was reached between the Village and the City of Chicago for balances owed by the Village for past water purchases of \$2,786,715. The agreement dictates that the Village will pay to the City of Chicago 60 equal monthly installments of \$41,801 with a down payment of \$278,671. The Village further agrees to continue receiving water from the City of Chicago and to pay all current water charges when due. The payments will occur from December 1, 2014 to November 1, 2019. As of April 30, 2017, the Village has made payments of \$1,254,022, including \$501,609 of current year expenditure recorded as an expense in the Water Fund. The outstanding balance has been recorded as a liability in Water Fund. As of the fiscal year ended April 30, 2017, the amount outstanding from the Village to the City of Chicago is \$1,532,693.

Redevelopment Agreement

Under a Redevelopment Agreement entered into December 2001, the Village agreed to reimburse eligible costs associated with a development located at Woodlawn and Sibley Blvd. In addition, the Village agreed to provide incentive payments to the developer in the amount of \$350,000 per year, limited to a period of twenty years. Through the fiscal year ended April 30, 2017, the Village has incurred total expenditures of \$5,950,000. As of April 30, 2017, the Village has made payments of \$4,802,333, including \$350,000 of current year expenditures recorded in the Sibley TIF #2 Fund. The outstanding balance has been recorded as a liability in the Sibley TIF #2 Fund. As of April 30, 2017, the amount outstanding from the Village to the developer is \$1,147,667.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

OTHER COMMITMENTS – Continued

Economic Incentive Agreement

Under an Economic Initiative Agreement entered into in March of 2009, the Village agreed to share with Ralph's Grocery a portion of sales tax generated by the project, limited to a period of twenty years. The revenue sharing is determined as follows: 70% for years 1 through 5 of the agreement, 50% for years 6 through 10, and 33% for years 11 through 20. Through the fiscal year ended April 30, 2017, the Village has incurred \$655,670 to be paid to Ralph's Grocery. As of April 30, 2017, the Village has made payments of \$591,127, including \$75,332 of current year expenditures recorded in the General Fund. As of April 30, 2017, the amount outstanding from the Village to Ralph's Grocery is \$64,543.

Azavar Audit Solutions Agreement

In May 2014, an agreement was reached between the Village and Azavar Audit Solutions for balances owed by the Village for past services of \$1,520,975. The agreement dictates that the Village will pay Azavar 36 equal monthly installments of \$36,694 with a down payment of \$200,000. The payments will occur from May 20, 2014 to April 20, 2017. As of April 30, 2017, the Village has made payments of \$1,529,975, including \$477,019 of current year expenditures recorded as an expenditure in the General Fund. As of the fiscal year ended April 30, 2017, the Village does not have any amounts outstanding to Azavar Solutions.

NET POSITION/FUND BALANCE

Net Position/Fund Balance Restatements

Net position for governmental activities, business-type activities, Water Fund, Recreation Center Fund, Dorchester Fund, and Sewer Fund was restated due to the implementation of a new capital asset policy. In addition, fund balance in the General Fund was restated to correct an error in recognition of deposits and accounts payable. The following is a summary of the net position/fund balance as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increase/ (Decrease)
Governmental Activities	\$ (54,085,899)	(53,936,170)	149,729
Business-Type Activities	6,680,299	6,509,826	(170,473)
General	(4,438,761)	(3,947,829)	490,932
Water	(1,648,491)	(1,676,291)	(27,800)
Recreation Center	1,945,692	1,889,006	(56,686)
Dorchester	6,359,721	6,300,866	(58,855)
Sewer	23,377	(3,755)	(27,132)

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,790,315
Plus: Unspent Bond Proceeds	843,787
Less Capital Related Debt:	
General Obligation Build America Direct Payment Bonds of 2009B	(5,455,000)
Taxable General Obligation Bonds of 2009C	(5,687,100)
Unamortized Bond Discount	39,245
Installment Contract of 2016	(1,300,000)
Capital Leases	<u>(240,216)</u>
Net Investment in Capital Assets	<u><u>(7,008,969)</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u><u>11,262,398</u></u>

Fund Balance Classifications

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should represent no less than three months and no more than six months of operating expenditures. Balances above the maximum are transferred to other funds or to capital projects at the Board's discretion.

Committed Fund Balance. The Village reports committed fund balance in the General Fund, a major fund. Board approval (ordinance and/or resolution) is required to establish, modify or rescind a fund balance commitment. The Village's Board has committed the funds through formal Board action for future public safety and economic development expenditures.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Motor Fuel Tax	Debt Service	Nonmajor	Totals
Fund Balances					
Nonspendable					
Advances	\$ 4,930,731	-	-	-	4,930,731
Prepays	44,897	-	-	-	44,897
Land Held for Resale	245,712	-	-	-	245,712
Inventories	22,299	-	-	-	22,299
	<u>5,243,639</u>	-	-	-	<u>5,243,639</u>
Restricted					
Grants	17,277	-	-	-	17,277
JAG Grant	11,071	-	-	-	11,071
Narcint	227,298	-	-	-	227,298
E911	125	-	-	-	125
State Forfeited	21,408	-	-	-	21,408
Federal Forfeiture	9,613	-	-	-	9,613
Local Law Enforcement Block Grants	1,159	-	-	-	1,159
Forfeiture Holding	121,352	-	-	-	121,352
Public Works	-	3,521,774	-	-	3,521,774
Economic Development	-	-	-	4,268,640	4,268,640
	<u>409,303</u>	<u>3,521,774</u>	<u>-</u>	<u>4,268,640</u>	<u>8,199,717</u>
Committed					
Foreign Fire Insurance	14,292	-	-	-	14,292
Unassigned					
	(8,529,397)	-	(534,572)	(1,670,122)	(10,734,091)
Total Fund Balances	<u>(2,862,163)</u>	<u>3,521,774</u>	<u>(534,572)</u>	<u>2,598,518</u>	<u>2,723,557</u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village has purchased private insurance for medical, dental, and other employee benefits. The Village is self-insured for the first \$250,000 of workers' compensation benefits and has purchased specific excess coverage for the next \$1,100,000. The Village is also self-insured for the first \$50,000 per occurrence for liability coverage. In addition, the Village maintains an aggregate excess policy for combined workers' compensation and liability claims in excess of \$1,100,000. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village's self-insurance activities are reported in the governmental activities.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an number of claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and number of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows:

	Workers'		
	Compensation	Liability	Totals
Claims Payable - April 30, 2015	\$ 967,579	472,046	1,439,625
Incurred Claims	39,441	131,075	170,516
Claims Paid	(203,222)	(342,870)	(546,092)
Claims Payable - April 30, 2016	803,798	260,251	1,064,049
Incurred Claims	577,174	367,600	944,774
Claims Paid	(315,952)	(348,198)	(664,150)
Claims Payable - April 30, 2017	1,065,020	279,653	1,344,673

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Bond Default

The Village defaulted on its December 1, 2016 bond payments for the 2004C, 2004D, 2009A, 2009B, and 2009C GO Bonds. The defaulted bond balance was paid in full by the Village prior to fiscal year ended April 30, 2017.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Overpayment of Local Motor Fuel Tax

It was determined in February 2017 that Ralph's Grocery had overpaid the Village for their share of Local Motor Fuel taxes. The Village is in the process of coming to an agreement on what is to be paid back to Ralph's Grocery. As of the fiscal year ended April 30, 2017 the amount due is not yet determinable.

COMMUNITY DEVELOPMENT

The Village participates in various community development projects and secures funding from the United States Department of Housing and Urban Development (HUD). The primary objective the Cook County Development Block Grant Program (CDBG) is to develop suitable urban communities by providing affordable housing with a comfortable living environment and by expanding economic opportunities principally for persons with low to moderate income levels. Housing activities will conserve and expand the urban county's housing availability and will provide equal access to housing for all persons. The stimulation of private investment and job creation will preserve economic development and address public health and safety for the overall quality of life in the community.

LOANS TO OTHER GOVERNMENTS

In 2007, the Village extended a non-interest bearing loan, in the amount of \$300,000 to the Dolton Park District for purpose of working capital. The loan is to be repaid when it is financially feasible for the Park District. As of April 30, 2017 the total amount outstanding is \$300,000. The activity of the loan is reported in the Village's General Fund.

DEFERRED COMPENSATION PLAN

The Village provides a 457 deferred compensation plan to its employees, administered by the United States Conference of Mayors (USCM) contracted with Nationwide Retirement Solutions, Inc. (formerly PEBSO). The intent of the plan is to assist employees in establishing an increased measure of financial security by providing additional retirement income through the deferral of before-tax dollars and the reduction of current income tax liability. The plan is offered to all full-time employees and is non-participatory by the Village.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 14122 Chicago Road, Dolton, Illinois 60419. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	91
Inactive Plan Members Entitled to but not yet Receiving Benefits	44
Active Plan Members	<u>70</u>
Total	<u><u>205</u></u>

Contributions. As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2016 was 8.53% of covered payroll.

Net Pension Liability/(Asset). The Village’s net pension liability/(asset) was measured as of December 31, 2016. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability/(asset) was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following presents the plan’s net pension liability/(asset), calculated using a discount rate of 7.50%, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset) \$	713,673	(1,594,455)	(3,490,705)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2015	\$ 20,567,078	21,110,550	(543,472)
Changes for the Year:			
Service Cost	291,620	-	291,620
Interest on the Total Pension Liability	1,497,434	-	1,497,434
Difference Between Expected and Actual Experience of the Total Pension Liability	(330,146)	-	(330,146)
Changes of Assumptions	-	-	-
Contributions - Employer	-	244,112	(244,112)
Contributions - Employees	-	129,850	(129,850)
Net Investment Income	-	1,416,783	(1,416,783)
Benefit Payments, including Refunds of Employee Contributions	(1,494,194)	(1,494,194)	-
Other (Net Transfer)	-	719,146	(719,146)
Net Changes	(35,286)	1,015,697	(1,050,983)
Balances at December 31, 2016	20,531,792	22,126,247	(1,594,455)

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2017, the Village recognized pension income of \$423,646. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience Change in Assumptions	\$ 19,566	(220,714)	(201,148)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
	1,020,569	-	1,020,569
	1,040,135	(220,714)	819,421
Pension Contributions Made Subsequent to the Measurement Date	138,901	-	138,901
Total Deferred Amounts Related to IMRF	2,219,171	(441,428)	1,777,743

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ 240,226
2019	220,660
2020	328,243
2021	30,292
2022	-
Thereafter	-
Total	819,421

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>45</u>
Total	<u><u>84</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 22.39% of covered payroll.

Concentrations. At year-end, the Police Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	5.00% - 10.63%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on an independent actuary assumption study for Illinois Police 2016.

Discount Rate

A Single Discount Rate of 5.52% was used to measure the total pension liability and 5.35% was used in the prior valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 3.82%, and the resulting single discount rate is 5.52%.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.52%)	Current Discount Rate (5.52%)	1% Increase (6.52%)
Net Pension Liability	\$ 31,600,202	24,177,714	18,145,051

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 49,998,183	24,455,304	25,542,879
Changes for the Year:			
Service Cost	1,332,573	-	1,332,573
Interest on the Total Pension Liability	2,707,162	-	2,707,162
Difference Between Expected and Actual Experience of the Total Pension Liability	(247,761)	-	(247,761)
Changes of Assumptions	(1,938,831)	-	(1,938,831)
Contributions - Employer	-	762,459	(762,459)
Contributions - Employees	-	325,913	(325,913)
Net Investment Income	-	2,200,659	(2,200,659)
Benefit Payments, including Refunds of Employee Contributions	(1,910,799)	(1,910,799)	-
Administrative Expenses	-	(70,723)	70,723
Net Changes	(57,656)	1,307,509	(1,365,165)
Balances at April 30, 2017	49,940,527	25,762,813	24,177,714

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2017, the Village recognized pension expense of \$2,108,392. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(770,538)	(770,538)
Change in Assumptions	654,528	(1,620,989)	(966,461)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,335,842	(416,038)	919,804
Total Deferred Amounts Related to Police Pension	<u>1,990,370</u>	<u>(2,807,565)</u>	<u>(817,195)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ 4,459
2019	4,459
2020	4,458
2021	(440,820)
2022	(353,913)
Thereafter	<u>(35,838)</u>
Total	<u>(817,195)</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan

Plan Descriptions

Plan Administration. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	18
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>22</u>
Total	<u><u>40</u></u>

Benefits Provided. The following is a summary of the Firefighters’ Pension Plan as provided for in Illinois State Statutes.

The Firefighters’ Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 29.37% of covered payroll.

Concentrations. At year end, the Firefighters' Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.75% - 19.79%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Firefighters’ with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Discount Rate

A Single Discount Rate of 5.74% was used to measure the total pension liability and 5.41% was used in the prior valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members’ contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 3.82%, and the resulting single discount rate is 5.74%.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.74%)	Current Discount Rate (5.74%)	1% Increase (6.74%)
Net Pension Liability	\$ 16,597,606	12,784,480	9,712,873

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 24,934,265	11,571,308	13,362,957
Changes for the Year:			
Service Cost	646,616	-	646,616
Interest on the Total Pension Liability	1,400,881	-	1,400,881
Difference Between Expected and Actual Experience of the Total Pension Liability	219,638	-	219,638
Changes of Assumptions	(1,311,622)	-	(1,311,622)
Contributions - Employer	-	485,543	(485,543)
Contributions - Employees	-	198,450	(198,450)
Net Investment Income	-	882,593	(882,593)
Benefit Payments, including Refunds of Employee Contributions	(1,057,328)	(1,057,328)	-
Administrative Expenses	-	(32,596)	32,596
Net Changes	(101,815)	476,662	(578,477)
Balances at April 30, 2017	24,832,450	12,047,970	12,784,480

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2017, the Village recognized pension expense of \$1,468,786. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 483,719	-	483,719
Change in Assumptions	1,685,756	(1,169,054)	516,702
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	727,656	(69,448)	658,208
Total Deferred Amounts Related to Firefighters' Pension	2,897,131	(1,238,502)	1,658,629

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ 382,927
2019	382,927
2020	382,927
2021	140,375
2022	157,737
Thereafter	211,736
Total	1,658,629

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village’s governmental activities.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village’s retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village’s health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village’s plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2017, retirees contributed \$50,305. Active employees do not contribute to the plan until retirement.

At April 30, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	15
Active Employees	<u>109</u>
	<u><u>124</u></u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2017**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2017 was calculated as follows:

Annual Required Contribution	\$ 86,381
Interest on the NPO	12,111
Adjustment to the ARC	<u>(10,092)</u>
Annual OPEB Cost	88,400
Actual Contribution	<u>112,690</u>
Change in the NOPEBO	(24,290)
NOPEBO - Beginning	<u>302,764</u>
NOPEBO - Ending	<u><u>278,474</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 114,271	\$ 71,912	62.93%	\$ 271,741
2016	119,064	88,040	73.94%	302,764
2017	88,400	112,690	127.48%	278,474

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April, 30 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,660,245
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,660,245
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2017 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.50% initially, with an ultimate rate of 5.50%. Both rates include a 3.00% inflation assumption. The actuarial value of assets as not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017 was 30 years.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENTS

On November 10, 2017, the Village entered into an agreement to issue Tax Anticipation Warrants in the amount of \$1,100,000 to be payable with property taxes collected for tax year 2017. The warrants will be due and payable on November 5, 2018.

On November 20, 2017, the Village entered into an agreement to issue Tax Anticipation Warrants in the amount of \$1,800,000 to be payable with property taxes collected for tax year 2017. The warrants will be due and payable on April 1, 2018.

On November 20, 2017, the Village authorized the issuance of \$1,300,000 General Obligation Bonds of 2017, payable on December 1, 2018. The Series 2017 Bonds bear interest at the rate of 3.0% per annum with interest payable on June 1, 2018 and December 1, 2018. These bonds have been transferred to Homewood Disposal Service, Inc. in consideration of past and future amounts due for refuse collection and disposal services.

On December 4, 2017, the Village approved a revised agreement to sell the Dorchester Senior Living Facility in the amount of \$2,600,000. As of the opinion date, this sale is still pending State licensure approval.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Police Pension Fund
Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
Police Pension Fund
Firefighters' Pension Fund

- Schedule of Investment Returns
Police Pension Fund
Firefighters' Pension Fund

- Budgetary Comparison Schedule
General Fund
Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF DOLTON, ILLINOIS

Other Post-Employment Benefits Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2017**

Funding Progress							(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll		
2012	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A		N/A
2013	N/A	N/A	N/A	N/A	N/A		N/A
2014	-	1,689,538	0.00%	1,689,538	N/A		N/A
2015	N/A	N/A	N/A	N/A	N/A		N/A
2016	N/A	N/A	N/A	N/A	N/A		N/A
2017	-	1,660,245	0.00%	1,660,245	N/A		N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2012	\$ N/A	\$ N/A	N/A
2013	N/A	N/A	N/A
2014	70,387	108,406	64.93%
2015	71,912	112,742	63.78%
2016	88,040	117,252	75.09%
2017	112,690	86,381	130.46%

The Village implemented GASB Statement No. 45 in Fiscal Year 2014. The Village is required to have an actuarial valuation performed triennially.

N/A - Not Available

VILLAGE OF DOLTON, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 141,746	\$ 141,950	\$ 204	\$ 2,362,425	6.01%
2017	179,936	244,112	64,176	2,860,670	8.53%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 1,113,611	\$ 716,574	\$ (397,037)	\$ 2,939,400	24.38%
2016	1,236,858	787,728	(449,130)	3,221,094	24.46%
2017	1,200,342	762,459	(437,883)	3,405,262	22.39%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	5.00% - 10.63%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Police Mortality Rates

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 679,271	\$ 455,180	\$ (224,091)	\$ 1,391,319	32.72%
2016	603,043	499,389	(103,654)	1,667,358	29.95%
2017	645,365	485,543	(159,822)	1,653,009	29.37%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.75% - 19.79%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Firefighters Mortality Rates

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017**

	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 217,866	291,620
Interest	1,468,511	1,497,434
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	70,698	(330,146)
Change of Assumptions	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,322,421)	(1,494,194)
Net Change in Total Pension Liability	434,654	(35,286)
Total Pension Liability - Beginning	20,132,424	20,567,078
Total Pension Liability - Ending	20,567,078	20,531,792
Plan Fiduciary Net Position		
Contributions - Employer	\$ 141,950	244,112
Contributions - Members	107,417	129,850
Net Investment Income	106,340	1,416,783
Benefit Payments, Including Refunds of Member Contributions	(1,322,421)	(1,494,194)
Other (Net Transfer)	272,643	719,146
Net Change in Plan Fiduciary Net Position	(694,071)	1,015,697
Plan Net Position - Beginning	21,804,621	21,110,550
Plan Net Position - Ending	21,110,550	22,126,247
Employer's Net Pension Obligation	\$ (543,472)	(1,594,455)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.64%	107.77%
Covered-Employee Payroll	\$ 2,362,425	2,860,670
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	(23.00%)	(55.74%)

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017**

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 1,301,043	1,238,399	1,332,573
Interest	2,212,327	2,513,788	2,707,162
Differences Between Expected and Actual Experience	-	(831,040)	(247,761)
Change of Assumptions	-	965,468	(1,938,831)
Benefit Payments, Including Refunds of Member Contributions	(1,786,828)	(1,750,240)	(1,910,799)
Net Change in Total Pension Liability	1,726,542	2,136,375	(57,656)
Total Pension Liability - Beginning	46,135,266	47,861,808	49,998,183
Total Pension Liability - Ending	47,861,808	49,998,183	49,940,527
Plan Fiduciary Net Position			
Contributions - Employer	716,574	787,728	762,459
Contributions - Members	329,382	325,100	325,913
Net Investment Income	1,662,239	(457,288)	2,200,659
Benefit Payments, Including Refunds of Member Contributions	(1,786,828)	(1,750,240)	(1,910,799)
Administrative Expense	(70,626)	(83,581)	(70,723)
Net Change in Plan Fiduciary Net Position	850,741	(1,178,281)	1,307,509
Plan Net Position - Beginning	24,782,844	25,633,585	24,455,304
Plan Net Position - Ending	25,633,585	24,455,304	25,762,813
Employer's Net Pension Liability	22,228,223	25,542,879	24,177,714
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.56%	48.91%	51.59%
Covered-Employee Payroll	2,939,400	3,221,094	3,405,262
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	756.22%	792.99%	710.01%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017**

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 566,874	702,731	646,616
Interest	1,167,617	1,136,396	1,400,881
Differences Between Expected and Actual Experience	-	368,615	219,638
Change of Assumptions	-	2,157,958	(1,311,622)
Benefit Payments, Including Refunds of Member Contributions	(846,907)	(873,808)	(1,057,328)
Net Change in Total Pension Liability	887,584	3,491,892	(101,815)
Total Pension Liability - Beginning	20,554,789	21,442,373	24,934,265
Total Pension Liability - Ending	21,442,373	24,934,265	24,832,450
Plan Fiduciary Net Position			
Contributions - Employer	455,180	499,389	485,543
Contributions - Members	126,553	151,144	198,450
Net Investment Income	486,676	(368,320)	882,593
Benefit Payments, Including Refunds of Member Contributions	(846,907)	(873,808)	(1,057,328)
Administrative Expense	(24,167)	(21,884)	(32,596)
Net Change in Plan Fiduciary Net Position	197,335	(613,479)	476,662
Plan Net Position - Beginning	11,987,452	12,184,787	11,571,308
Plan Net Position - Ending	12,184,787	11,571,308	12,047,970
Employer's Net Pension Liability	9,257,586	13,362,957	12,784,480
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.83%	46.41%	48.52%
Covered-Employee Payroll	1,391,319	1,667,358	1,653,009
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	665.38%	801.44%	773.41%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2017**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.87%
2016	(1.82%)
2017	9.26%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2017**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.40%
2016	(3.13%)
2017	7.83%

Note:
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 9,980,603	9,980,603	10,660,066
Intergovernmental	2,500,000	2,500,000	2,518,559
Licenses and Permits	1,103,943	1,103,943	1,451,069
Charges for Services	1,658,569	1,658,569	1,673,691
Fines and Forfeitures	1,426,460	1,426,460	2,644,577
Interest	3,000	3,000	6,782
Miscellaneous	892,178	892,178	483,231
Total Revenues	17,564,753	17,564,753	19,437,975
Expenditures			
General Government	4,898,781	4,898,781	5,495,808
Public Safety	10,161,686	10,161,686	11,300,706
Public Works	3,237,321	3,237,321	3,113,172
Public Property Maintenance	1,620,000	1,620,000	1,196,281
Debt Service			
Principal Retirement	2,700,000	2,700,000	75,810
Interest and Fiscal Charges	44,550	44,550	115,799
Total Expenditures	22,662,338	22,662,338	21,297,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,097,585)	(5,097,585)	(1,859,601)
Other Financing Sources (Uses)			
Disposal of Capital Assets	3,535,000	3,535,000	370,875
Debt Issuance	1,400,000	1,400,000	1,300,000
Transfers In	-	-	1,304,214
Transfers Out	-	-	(29,822)
	4,935,000	4,935,000	2,945,267
Net Change in Fund Balance	(162,585)	(162,585)	1,085,666
Fund Balance - Beginning as Restated			(3,947,829)
Fund Balance - Ending			(2,862,163)

VILLAGE OF DOLTON, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 550,000	550,000	586,848
Interest	-	-	1,279
Total Revenues	<u>550,000</u>	<u>550,000</u>	<u>588,127</u>
Expenditures			
Public Works			
Maintenance	<u>700,000</u>	<u>700,000</u>	<u>355,116</u>
Net Change in Fund Balance	<u>(150,000)</u>	<u>(150,000)</u>	233,011
Fund Balance - Beginning			<u>3,288,763</u>
Fund Balance - Ending			<u><u>3,521,774</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Statements – Pension Trust Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The City uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

Housing Authority Fund

The Housing Authority Fund is used to account for are the funds that the Village collects from residents that are doing work on their home/business. Once the work is complete and inspected/approved, the escrow deposits are refunded.

Sibley TIF #2 Fund

The Sibley TIF #2 Fund is used to account for the incremental property taxes of the Sibley Tax Incremental Financing District #2 and the use of those funds.

I-94 Sibley TIF Fund

The I-94 Sibley TIF Fund is used to account for the incremental property taxes of the I-94 Sibley Tax Incremental Financing District and the use of those funds.

TIF #3 Indulux Fund

The TIF #3 Indulux Fund is used to account for the incremental property taxes of the Tax Incremental Financing District #3 Indulux and the use of those funds.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the Village's long-term debt.

ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Village's enterprise fund is a non-major fund.

Water Fund

The Water Fund is used to account for the provisions of the water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Recreation Center Fund

The Recreation Center Fund is used to account for the provisions of the Melanie Fitness Center. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Dorchester Fund

The Dorchester Fund is used to account for the provisions of the senior building. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Sewer Fund

The Sewer Fund is used to account for the operating activities of the Village's sewerage utilities services on a user-charge basis to the Village residents.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

VILLAGE OF DOLTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 5,111,668	5,111,668	5,482,036
Sales Tax	2,544,000	2,544,000	2,629,481
Transfer Tax	85,275	85,275	205,295
Utility Tax	2,109,660	2,109,660	2,107,551
Hotel Tax	30,000	30,000	10,975
Other Taxes	100,000	100,000	224,728
Total Taxes	9,980,603	9,980,603	10,660,066
Intergovernmental			
State Income Tax	2,100,000	2,100,000	2,192,577
Replacement Tax	200,000	200,000	256,360
Local Motor Fuel Tax	100,000	100,000	46,474
911 Service Surcharges	100,000	100,000	23,148
Total Intergovernmental	2,500,000	2,500,000	2,518,559
Licenses and Permits			
Licenses	507,223	507,223	868,779
Permits	596,720	596,720	582,290
Total Licenses and Permits	1,103,943	1,103,943	1,451,069
Charges for Services			
Fees and Service Charges	50,000	50,000	39,871
Refuse Collection Fees	1,608,569	1,608,569	1,633,820
Total Charges for Services	1,658,569	1,658,569	1,673,691
Fines and Forfeitures	1,426,460	1,426,460	2,644,577
Interest	3,000	3,000	6,782
Miscellaneous			
Rental Income	26,979	26,979	68,349
Reimbursements	15,000	15,000	222,135
Employee Contributions	675,199	675,199	-
Other	175,000	175,000	192,747
Total Miscellaneous	892,178	892,178	483,231
Total Revenues	17,564,753	17,564,753	19,437,975

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
General Government			
General			
Salaries	\$ 620,640	620,640	635,148
Benefits	885,752	885,752	1,186,993
Printing and Publishing	29,440	29,440	26,812
Office Supplies	17,700	17,700	10,952
Postage and Shipping	9,318	9,318	3,499
Insurance	1,000,000	1,000,000	1,066,782
Repairs and Maintenance	9,500	9,500	12,631
Utilities	400,000	400,000	175,238
Telephones	355,000	355,000	346,463
Training, Travel and Meetings	31,000	31,000	2,340
Membership Dues	17,000	17,000	17,880
Special Event Activities	160,000	160,000	47,070
Equipment	-	-	1,397
Auditing	180,000	180,000	217,533
Legal Services	324,000	324,000	256,906
Settlements	25,000	25,000	7,828
Red Light	-	-	585,665
Contracted Services	50,000	50,000	299,796
Professional Services	250,000	250,000	-
Miscellaneous	179,375	179,375	313,727
Media Center			
Salaries	48,000	48,000	48,264
Benefits	14,678	14,678	11,881
Printing and Publishing	1,000	1,000	529
Professional Services	6,000	6,000	6,166
Office Supplies	500	500	443
Maintenance Supplies	1,500	1,500	596
Training, Travel and Meetings	200	200	-
Equipment	15,500	15,500	14,701
Miscellaneous	2,000	2,000	1,588
Board and Commission			
Salaries	18,000	18,000	3,000
Printing and Publishing	20,000	20,000	10,060
Professional Services	-	-	5,234
Office Supplies	-	-	80
Contracted Services	15,000	15,000	-

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance			
Salaries	\$ 107,480	107,480	93,100
Benefits	14,198	14,198	19,824
Training, Travel and Meetings	7,500	7,500	490
Membership Dues	2,500	2,500	360
Office Supplies	1,000	1,000	460
Youth Commission			
Special Events Activities	80,000	80,000	64,372
Total General Government	4,898,781	4,898,781	5,495,808
Public Safety			
Police Department			
Salaries	4,183,437	4,183,437	4,782,263
Benefits	1,217,306	1,217,306	862,503
Pension	-	-	762,459
Office Supplies	9,000	9,000	17,922
Postage and Shipping	4,000	4,000	-
Operating Supplies	87,000	87,000	88,793
Repairs and Maintenance	94,000	94,000	81,157
Training, Travel and Meetings	45,000	45,000	18,404
Public Education	10,000	10,000	1,726
Membership Dues	9,000	9,000	4,628
Uniform Allowance	34,225	34,225	45,816
Forfeiture Purchases	175,000	175,000	110,980
Equipment	-	-	2,902
Legal Services	-	-	56,160
Contracted Services	116,000	116,000	422,233
Professional Services	40,000	40,000	72,024
Miscellaneous	26,000	26,000	36,062
Fire Department			
Salaries	2,690,112	2,690,112	2,358,203
Benefits	518,599	518,599	433,851
Pension	-	-	485,543
Office Supplies	4,500	4,500	1,727
Operating Supplies	86,200	86,200	51,779
Tools and Supplies	-	-	25,486
Repairs and Maintenance	51,200	51,200	57,332

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Training, Travel and Meetings	\$ 25,000	25,000	7,167
Public Education	6,000	6,000	1,720
Membership Dues	5,195	5,195	6,014
Uniform Allowance	15,000	15,000	13,648
Equipment	-	-	1,446
Legal Services	10,000	10,000	-
Contracted Services	84,532	84,532	435,527
Professional Services	26,880	26,880	37,620
Miscellaneous	583,500	583,500	15,727
Police/Fire Commission			
Professional Services	5,000	5,000	1,884
Total Public Safety	10,161,686	10,161,686	11,300,706
Public Works			
Street Division			
Salaries	1,266,727	1,266,727	1,140,977
Benefits	728,399	728,399	399,997
Maintenance Supplies	88,000	88,000	65,803
Office Supplies	2,000	2,000	10,313
Operating Supplies	15,000	15,000	17,307
Janitorial Supplies	1,200	1,200	-
Repairs and Maintenance	157,500	157,500	294,607
Telephone	4,100	4,100	13,382
Membership Dues	3,500	3,500	100
Training, Travel and Meetings	1,500	1,500	1,024
Utilities	13,000	13,000	5,311
Uniform Allowance	40,000	40,000	51,298
Rented Equipment	2,500	2,500	973
Professional Services	50,000	50,000	233,409
Contracted Services	-	-	28,803
Equipment	69,243	69,243	33,207
Street Lights	25,000	25,000	24,284
Miscellaneous	34,000	34,000	45,821

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Public Works - Continued			
Housing			
Salaries	\$ 365,200	365,200	303,879
Benefits	132,152	132,152	80,715
Printing and Publishing	12,500	12,500	6,812
Maintenance Supplies	2,500	2,500	1,324
Operating Supplies	20,000	20,000	17,038
Office Supplies	2,500	2,500	3,635
Postage and Shipping	22,100	22,100	18,092
Training, Travel and Meetings	2,000	2,000	125
Membership Dues	4,500	4,500	-
Contracted Services	154,200	154,200	281,729
Equipment	3,000	3,000	30,704
Miscellaneous	15,000	15,000	2,503
Total Public Works	3,237,321	3,237,321	3,113,172
Public Property Maintenance			
Sanitation			
Contract Collections	1,620,000	1,620,000	1,196,281
Debt Service			
Principal Retirement	2,700,000	2,700,000	75,810
Interest and Fiscal Charges	44,550	44,550	115,799
Total Debt Service	2,744,550	2,744,550	191,609
Total Expenditures	22,662,338	22,662,338	21,297,576

VILLAGE OF DOLTON, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,973,422	3,973,422	4,519,324
Miscellaneous	-	-	338
Total Revenues	<u>3,973,422</u>	<u>3,973,422</u>	<u>4,519,662</u>
Expenditures			
Debt Service			
Principal Retirement	2,392,755	2,392,755	3,286,477
Interest and Fiscal Charges	976,591	976,591	1,374,847
Total Expenditures	<u>3,369,346</u>	<u>3,369,346</u>	<u>4,661,324</u>
Net Change in Fund Balance	<u>604,076</u>	<u>604,076</u>	(141,662)
Fund Balance - Beginning			<u>(392,910)</u>
Fund Balance - Ending			<u>(534,572)</u>

VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
April 30, 2017**

	Special Revenue				
	Housing Authority	Sibley TIF #2	I-94 Sibley TIF	TIF #3 Indulux	Totals
ASSETS					
Cash and Investments	\$ -	129,815	342,374	97,754	569,943
Due from Other Funds	-	-	2,524,372	1,304,140	3,828,512
Total Assets	-	129,815	2,866,746	1,401,894	4,398,455
LIABILITIES					
Accounts Payable	-	1,147,667	-	-	1,147,667
Due to Other Funds	-	652,270	-	-	652,270
Total Liabilities	-	1,799,937	-	-	1,799,937
FUND BALANCES					
Restricted	-	-	2,866,746	1,401,894	4,268,640
Unassigned	-	(1,670,122)	-	-	(1,670,122)
Total Fund Balances	-	(1,670,122)	2,866,746	1,401,894	2,598,518
Total Liabilities and Fund Balances	-	129,815	2,866,746	1,401,894	4,398,455

VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2017**

	Special Revenue				Totals
	Housing Authority	Sibley TIF #2	I-94 Sibley TIF	TIF #3 Indulux	
Revenues					
Taxes	\$ -	209,052	356,784	170,059	735,895
Interest	-	339	1,341	325	2,005
Total Revenues	-	209,391	358,125	170,384	737,900
Expenditures					
Economic Development	-	350,000	-	-	350,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(140,609)	358,125	170,384	387,900
Other Financing (Uses)					
Transfers Out	(6,099)	-	(1,298,115)	-	(1,304,214)
Net Change in Fund Balances	(6,099)	(140,609)	(939,990)	170,384	(916,314)
Fund Balances - Beginning	6,099	(1,529,513)	3,806,736	1,231,510	3,514,832
Fund Balances - Ending	-	(1,670,122)	2,866,746	1,401,894	2,598,518

VILLAGE OF DOLTON, ILLINOIS

Sibley TIF #2 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 260,000	260,000	209,052
Interest	-	-	339
Total Revenues	<u>260,000</u>	<u>260,000</u>	<u>209,391</u>
Expenditures			
Economic Development			
Professional Services	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Net Change in Fund Balance	<u>(90,000)</u>	<u>(90,000)</u>	(140,609)
Fund Balance - Beginning			<u>(1,529,513)</u>
Fund Balance - Ending			<u>(1,670,122)</u>

VILLAGE OF DOLTON, ILLINOIS

I-94 Sibley TIF - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 750,000	750,000	356,784
Interest	-	-	1,341
Total Revenues	<u>750,000</u>	<u>750,000</u>	<u>358,125</u>
Expenditures			
Economic Development			
Professional Services	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	750,000	750,000	358,125
Other Financing (Uses)			
Transfers Out	-	-	(1,298,115)
Net Change in Fund Balance	<u>750,000</u>	<u>750,000</u>	(939,990)
Fund Balance - Beginning			<u>3,806,736</u>
Fund Balance - Ending			<u>2,866,746</u>

VILLAGE OF DOLTON, ILLINOIS

TIF #3 Indulux - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 410,000	410,000	170,059
Interest	-	-	325
Total Revenues	<u>410,000</u>	<u>410,000</u>	<u>170,384</u>
Expenditures			
Economic Development			
Professional Services	-	-	-
Net Change in Fund Balance	<u>410,000</u>	<u>410,000</u>	170,384
Fund Balance - Beginning			<u>1,231,510</u>
Fund Balance - Ending			<u>1,401,894</u>

VILLAGE OF DOLTON, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 4,862,096	4,862,096	4,058,517
Miscellaneous	75,000	75,000	103,250
Total Operating Revenues	<u>4,937,096</u>	<u>4,937,096</u>	<u>4,161,767</u>
Operating Expenses			
Operations			
Salaries and Benefits	677,452	677,452	444,420
Contractual Services	34,000	34,000	7,505
Supplies	68,200	68,200	131,141
Commodities and Merchandise	5,500,000	5,500,000	3,146,315
Occupancy and Maintenance	95,000	95,000	158,598
Postage	10,000	10,000	23,534
Utilities	55,000	55,000	5,503
Miscellaneous	20,000	20,000	(546,874)
Total Operating Expenses	<u>6,459,652</u>	<u>6,459,652</u>	<u>3,370,142</u>
Income (Loss) before Transfers	(1,522,556)	(1,522,556)	791,625
Transfers In	-	-	29,822
Change in Net Position	<u>(1,522,556)</u>	<u>(1,522,556)</u>	821,447
Net Position - Beginning as Restated			<u>(1,676,291)</u>
Net Position - Ending			<u>(854,844)</u>

VILLAGE OF DOLTON, ILLINOIS

Recreation Center - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 252,000	252,000	199,061
Miscellaneous	2,000	2,000	1,600
Total Operating Revenues	<u>254,000</u>	<u>254,000</u>	<u>200,661</u>
Operating Expenses			
Operations			
Salaries and Benefits	196,286	196,286	135,262
Contractual Services	98,000	98,000	216,416
Supplies	34,400	34,400	13,467
Equipment	10,000	10,000	17,651
Miscellaneous	500	500	21,304
Depreciation	-	-	82,065
Total Operating Expenses	<u>339,186</u>	<u>339,186</u>	<u>486,165</u>
Operating Income (Loss)	(85,186)	(85,186)	(285,504)
Nonoperating Revenues			
Interest Income	-	-	3
Change in Net Position	<u>(85,186)</u>	<u>(85,186)</u>	<u>(285,501)</u>
Net Position - Beginning as Restated			<u>1,889,006</u>
Net Position - Ending			<u>1,603,505</u>

VILLAGE OF DOLTON, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 156,604	156,604	333,386
Operating Expenses			
Operations			
Salaries and Benefits	77,316	77,316	68,665
Contractual Services	-	-	198,306
Total Operating Expenses	<u>77,316</u>	<u>77,316</u>	<u>266,971</u>
Change in Net Position	<u>79,288</u>	<u>79,288</u>	66,415
Net Position - Beginning as Restated			<u>(3,755)</u>
Net Position - Ending			<u><u>62,660</u></u>

VILLAGE OF DOLTON, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
April 30, 2017**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 979,806	499,897	1,479,703
Investments			
U.S. Treasuries	1,792,750	879,771	2,672,521
U.S. Agencies	3,868,003	264,157	4,132,160
State and Local Government Obligations	-	66,143	66,143
Corporate Bonds	2,076,893	1,210,108	3,287,001
Equity Mutual Funds	17,036,578	2,719,729	19,756,307
Annuities	-	5,317,402	5,317,402
Common Stock	-	1,060,506	1,060,506
Receivables - Net of Allowance			
Accrued Interest	20,785	15,438	36,223
Advances to Other Funds	310,327	15,222	325,549
Reserve Uncollectable - Interfund	(310,327)	-	(310,327)
Prepays	530	350	880
Total Assets	25,775,345	12,048,723	37,824,068
LIABILITIES			
Accounts Payable	12,532	753	13,285
NET POSITION			
Net Position Restricted for Pensions	25,762,813	12,047,970	37,810,783

VILLAGE OF DOLTON, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2017

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 762,459	485,543	1,248,002
Contributions - Plan Members	325,913	198,450	524,363
Total Contributions	1,088,372	683,993	1,772,365
Investment Earnings			
Interest Earned	486,201	189,751	675,952
Net Change in Fair Value	1,751,486	723,826	2,475,312
	2,237,687	913,577	3,151,264
Less Investment Expenses	(37,028)	(30,984)	(68,012)
Net Investment Income	2,200,659	882,593	3,083,252
Total Additions	3,289,031	1,566,586	4,855,617
Deductions			
Administration	70,723	32,596	103,319
Benefits and Refunds	1,910,799	1,057,328	2,968,127
Total Deductions	1,981,522	1,089,924	3,071,446
Change in Fiduciary Net Position	1,307,509	476,662	1,784,171
Net Position Restricted for Pensions			
Beginning	24,455,304	11,571,308	36,026,612
Ending	25,762,813	12,047,970	37,810,783

SUPPLEMENTAL SCHEDULES

VILLAGE OF DOLTON, ILLINOIS

**Schedule of Insurance in Force
April 30, 2017**

Insured	Coverage	Limits	Expiration Date of Coverage
Illinois Public Risk Fund	Workers' Compensation	\$3,000,000	12/31/2017

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2004C**

April 30, 2017

Date of Issue	December 1, 2004
Date of Maturity	December 1, 2019
Authorized Issue	\$2,930,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% - 4.20%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Cole Taylor Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ 245,000	32,130	277,130	2017	16,065	2017	16,065
2019	255,000	21,840	276,840	2018	10,920	2018	10,920
2020	265,000	11,130	276,130	2019	5,565	2019	5,565
	<u>765,000</u>	<u>65,100</u>	<u>830,100</u>		<u>32,550</u>		<u>32,550</u>

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
General Obligation Corporate Purpose Bonds of 2004D**

April 30, 2017

Date of Issue	December 1, 2004
Date of Maturity	December 1, 2019
Authorized Issue	\$2,275,000
Denomination of Bonds	\$5,000
Interest Rates	4.70% - 6.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Cole Taylor Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ 200,000	36,226	236,226	2017	18,113	2017	18,113
2019	210,000	24,724	234,724	2018	12,362	2018	12,362
2020	220,000	12,650	232,650	2019	6,325	2019	6,325
	<u>630,000</u>	<u>73,600</u>	<u>703,600</u>		<u>36,800</u>		<u>36,800</u>

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2009A**

April 30, 2017

Date of Issue	September 30, 2009
Date of Maturity	December 1, 2026
Authorized Issue	\$11,535,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% - 4.50%
Interest Date	December 1
Principal Maturity Date	December 1
Payable at	Cole Taylor Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2018	\$ 900,000	375,600	1,275,600
2019	900,000	339,600	1,239,600
2020	-	303,600	303,600
2021	965,000	303,600	1,268,600
2022	1,000,000	265,000	1,265,000
2023	1,000,000	222,500	1,222,500
2024	1,000,000	180,000	1,180,000
2025	1,000,000	135,000	1,135,000
2026	1,000,000	90,000	1,090,000
2027	1,000,000	45,000	1,045,000
	<u>8,765,000</u>	<u>2,259,900</u>	<u>11,024,900</u>

VILLAGE OF DOLTON, ILLINOIS

Long-Term Debt Requirements

General Obligation Build America Direct Payment Bonds of 2009B

April 30, 2017

Date of Issue	September 30, 2009
Date of Maturity	December 1, 2029
Authorized Issue	\$5,455,000
Denomination of Bonds	\$5,000
Interest Rate	6.10%
Interest Date	December 1
Principal Maturity Date	December 1
Payable at	Cole Taylor Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2018	\$ -	332,755	332,755
2019	-	332,755	332,755
2020	-	332,755	332,755
2021	220,000	332,755	552,755
2022	250,000	319,335	569,335
2023	275,000	304,085	579,085
2024	300,000	287,310	587,310
2025	325,000	269,010	594,010
2026	755,000	249,185	1,004,185
2027	785,000	203,130	988,130
2028	815,000	155,245	970,245
2029	850,000	105,530	955,530
2030	880,000	53,680	933,680
	<u>5,455,000</u>	<u>3,277,530</u>	<u>8,732,530</u>

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
Taxable General Obligation Bonds of 2009C**

April 30, 2017

Date of Issue	September 30, 2009
Date of Maturity	December 1, 2024
Authorized Issue	\$12,665,000
Denomination of Bonds	\$5,000
Interest Rates	2.61% - 5.77%
Interest Date	December 1
Principal Maturity Date	December 1
Payable at	Cole Taylor Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2018	\$ 955,000	441,107	1,396,107
2019	1,000,000	392,688	1,392,688
2020	1,055,000	341,989	1,396,989
2021	1,000,000	288,500	1,288,500
2022	1,000,000	230,800	1,230,800
2023	1,000,000	173,100	1,173,100
2024	1,000,000	115,400	1,115,400
2025	1,000,000	57,700	1,057,700
	<u>8,010,000</u>	<u>2,041,284</u>	<u>10,051,284</u>

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
Installment Contract of 2016**

April 30, 2017

Date of Issue	August 15, 2016
Date of Maturity	December 15, 2017
Authorized Issue	\$1,300,000
Interest Rate	3.557%
Interest Dates	June 15 and December 15
Principal Maturity Dates	June 15 and December 15
Payable at	Municipal Funding Solutions, LLC

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2018	\$ 1,300,000	52,411	1,352,411