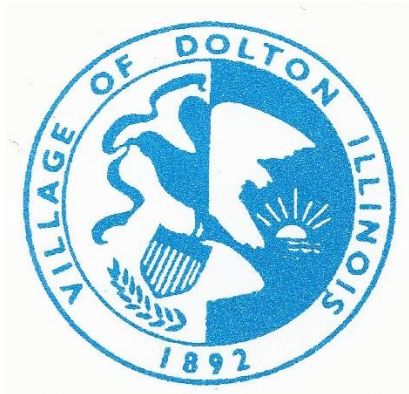


VILLAGE OF DOLTON, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

VILLAGE OF DOLTON, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 12
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities.....	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7 - 8
Reconciliation of Total Governmental Fund Balance to Net Position – Governmental Activities	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	12
Statement of Net Position – Proprietary Funds.....	13 - 14
Statement of Revenues, Expenses and Changes Fund in Net Position – Proprietary Funds	15
Statement of Cash Flows – Proprietary Funds.....	16
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to the Financial Statements.....	19 - 71
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress and Employer Contributions	
Other Post-Employment Benefits Plan	72
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	73
Police Pension Fund.....	74
Firefighters' Pension Fund.....	75
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund.....	76 - 77
Police Pension Fund.....	78 - 79
Firefighters' Pension Fund.....	80 - 81
Schedule of Investment Returns	
Police Pension Fund.....	82
Firefighters' Pension Fund.....	83

VILLAGE OF DOLTON, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
REQUIRED SUPPLEMENTARY INFORMATION – Continued	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	84
Motor Fuel Tax – Special Revenue Fund	85
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Schedule of Revenues – Budget and Actual – General Fund	86
Schedule of Expenditures – Budget and Actual – General Fund.....	87 - 90
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund.....	91
Combining Balance Sheet – Nonmajor Governmental Funds.....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds.....	93
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Sibley TIF #2 – Special Revenue Fund	94
I-94 Sibley TIF – Special Revenue Fund.....	95
TIF #3 Indulux – Special Revenue Fund	96
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget and Actual	
Water – Enterprise Fund	97
Recreation Center – Enterprise Fund	98
Sewer – Enterprise Fund	99
Combining Statement of Fiduciary Net Position – Pension Trust Funds	100
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	101
SUPPLEMENTAL SCHEDULES	
Schedule of Insurance in Force.....	102
Long-Term Debt Requirements	
General Obligation Refunding Bonds of 2004C.....	103
General Obligation Corporate Purpose Bonds of 2004D	104
General Obligation Bonds of 2009A	105
General Obligation Build America Direct Payment Bonds of 2009B	106
Taxable General Obligation Bonds of 2009C.....	107
General Obligation Bonds of 2017	108

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

October 12, 2018

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, 2018, 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, 2018, 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, 2018

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, 2018. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$6,199,440, or 87.2 percent and net position of the governmental activities decreased by \$3,483,671, or 6.3 percent.
- During the year, government-wide revenues totaled \$31,169,285, while expenses totaled \$40,852,396, resulting in a decrease to net position of \$9,683,111.
- The Village's net position totaled a deficit of \$57,614,780 on April 30, 2018, which includes a deficit of \$3,995,292 net investment in capital assets, \$9,271,028 subject to external restrictions, and a deficit of \$62,890,516 unrestricted net position.
- The General Fund reported a deficit this year of \$2,574,576, resulting in ending fund balance of (\$5,436,739), a decrease of 90.0 percent. The large decrease in fund balance was primarily due to the transfer out of \$2,548,247 from Debt Service and Dorchester of \$1,972,792 and \$575,455, respectively.

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, 2018

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, 2018

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 six 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 three 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 schedule 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, 2018

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 - 71 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 72 - 85 of this report. Combining and individual fund statements and schedules can be found on pages 86 - 101 of this report.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 \$57,614,780.

	Governmental Activities		Net Position		Totals	
			Business-Type Activities			
	2018	2017	2018	2017	2018	2017
Current Assets	\$ 13,968,921	15,272,325	7,765,361	362,339	21,734,282	15,634,664
Capital Assets	4,617,030	4,790,315	1,725,143	11,262,398	6,342,173	16,052,713
Other Assets	3,391,853	1,402,499	475,385	191,956	3,867,238	1,594,455
Total Assets	21,977,804	21,465,139	9,965,889	11,816,693	31,943,693	33,281,832
Deferred Outflows of Resources	8,659,174	7,746,281	88,494	141,944	8,747,668	7,888,225
Total Assets/ Deferred Outflows	30,636,978	29,211,420	10,054,383	11,958,637	40,691,361	41,170,057
Long-Term Debt	66,242,912	61,821,719	549,775	1,078,563	66,792,687	62,900,282
Other Liabilities	8,258,034	9,902,082	8,251,513	3,740,223	16,509,547	13,642,305
Total Liabilities	74,500,946	71,723,801	8,801,288	4,818,786	83,302,234	76,542,587
Deferred Inflows of Resources	14,664,651	11,713,146	339,256	26,572	15,003,907	11,739,718
Total Liabilities/ Deferred Inflows	89,165,597	83,436,947	9,140,544	4,845,358	98,306,141	88,282,305
Net Position						
Net Investment in Capital Assets	(5,720,435)	(7,008,969)	1,725,143	11,262,398	(3,995,292)	4,253,429
Restricted	9,271,028	8,199,717	-	-	9,271,028	8,199,717
Unrestricted (Deficit)	(62,079,212)	(55,416,275)	(811,304)	(4,149,119)	(62,890,516)	(59,565,394)
Total Net Position	(58,528,619)	(54,225,527)	913,839	7,113,279	(57,614,780)	(47,112,248)

A large portion of the Village's net position, a deficit \$3,995,292, 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, \$9,271,028, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$62,890,516), represents unrestricted net position.

VILLAGE OF DOLTON, ILLINOIS

**Management's Discussion and Analysis
April 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 5,816,968	5,792,485	6,326,556	4,699,101	12,143,524	10,491,586
Operating Grants/Contrib.	873,848	586,848	-	-	873,848	586,848
Capital Grants/Contrib.	-	-	-	-	-	-
General Revenues						
Property Taxes	10,111,079	10,737,255	-	-	10,111,079	10,737,255
Sales Taxes	2,589,532	2,629,481	-	-	2,589,532	2,629,481
Other Taxes	2,224,810	2,595,023	-	-	2,224,810	2,595,023
Income Taxes	2,092,992	2,192,577	-	-	2,092,992	2,192,577
Replacement Taxes	216,552	256,360	-	-	216,552	256,360
Interest	18,533	10,066	26	3	18,559	10,069
Miscellaneous	898,389	483,569	-	-	898,389	483,569
Total Revenues	24,842,703	25,283,664	6,326,582	4,699,104	31,169,285	29,982,768
Expenses						
General Government	7,302,384	4,448,278	-	-	7,302,384	4,448,278
Public Safety	13,175,518	13,717,459	-	-	13,175,518	13,717,459
Public Works	3,815,140	4,306,943	-	-	3,815,140	4,306,943
Public Property Maintenance	1,756,132	1,196,281	-	-	1,756,132	1,196,281
Economic Development	351,791	350,000	-	-	351,791	350,000
Interest on Long-Term Debt	1,349,954	1,524,238	-	-	1,349,954	1,524,238
Water	-	-	5,681,766	3,370,142	5,681,766	3,370,142
Recreation Center	-	-	380,597	486,165	380,597	486,165
Dorchester	-	-	6,877,435	2,195	6,877,435	2,195
Sewer	-	-	161,679	266,971	161,679	266,971
Total Expenses	27,750,919	25,543,199	13,101,477	4,125,473	40,852,396	29,668,672
Change in Net Position						
Before Transfers	(2,908,216)	(259,535)	(6,774,895)	573,631	(9,683,111)	314,096
Transfers	(575,455)	(29,822)	575,455	29,822	-	-
Change in Net Position	(3,483,671)	(289,357)	(6,199,440)	603,453	(9,683,111)	314,096
Net Position - Beginning as Restated	(55,044,948)	(53,936,170)	7,113,279	6,509,826	(47,931,669)	(47,426,344)
Net Position - Ending	(58,528,619)	(54,225,527)	913,839	7,113,279	(57,614,780)	(47,112,248)

Beginning net position was restated due to an error in the recognition of deferred outflows and deferred inflows for IMRF in the prior year.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

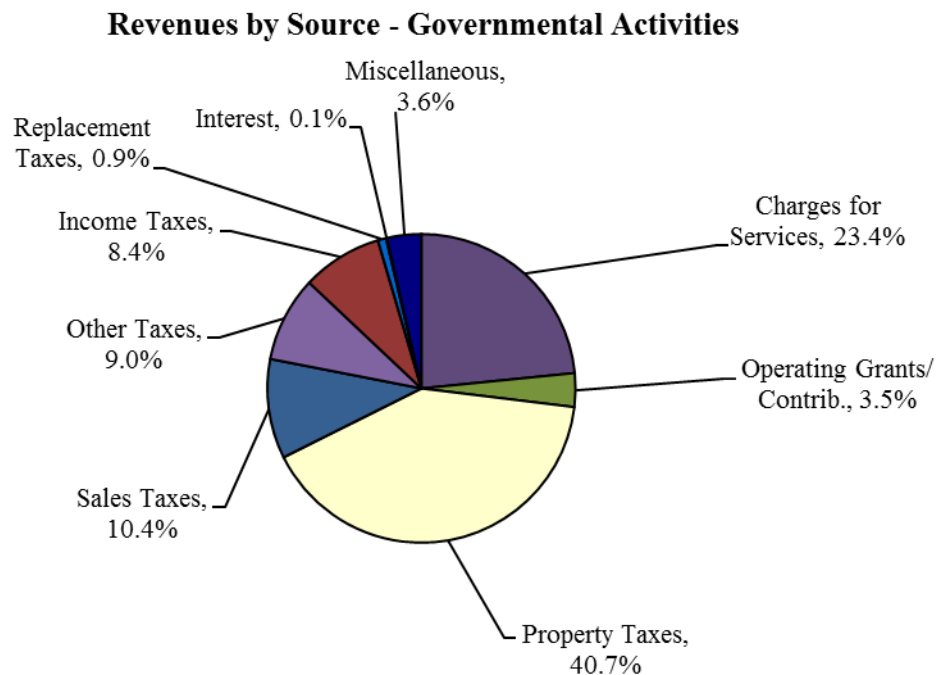
Net position of the Village's governmental activities decreased by 6.3 percent (\$58,528,619 deficit in 2018 compared to \$55,044,948 restated deficit in 2017). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$62,079,212 at April 30, 2018.

Net position of business-type activities decreased by 87.2 percent (\$913,839 surplus in 2018 compared to \$7,113,279 surplus in 2017).

Governmental Activities

Revenues for governmental activities totaled \$24,842,703, while the cost of all governmental functions totaled \$27,750,919. This resulted in a deficit of \$2,908,216, before a transfer out of \$575,455. In 2017, expenses of \$25,543,199 exceeded revenues of \$25,283,664, resulting in a deficit of \$259,535, before transfers out of \$29,822. The increase in the expenses during the year is due to increased expenses for the I.M.R.F. net pension assets 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.



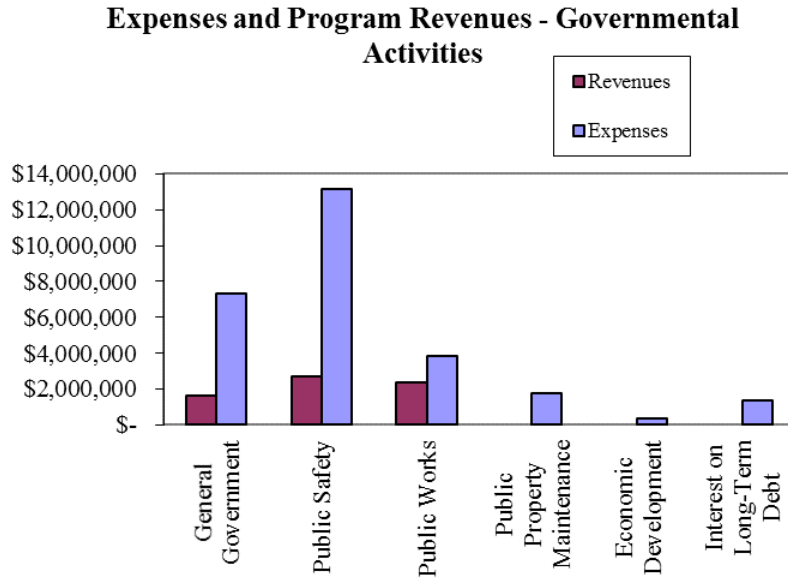
VILLAGE OF DOLTON, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

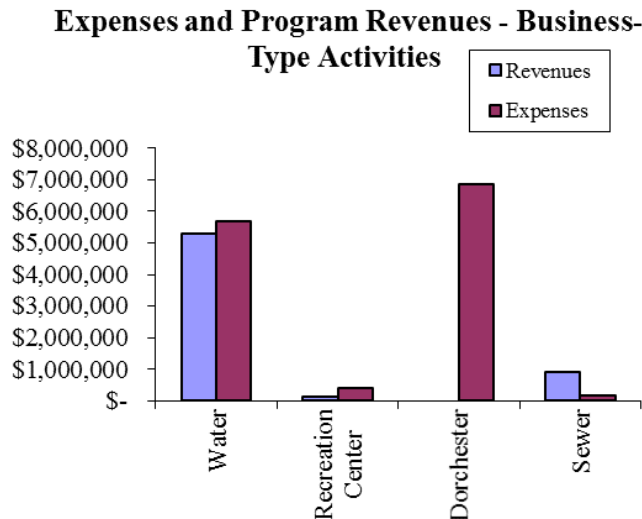
Governmental Activities – Continued

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



Business-Type activities

Business-Type activities reported total revenues of \$6,326,582, while the cost of all business-type activities totaled \$13,101,477. This resulted in a deficit of \$6,774,895, prior to transfers in of \$575,455. In 2017, total revenues of \$4,699,104, exceed expenses of \$4,125,473 resulting in a surplus of \$573,631, prior to transfers in of \$29,822. The deficit in 2018 was due to the sale of the Dorchester Senior Center and recognition of penalties and interest for City of Chicago.



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

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 \$1,737,006, which is \$986,551, or 36.2 percent, lower than last year's total of \$2,723,557.

The General Fund is the chief operating fund of the Village. At April 30, 2018, General Fund had a deficit of \$5,436,739, which resulted in a negative change in fund balance for the year of \$2,574,576, a decrease of 90.0 percent. This was due in large part to a decrease in revenues of \$611,010 or 3.1 percent and an increase of expenditures of \$102,333 or less than one percent.

The Motor Fuel Tax Fund fund balance of \$3,004,681 reported a decrease from the prior year of \$517,093. This decrease was due to the Village transferring \$655,303 to the General Fund during the year due to recognition of prior year expenditures charged to General Fund for MFT eligible items.

The Debt Service Fund fund balance of \$1,661,339 reported an increase from the prior year of \$2,195,911. This increase was due to property taxes received exceeding debt payments and the transfer in of \$1,972,792 from the General Fund for forgiveness of interfund advances from prior years.

VILLAGE OF DOLTON, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 residential customers at a rate of \$5.61 per thousand gallons for water and a rate of 20% of water consumption for sewer. Residential customers are also charged \$5 per month for maintenance of the sewer system. Water is sold to non-residential and industrial customers at a rate of \$7.61 per thousand gallons for water and a rate of 20% of gross water bill 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 \$1,254,559 and the Sewer Fund reported a net position of \$814,641, while the previous fiscal year reported a deficit of \$854,844 in the Water Fund and a surplus of \$62,660 in the Sewer Fund. Unrestricted net position for the Water Fund and Sewer Fund totaled (\$1,254,559) and \$814,641, respectively, at April 30, 2018.

The Recreation Center Fund and the Dorchester Fund are both also major funds. The Recreation fund reports a decrease of \$249,748 in net position and the Dorchester Fund and reports a decrease of \$6,301,958 in net position in the current fiscal year. The decrease for the Recreation Center Fund was primarily due to a decreasing membership of \$69,815. The Recreation Center Fund was able to offset its decreasing membership by decreasing services by \$105,568. The decrease for Dorchester was due to the Village selling the Dorchester Senior Center during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made one budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$18,826,965, compared to budgeted revenues of \$17,542,702. Revenues for 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 \$1,065,034 higher than budgeted (\$21,399,909 actual compared to \$20,334,875 budgeted). The cost of Public Safety was \$2.1 million higher than budgeted to maintain a safe community, which was offset by the \$1.9 million lower than budget debt retirement.

VILLAGE OF DOLTON, ILLINOIS

**Management's Discussion and Analysis
April 30, 2018**

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, 2018 was \$6,342,173, (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 806,995	806,995	-	-	806,995	806,995
Land Improvements	933,423	979,753	-	905,379	933,423	1,885,132
Buildings	327,567	337,982	1,669,772	10,296,744	1,997,339	10,634,726
Equipment	174,428	625,103	55,371	60,275	229,799	685,378
Vehicles	2,374,617	2,040,482	-	-	2,374,617	2,040,482
Total	4,617,030	4,790,315	1,725,143	11,262,398	6,342,173	16,052,713

This year's major additions included:

Vehicles \$ 831,640

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, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$23,356,626 as compared to \$25,165,216 the previous year, a decrease of 7.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2018	2017
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 22,625,000	23,625,000	-	-	22,625,000	23,625,000
Installment Contracts	-	1,300,000	-	-	-	1,300,000
Capital Leases	731,626	240,216	-	-	731,626	240,216
Total	23,356,626	25,165,216	-	-	23,356,626	25,165,216

Additional information on the Village's long-term debt can be found in Note 3 on pages 41 - 46 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 2019 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, 2018 for Cook County was 3.7 percent and the state and national unemployment rates were 4.4 and 3.9 percent, respectively.

These indicators were considered when proposing the General Fund budget for 2019. The Village anticipates \$30,112 million in revenues, an increase of 71.65 percent from the final 2018 budget of \$17,542 million. With the increase of expected revenue, the Village has increased its appropriation by 45.57% to \$29,601 million from \$20,335 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, 2018**

See Following Page

VILLAGE OF DOLTON, ILLINOIS

**Statement of Net Position
April 30, 2018**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,482,401	3,460,575	6,942,976
Receivables - Net of Allowances	11,279,197	3,181,836	14,461,033
Internal Balances	(1,122,950)	1,122,950	-
Prepays/Inventories - Land Held for Resale	330,273	-	330,273
Total Current Assets	13,968,921	7,765,361	21,734,282
Noncurrent Assets			
Capital Assets			
Nondepreciable	806,995	-	806,995
Depreciable	12,879,333	5,629,826	18,509,159
Accumulated Depreciation	(9,069,298)	(3,904,683)	(12,973,981)
	4,617,030	1,725,143	6,342,173
Other Assets			
Net Pension Asset - IMRF	3,391,853	475,385	3,867,238
Total Noncurrent Assets	8,008,883	2,200,528	10,209,411
Total Assets	21,977,804	9,965,889	31,943,693
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	631,411	88,494	719,905
Deferred Items - Police Pension	3,721,179	-	3,721,179
Deferred Items - Firefighters' Pension	3,606,584	-	3,606,584
Unamortized Loss on Refunding	700,000	-	700,000
Total Deferred Outflows of Resources	8,659,174	88,494	8,747,668
Total Assets and Deferred Outflows of Resources	30,636,978	10,054,383	40,691,361

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 2,362,348	7,388,752	9,751,100
Accrued Payroll	339,490	21,671	361,161
Deposits Payable	94,500	-	94,500
Accrued Interest Payable	481,732	-	481,732
Tax Anticipation Warrants Payable	855,556	-	855,556
Current Portion of Long-Term Liabilities	4,124,408	841,090	4,965,498
Total Current Liabilities	<u>8,258,034</u>	<u>8,251,513</u>	<u>16,509,547</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,389,241	20,300	1,409,541
Net Pension Liability - Police Pension	27,977,895	-	27,977,895
Net Pension Liability - Firefighters' Pension	14,764,660	-	14,764,660
Net Other Post-Employment Benefit Payable	271,262	-	271,262
City of Chicago Payable	-	529,475	529,475
Claims Payable	2,068,380	-	2,068,380
General Obligation Bonds Payable - Net	19,151,946	-	19,151,946
Capital Lease Payable	619,528	-	619,528
Total Noncurrent Liabilities	<u>66,242,912</u>	<u>549,775</u>	<u>66,792,687</u>
Total Liabilities	<u>74,500,946</u>	<u>8,801,288</u>	<u>83,302,234</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	2,420,571	339,256	2,759,827
Deferred Items - Police Pension	2,505,101	-	2,505,101
Deferred Items - Firefighters' Pension	1,158,958	-	1,158,958
Grants	28,877	-	28,877
Property Taxes	8,551,144	-	8,551,144
Total Deferred Inflows of Resources	<u>14,664,651</u>	<u>339,256</u>	<u>15,003,907</u>
Total Liabilities and Deferred Inflows of Resources	<u>89,165,597</u>	<u>9,140,544</u>	<u>98,306,141</u>
NET POSITION			
Net Investment in Capital Assets	(5,720,435)	1,725,143	(3,995,292)
Restricted - Grants and Forfeitures	274,237	-	274,237
Restricted - Debt Service	1,661,339	-	1,661,339
Restricted - Public Works	3,004,681	-	3,004,681
Restricted - Economic Development	4,330,771	-	4,330,771
Unrestricted (Deficit)	<u>(62,079,212)</u>	<u>(811,304)</u>	<u>(62,890,516)</u>
Total Net Position	<u>(58,528,619)</u>	<u>913,839</u>	<u>(57,614,780)</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, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 7,302,384	1,387,588	267,450	-
Public Safety	13,175,518	2,681,127	15,232	-
Public Works	3,815,140	1,748,253	591,166	-
Public Property Maintenance	1,756,132	-	-	-
Economic Development	351,791	-	-	-
Interest on Long-Term Debt	1,349,954	-	-	-
Total Governmental Activities	27,750,919	5,816,968	873,848	-
Business-Type Activities				
Water	5,681,766	5,282,051	-	-
Recreation Center	380,597	130,845	-	-
Dorchester	6,877,435	-	-	-
Sewer	161,679	913,660	-	-
Total Business-Type Activities	13,101,477	6,326,556	-	-
Total Primary Government	40,852,396	12,143,524	873,848	-

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
(5,647,346)	-	(5,647,346)
(10,479,159)	-	(10,479,159)
(1,475,721)	-	(1,475,721)
(1,756,132)	-	(1,756,132)
(351,791)	-	(351,791)
(1,349,954)	-	(1,349,954)
<u>(21,060,103)</u>	<u>-</u>	<u>(21,060,103)</u>
-	(399,715)	(399,715)
-	(249,752)	(249,752)
-	(6,877,435)	(6,877,435)
-	751,981	751,981
-	<u>(6,774,921)</u>	<u>(6,774,921)</u>
<u>(21,060,103)</u>	<u>(6,774,921)</u>	<u>(27,835,024)</u>
10,111,079	-	10,111,079
2,589,532	-	2,589,532
2,224,810	-	2,224,810
2,092,992	-	2,092,992
216,552	-	216,552
18,533	26	18,559
898,389	-	898,389
(575,455)	575,455	-
<u>17,576,432</u>	<u>575,481</u>	<u>18,151,913</u>
(3,483,671)	(6,199,440)	(9,683,111)
<u>(55,044,948)</u>	<u>7,113,279</u>	<u>(47,931,669)</u>
<u>(58,528,619)</u>	<u>913,839</u>	<u>(57,614,780)</u>

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

VILLAGE OF DOLTON, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2018

	<u>General</u>
ASSETS	
Cash and Investments	\$ 865,398
Receivables - Net of Allowances	
Property Taxes	4,686,242
Other Taxes	837,481
Accounts	1,623,241
Loans	635
Due from Other Governments	213,693
Advances to Other Funds	1,025,245
Prepays	67,932
Land Held for Resale	245,712
Inventories	16,629
	<u>9,582,208</u>
LIABILITIES	
Accounts Payable	770,337
Accrued Payroll	339,490
Deposits Payable	94,500
Due to Other Funds	1,496,515
Advances from Other Funds	6,747,430
Tax Anticipation Warrants Payable	855,556
Total Liabilities	<u>10,303,828</u>
DEFERRED INFLOWS OF RESOURCES	
Grants	28,877
Property Taxes	4,686,242
Total Deferred Inflows of Resources	<u>4,715,119</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,018,947</u>
FUND BALANCES	
Nonspendable	1,355,518
Restricted	1,096,322
Committed	19,042
Unassigned	(7,907,621)
Total Fund Balances	<u>(5,436,739)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>9,582,208</u>

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

Special Revenue	Debt Service	Nonmajor	Totals
Motor Fuel Tax			
425,812	1,661,339	529,852	3,482,401
-	3,864,902	-	8,551,144
53,003	-	-	890,484
-	-	-	1,623,241
-	-	-	635
-	-	-	213,693
2,594,661	-	3,827,220	7,447,126
-	-	-	67,932
-	-	-	245,712
-	-	-	16,629
<u>3,073,476</u>	<u>5,526,241</u>	<u>4,357,072</u>	<u>22,538,997</u>
68,795	-	1,197,667	2,036,799
-	-	-	339,490
-	-	-	94,500
-	-	-	1,496,515
-	-	651,680	7,399,110
-	-	-	855,556
<u>68,795</u>	<u>-</u>	<u>1,849,347</u>	<u>12,221,970</u>
-	-	-	28,877
-	3,864,902	-	8,551,144
-	3,864,902	-	8,580,021
<u>68,795</u>	<u>3,864,902</u>	<u>1,849,347</u>	<u>20,801,991</u>
-	-	-	1,355,518
3,004,681	1,661,339	4,330,771	10,093,113
-	-	-	19,042
-	-	(1,823,046)	(9,730,667)
<u>3,004,681</u>	<u>1,661,339</u>	<u>2,507,725</u>	<u>1,737,006</u>
<u>3,073,476</u>	<u>5,526,241</u>	<u>4,357,072</u>	<u>22,538,997</u>

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, 2018

Total Governmental Fund Balances \$ 1,737,006

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. 4,617,030

The net pension assets of the pension funds are included in the governmental
activities in the Statement of Net Position.
Net Pension Asset - IMRF 3,391,853

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

Deferred Items - IMRF	(1,789,160)
Deferred Items - Police Pension	1,216,078
Deferred Items - Firefighters' Pension	2,447,626

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

Compensated Absences Payable	(1,736,551)
Net Pension Liability - Police Pension	(27,977,895)
Net Pension Liability - Firefighters' Pension	(14,764,660)
Net Other Post-Employment Benefit Payable	(271,262)
Claims Payable	(2,068,380)
General Obligation Bonds Payable - Net	(22,816,946)
Capital Lease Payable	(731,626)
Unamortized Loss on Refunding	700,000
Accrued Interest Payable	(481,732)

Net Position of Governmental Activities (58,528,619)

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, 2018**

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, 2018

	<u>General</u>
Revenues	
Taxes	\$ 9,570,499
Intergovernmental	2,651,990
Licenses and Permits	1,273,124
Charges for Services	1,862,717
Fines and Forfeitures	2,671,385
Interest	7,464
Miscellaneous	789,786
Total Revenues	<u>18,826,965</u>
Expenditures	
Current	
General Government	5,966,161
Public Safety	10,704,213
Public Works	2,820,969
Public Property Maintenance	1,756,132
Economic Development	-
Debt Service	
Principal Retirement	77,902
Interest and Fiscal Charges	74,532
Total Expenditures	<u>21,399,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,572,944)</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	22,000
Debt Issuance	1,869,312
Transfers In	655,303
Transfers Out	<u>(2,548,247)</u>
	<u>(1,632)</u>
Net Change in Fund Balances	(2,574,576)
Fund Balances - Beginning	<u>(2,862,163)</u>
Fund Balances - Ending	<u><u>(5,436,739)</u></u>

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

Special Revenue				
Motor Fuel Tax	Debt Service	Nonmajor	Totals	
-	5,045,330	259,570	14,875,399	
591,166	-	-	3,243,156	
-	-	-	1,273,124	
-	-	-	1,862,717	
-	-	-	2,671,385	
6,157	3,484	1,428	18,533	
-	108,603	-	898,389	
597,323	5,157,417	260,998	24,842,703	
-	56,989	-	6,023,150	
-	-	-	10,704,213	
459,113	-	-	3,280,082	
-	-	-	1,756,132	
-	-	351,791	351,791	
-	3,600,000	-	3,677,902	
-	1,277,309	-	1,351,841	
459,113	4,934,298	351,791	27,145,111	
138,210	223,119	(90,793)	(2,302,408)	
-	-	-	22,000	
-	-	-	1,869,312	
-	1,972,792	-	2,628,095	
(655,303)	-	-	(3,203,550)	
(655,303)	1,972,792	-	1,315,857	
(517,093)	2,195,911	(90,793)	(986,551)	
3,521,774	(534,572)	2,598,518	2,723,557	
3,004,681	1,661,339	2,507,725	1,737,006	

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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (986,551)
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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	831,640
Depreciation Expense	(1,004,925)
Disposals - Cost	(107,639)
Disposals - Accumulated Depreciation	107,639

An increase in a net pension asset is not considered to be an decrease in a
financial assets in the governmental funds. 1,989,354

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

Change in Deferred Items - IMRF	(2,632,110)
Change in Deferred Items - Police Pension	2,033,273
Change in Deferred Items - Firefighters' Pension	788,997

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.

Deductions to Compensated Absences Payable	183,030
(Additions) to Net Pension Liability - Police Pension	(3,800,181)
(Additions) to Net Pension Liability - Firefighters' Pension	(1,980,180)
Deductions to Net Other Post-Employment Benefit Payable	7,212
(Additions) to Claims Payable	(723,707)
Issuance of Debt	(1,869,312)
Retirement of Debt	3,677,902
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. 59,987

Changes in Net Position of Governmental Activities	<u><u>(3,483,671)</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, 2018

See Following Page

VILLAGE OF DOLTON, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2018**

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
ASSETS					
Current Assets					
Cash and Investments	\$ 3,086,016	1,449	-	373,110	3,460,575
Receivables - Net of Allowances					
Customers	2,779,615	-	-	402,221	3,181,836
Due from Other Funds	1,496,515	-	-	-	1,496,515
Total Current Assets	7,362,146	1,449	-	775,331	8,138,926
Noncurrent Assets					
Capital Assets					
Depreciable	1,742,995	3,886,831	-	-	5,629,826
Accumulated Depreciation	(1,742,995)	(2,161,688)	-	-	(3,904,683)
	-	1,725,143	-	-	1,725,143
Other Assets					
Net Pension Asset - IMRF	326,628	44,347	-	104,410	475,385
Total Noncurrent Assets	326,628	1,769,490	-	104,410	2,200,528
Total Assets	7,688,774	1,770,939	-	879,741	10,339,454
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	60,803	8,255	-	19,436	88,494
Total Assets and Deferred Outflow of Resources	7,749,577	1,779,194	-	899,177	10,427,948

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	7,372,647	16,105	-	-	7,388,752
Accrued Payroll	15,697	2,919	-	3,055	21,671
Advances from Other Funds	-	373,565	-	-	373,565
Current Portion of Long-Term Liabilities	839,456	240	-	1,394	841,090
Total Current Liabilities	8,227,800	392,829	-	4,449	8,625,078
Noncurrent Liabilities					
Compensated Absences Payable	13,765	960	-	5,575	20,300
City of Chicago Payable	529,475	-	-	-	529,475
Total Noncurrent Liabilities	543,240	960	-	5,575	549,775
Total Liabilities	8,771,040	393,789	-	10,024	9,174,853
DEFERRED INFLOWS OF RESOURCES					
Deferred Items - IMRF	233,096	31,648	-	74,512	339,256
Total Liabilities and Deferred Inflows of Resources	9,004,136	425,437	-	84,536	9,514,109
NET POSITION					
Investment in Capital Assets	-	1,725,143	-	-	1,725,143
Unrestricted (Deficit)	(1,254,559)	(371,386)	-	814,641	(811,304)
Total Net Position	(1,254,559)	1,353,757	-	814,641	913,839

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, 2018**

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
Operating Revenues					
Charges for Services	\$ 5,169,052	130,845	-	913,660	6,213,557
Miscellaneous	112,999	-	-	-	112,999
Total Operating Revenues	5,282,051	130,845	-	913,660	6,326,556
Operating Expenses					
Operations	5,681,766	298,532	19,856	161,679	6,161,833
Depreciation	-	82,065	-	-	82,065
Total Operating Expenses	5,681,766	380,597	19,856	161,679	6,243,898
Operating Income (Loss)	(399,715)	(249,752)	(19,856)	751,981	82,658
Nonoperating Revenues					
Interest Income	-	4	22	-	26
Disposal of Capital Assets	-	-	(6,857,579)	-	(6,857,579)
	-	4	(6,857,557)	-	(6,857,553)
Income (Loss) before Transfers	(399,715)	(249,748)	(6,877,413)	751,981	(6,774,895)
Transfers In	-	-	575,455	-	575,455
Change in Net Position	(399,715)	(249,748)	(6,301,958)	751,981	(6,199,440)
Net Position - Beginning	(854,844)	1,603,505	6,301,958	62,660	7,113,279
Net Position - Ending	(1,254,559)	1,353,757	-	814,641	913,839

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, 2018**

	Business-Type Activities - Enterprise				Totals
	Water	Recreation Center	Dorchester	Nonmajor Sewer	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 4,771,901	130,845	-	693,677	5,596,423
Payments to Suppliers	(1,302,533)	(252,617)	(19,856)	(104,007)	(1,679,013)
Payments to Employees	(278,245)	(65,250)	-	(74,118)	(417,613)
	<u>3,191,123</u>	<u>(187,022)</u>	<u>(19,856)</u>	<u>515,552</u>	<u>3,499,797</u>
Cash Flow from Noncapital Financing Activities					
Transfers In	-	-	575,455	-	575,455
Changes in Interfund Activity	(675,716)	181,532	(3,180,102)	(231,264)	(3,905,550)
	<u>(675,716)</u>	<u>181,532</u>	<u>(2,604,647)</u>	<u>(231,264)</u>	<u>(3,330,095)</u>
Cash Flows from Capital and Related Financing Activities					
Disposal of Capital Assets	-	-	2,597,611	-	2,597,611
Cash Flows from Investing Activities					
Interest Received	-	4	22	-	26
Net Change in Cash and Cash Equivalents	2,515,407	(5,486)	(26,870)	284,288	2,767,339
Cash and Cash Equivalents - Beginning	570,609	6,935	26,870	88,822	693,236
Cash and Cash Equivalents - Ending	<u>3,086,016</u>	<u>1,449</u>	<u>-</u>	<u>373,110</u>	<u>3,460,575</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	(399,715)	(249,752)	(19,856)	751,981	82,658
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	82,065	-	-	82,065
Other Revenues (Expenses)	102,007	(8,061)	-	(11,241)	82,705
(Increase) Decrease in Current Assets	(510,150)	-	-	(219,983)	(730,133)
Increase (Decrease) in Current Liabilities	3,998,981	(11,274)	-	(5,205)	3,982,502
Net Cash Provided by Operating Activities	<u>3,191,123</u>	<u>(187,022)</u>	<u>(19,856)</u>	<u>515,552</u>	<u>3,499,797</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, 2018**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,014,652
Investments	
U.S. Government Obligations	2,596,921
U.S. Agency Obligations	3,951,405
State and Local Government Obligations	14,860
Corporate Bonds	2,717,782
Equity Mutual Funds	21,912,607
Annuities	5,695,099
Common Stock	1,167,797
Receivables	
Accrued Interest	37,244
Advances to Other Funds	325,549
Reserve Uncollectable - Interfund	(310,327)
Prepays	<u>1,420</u>
Total Assets	39,125,009
LIABILITIES	
Accounts Payable	<u>10,095</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>39,114,914</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, 2018**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,178,476
Contributions - Plan Members	460,948
Total Contributions	<u>1,639,424</u>
Investment Earnings	
Interest Earned	824,709
Net Change in Fair Value	2,300,365
	<u>3,125,074</u>
Less Investment Expenses	(74,765)
Net Investment Income	<u>3,050,309</u>
Total Additions	<u>4,689,733</u>
Deductions	
Administration	99,111
Benefits and Refunds	3,286,491
Total Deductions	<u>3,385,602</u>
Change in Fiduciary Net Position	1,304,131
Net Position Restricted for Pensions	
Beginning	<u>37,810,783</u>
Ending	<u><u>39,114,914</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, 2018

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, 2018

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, 2018

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, 2018

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 four 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 Village 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, 2018

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. The Dorchester Fund was closed at the end of the fiscal year.

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, 2018

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, 2018

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, 2018

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/reduction 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, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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, 2018

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, 2018

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 Finance Manager 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 Finance Manager 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 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, 2018**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

- Budgets for the General Fund, Special Revenue Funds, 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 OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
General	\$ 1,065,034
Debt Service	1,415,081
Sibley TIF #2	498
I-94 Sibley TIF	810
TIF #3 Indulux	483

DEFICIT FUND BALANCE

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

Fund	Deficit
General	\$ 5,436,739
Sibley TIF #2	1,823,046
Water	1,254,559

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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, 2018

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. Illinois Funds is not registered with the SEC as an investment company. 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 \$5,810,551 and the bank balances totaled \$5,834,148. Additionally, the Village has \$1,132,425 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 minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operations and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools. 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 minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, brokers, intermediaries and advisors with which the Village will do business, and diversifying the investment portfolio. 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, 2018**

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 \$824,904 and the bank balances totaled \$813,907.

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	\$ 2,101,400	-	1,150,150	951,250	-
U.S. Agencies	3,763,538	1,340,157	1,378,927	1,007,157	37,297
Corporate Bonds	2,023,267	-	1,458,587	564,680	-
	<u>7,888,205</u>	<u>1,340,157</u>	<u>3,987,664</u>	<u>2,523,087</u>	<u>37,297</u>

The Fund has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level	Totals	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	\$ 2,101,400	2,101,400	-	-
U.S. Agencies	3,763,538	-	3,763,538	-
Corporate Bonds	2,023,267	-	2,023,267	-
Equity Securities				
Equity Mutual Funds	17,972,015	17,972,015	-	-
Total Investments by Fair Value Level	<u>25,860,220</u>	<u>20,073,415</u>	<u>5,786,805</u>	<u>-</u>

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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

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.

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 \$375 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, \$529,553 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance. The percentage of the \$529,553 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) in any one organization that represent 5 percent or more of net position available for benefits. 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 \$17,972,015 invested in equity mutual funds.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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

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% - 3.00%
Domestic Equities	52.00%	3.25% - 3.50%
International Equities	5.00%	4.00% - 5.75%
Real Estate	3.00%	4.00%
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 November 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, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.89%. 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 \$189,748 and the bank balances totaled \$184,399.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	\$ 495,521	26,930	347,009	121,582	-
U.S. Agencies	187,867	-	79,014	48,863	59,990
State and Local Government Obligations	14,860	-	14,860	-	-
Corporate Bonds	694,515	29,948	485,981	168,471	10,115
	<u>1,392,763</u>	<u>56,878</u>	<u>926,864</u>	<u>338,916</u>	<u>70,105</u>

The Fund has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level	Totals	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	\$ 495,521	495,521	-	-
U.S. Agencies	187,867	-	187,867	-
State and Local Government Obligations	14,860	-	14,860	-
Corporate Bonds	694,515	-	694,515	-
Equity Securities				
Equity Mutual Funds	3,940,592	3,940,592	-	-
Annuities	5,695,099	-	5,695,099	-
Common Stock	1,167,797	1,167,797	-	-
Total Investments by Fair Value Level	<u>12,196,251</u>	<u>5,603,910</u>	<u>6,592,341</u>	<u>-</u>

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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

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.

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 by Moody's, the corporate bonds were rated A1 to Baa3 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. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

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 \$3,940,592 invested in equity mutual funds, \$5,695,099 invested in annuities, and \$1,167,797 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:

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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.

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 Mrket Equities	5.00%	6.50%
Cash and Cash Equivalentents	5.00%	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 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, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.77%. 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 2017 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, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 806,995	-	-	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	4,664,653	831,640	107,639	5,388,654
	<u>12,155,332</u>	<u>831,640</u>	<u>107,639</u>	<u>12,879,333</u>
Less Accumulated Depreciation				
Land Improvements	372,237	46,330	-	418,567
Buildings and Improvements	2,008,442	10,415	-	2,018,857
Equipment	3,167,162	450,675	-	3,617,837
Vehicles	2,624,171	497,505	107,639	3,014,037
	<u>8,172,012</u>	<u>1,004,925</u>	<u>107,639</u>	<u>9,069,298</u>
Net Depreciable Capital Assets	<u>3,983,320</u>	<u>(173,285)</u>	<u>-</u>	<u>3,810,035</u>
Net Capital Assets	<u>4,790,315</u>	<u>(173,285)</u>	<u>-</u>	<u>4,617,030</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 125,013
Public Safety	125,214
Public Works	<u>754,698</u>
	<u>1,004,925</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Land Improvements	\$ 1,077,393	-	1,077,393	-
Buildings and Improvements	14,676,885	-	11,140,895	3,535,990
Furniture and Equipment	822,069	-	419,964	402,105
Vehicles	35,104	-	35,104	-
Infrastructure	1,691,731	-	-	1,691,731
	<u>18,303,182</u>	<u>-</u>	<u>12,673,356</u>	<u>5,629,826</u>
Less Accumulated Depreciation				
Land Improvements	172,014	-	172,014	-
Buildings and Improvements	4,380,141	78,578	2,592,501	1,866,218
Furniture and Equipment	761,794	3,487	418,547	346,734
Vehicles	35,104	-	35,104	-
Infrastructure	1,691,731	-	-	1,691,731
	<u>7,040,784</u>	<u>82,065</u>	<u>3,218,166</u>	<u>3,904,683</u>
Net Capital Assets	<u>11,262,398</u>	<u>(82,065)</u>	<u>9,455,190</u>	<u>1,725,143</u>

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

Recreation Center	<u>\$ 82,065</u>
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INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Motor Fuel Tax	\$ 655,303 (1)
Debt Service	General	1,972,792 (2)
Dorchester	General	<u>575,455 (3)</u>
		<u>3,203,550</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Transfers – Continued

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) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) the Village transferred the remaining fund balance of \$575,455 in the Dorchester Fund to the General Fund as of April 30, 2018.

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Water	General	\$ <u>1,496,515</u>

Interfund Advances

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 651,680
General	Recreation Center	373,565
Motor Fuel Tax	General	2,594,661
Nonmajor Governmental	General	3,827,220
Police Pension	General	310,327
Firefighters' Pension	General	<u>15,222</u>
		<u>7,772,675</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, 2018

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:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$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	\$ 1,955,556	-	1,955,556	-
\$1,100,000 General Obligation Tax Anticipation Warrants of 2017 - Due in monthly installment of \$122,222 through November 5, 2018 and principal balance of \$1,100,000 on November 5, 2018 plus interest not to exceed 4.39% through November 8, 2018.	General	-	1,100,000	244,444	855,556
\$1,800,000 General Obligation Tax Anticipation Warrants of 2017A - Due in one installment of \$1,800,000 plus interest not to exceed 6.00% through April 1, 2018.	Debt Service	-	1,800,000	1,800,000	-
		1,955,556	2,900,000	4,000,000	855,556

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 2018 was \$81,553 which is reported in the governmental activities. The balance of the deferred charge on refunding at April 30, 2018 was \$700,000 which is reported as a deferred outflow on the Statement of Net Position.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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:

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	\$ 765,000	-	245,000	520,000
\$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	630,000	-	200,000	430,000
\$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	8,765,000	-	900,000	7,865,000
\$5,455,000 General Obligation Build America Direct Payment 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

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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
\$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	\$ 8,010,000	-	955,000	7,055,000
\$1,300,000 General Obligation Bonds of 2017 - Due in one installment of \$1,300,000 plus interest at 3.00% through December 1, 2018.	Debt Service	-	1,300,000	-	1,300,000
		<u>23,625,000</u>	<u>1,300,000</u>	<u>2,300,000</u>	<u>22,625,000</u>

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	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$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, 2017.	Debt Service	\$ 1,300,000	-	1,300,000	-

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Capital Leases

The Village has entered into three lease agreements as lessee for financing the acquisition of two fire trucks and a street sweeper. Capital assets of \$1,250,640 have been added to vehicles as a result of these capital leases. These lease agreements qualify as a capital leases 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 leases 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 Payments			
	2015 Fire Truck	2018 Fire Truck	Street Sweeper	Total
2019	\$ 84,532	49,718	-	134,250
2020	84,532	49,718	39,934	174,184
2021	-	49,718	39,934	89,652
2022	-	49,718	39,934	89,652
2023	-	49,718	39,934	89,652
2024	-	49,718	39,934	89,652
2025	-	49,718	-	49,718
2026	-	49,718	-	49,718
2027	-	49,718	-	49,718
2028	-	49,718	-	49,718
	169,064	497,180	199,670	865,914
Interest Portion	(6,750)	(103,580)	(23,958)	(134,288)
Principal Balance	162,314	393,600	175,712	731,626

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	\$ 1,919,581	183,030	366,060	1,736,551	347,310
Net Pension Liability - Police	24,177,714	3,800,181	-	27,977,895	-
Net Pension Liability - Firefighters'	12,784,480	1,980,180	-	14,764,660	-
Net Other Post-Employment					
Benefit Obligation	278,474	-	7,212	271,262	-
General Obligation Bonds	23,625,000	1,300,000	2,300,000	22,625,000	3,665,000
Unamortized Bond Premium	254,644	-	26,572	228,072	-
Unamortized Bond Discount	(39,245)	-	(3,119)	(36,126)	-
Installment Contracts	1,300,000	-	1,300,000	-	-
Capital Leases	240,216	569,312	77,902	731,626	112,098
Claims Payable	1,344,673	723,707	-	2,068,380	-
	<u>65,885,537</u>	<u>8,556,410</u>	<u>4,074,627</u>	<u>70,367,320</u>	<u>4,124,408</u>
Business-Type Activities					
Compensated Absences	59,349	33,974	67,948	25,375	5,075
City of Chicago Payable	1,532,693	-	167,203	1,365,490	836,015
	<u>1,592,042</u>	<u>33,974</u>	<u>235,151</u>	<u>1,390,865</u>	<u>841,090</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 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 Debt Service Fund.

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, 2018**

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 be 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	
	Principal	Interest
2019	\$ 3,665,000	1,150,172
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>22,625,000</u>	<u>6,538,161</u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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 was 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. In November 2017, the Village issued an additional bond for \$1,300,000 to pay the remaining balance due per the agreement, in addition to the outstanding current year expenditures. As of April 30, 2018, the Village has made payments to fulfill the agreement of \$675,000, including \$215,156 of current year expenditures recorded in the General Fund. As of the fiscal year ended April 30, 2018, the amount outstanding from the Village to Homewood Disposal is \$0.

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 dictated that the Village would pay to the City of Chicago 60 equal monthly installments of \$41,801 with a down payment of \$278,671. The Village further agreed to continue receiving water from the City of Chicago and to pay all current water charges when due. The payments were to occur from December 1, 2014 to November 1, 2019.

During fiscal years 2017 and 2018, the Village defaulted on multiple payments to the City of Chicago and is no longer current with its payments as required per the initial agreement. As of the fiscal year ended April 30, 2018, the balance of the original installment payable and all unpaid invoices for current water charges due to the City of Chicago is \$8,716,446. The outstanding balance has been recorded as a liability in the Water Fund.

On March 26, 2018 the City of Chicago issued a lawsuit against the Village which would require the Village to pay on all outstanding balances and penalties due. As part of the lawsuit, the City of Chicago is also requesting that past loans that were forgiven between the General Fund and the Water Fund be reinstated. As of the opinion date, the lawsuit is still pending. No other liability has been recorded as it is uncertain how the Court will rule or if a new agreement will be reached.

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, 2018, the Village has incurred \$748,924 to be paid to Ralph's Grocery. As of April 30, 2018, the Village has made payments of \$632,850, including \$93,253 of current year expenditures recorded in the General Fund. As of April 30, 2018, the amount outstanding from the Village to Ralph's Grocery is \$116,074.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

OTHER COMMITMENTS – Continued

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, 2018, the Village has incurred total expenditures of \$6,300,000. As of April 30, 2018, the Village has made payments of \$5,102,333, 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, 2018, the amount outstanding from the Village to the developer is \$1,197,667.

NET POSITION/FUND BALANCE

Net Position Restatement

Net position for governmental activities was restated to correct an error in recognition of deferred outflows and deferred inflows for IMRF in the prior year. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ (54,225,527)	(55,044,948)	(819,421)

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,617,030
Plus: Unspent Bond Proceeds	822,085
Less Capital Related Debt:	
General Obligation Build America Direct Payment Bonds of 2009B	(5,455,000)
Taxable General Obligation Bonds of 2009C	(5,009,050)
Unamortized Bond Discount	36,126
Capital Leases	<u>(731,626)</u>
Net Investment in Capital Assets	<u><u>(5,720,435)</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u><u>1,725,143</u></u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications

In the governmental fund 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.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

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.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	\$ 1,025,245	-	-	-	1,025,245
Prepays	67,932	-	-	-	67,932
Land Held for Resale	245,712	-	-	-	245,712
Inventories	16,629	-	-	-	16,629
	<u>1,355,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,355,518</u>
Restricted					
Grants	17,294	-	-	-	17,294
JAG Grant	11,099	-	-	-	11,099
Narcint	94,205	-	-	-	94,205
E911	125	-	-	-	125
State Forfeited	1,565	-	-	-	1,565
Federal Forfeiture	9,631	-	-	-	9,631
Forfeiture Holding	140,318	-	-	-	140,318
Unspent Bond Proceeds	822,085	-	-	-	822,085
Public Works	-	3,004,681	-	-	3,004,681
Debt Service	-	-	1,661,339	-	1,661,339
Economic Development	-	-	-	4,330,771	4,330,771
	<u>1,096,322</u>	<u>3,004,681</u>	<u>1,661,339</u>	<u>4,330,771</u>	<u>10,093,113</u>
Committed					
Foreign Fire Insurance	19,042	-	-	-	19,042
Unassigned					
	(7,907,621)	-	-	(1,823,046)	(9,730,667)
Total Fund Balances	<u>(5,436,739)</u>	<u>3,004,681</u>	<u>1,661,339</u>	<u>2,507,725</u>	<u>1,737,006</u>

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 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
Incurred Claims	833,440	419,620	1,253,060
Claims Paid	(222,508)	(306,845)	(529,353)
Claims Payable - April 30, 2018	<u>1,675,952</u>	<u>392,428</u>	<u>2,068,380</u>

JOINTLY GOVERNED ORGANIZATION

Effective January 1, 2017, the Village established a Joint Emergency Telephone Systems Board "JETS" with the Village of Burnham. The System's Board consists of seven members, of which three members are representatives from the Village. The System's Board is responsible for maintaining the Fund including receiving monies from surcharge fees and approving all disbursements from the Fund. The System's Board is responsible for coordinating the operating and maintenance of the System.

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.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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.

TIF Expiration

The I-94 Sibley TIF expired on December 31, 2016. As of the opinion date, the Village has not formally closed the TIF with the State and the County. Among the requirements to close a TIF is to pay to the County any surplus TIF incremental tax revenues at the expiration of the TIF. The Village is in the process of reviewing whether any TIF-eligible projects will occur with the remaining fund balance. At this time, the Village is unable to estimate the amount, if any, that will be required to be repaid to the County.

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, 2018 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 an 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, 2018 the total amount outstanding is \$300,000. The activity of the loan is reported in the Village's General Fund.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

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 PEBSICO). 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.

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).

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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. 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.

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, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	93
Inactive Plan Members Entitled to but not yet Receiving Benefits	48
Active Plan Members	<u>58</u>
Total	<u><u>199</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. For the year-ended April 30, 2018, the Village's contribution was 4.55% of covered payroll.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2017. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability/(asset) was determined by an actuarial valuation performed, as of December 31, 2017, 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	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

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, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the pension (asset) of the Village calculated using the discount rate as well as what the Village's net pension (asset) 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension (Asset)	\$ (1,733,885)	(3,867,238)	(5,645,469)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2016	\$ 20,531,792	22,126,247	(1,594,455)
Changes for the Year:			
Service Cost	312,308	-	312,308
Interest on the Total Pension Liability	1,498,458	-	1,498,458
Difference Between Expected and Actual Experience of the Total Pension Liability	(110,959)	-	(110,959)
Changes of Assumptions	(655,580)	-	(655,580)
Contributions - Employer	-	152,588	(152,588)
Contributions - Employees	-	138,809	(138,809)
Net Investment Income	-	4,211,306	(4,211,306)
Benefit Payments, including Refunds of Employee Contributions	(1,417,020)	(1,417,020)	-
Other (Net Transfer)	-	(1,185,693)	1,185,693
Net Changes	(372,793)	1,899,990	(2,272,783)
Balances at December 31, 2017	20,158,999	24,026,237	(3,867,238)

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, the Village recognized pension expense of \$845,541. At April 30, 2018, 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	\$ -	(189,121)	(189,121)
Change in Assumptions	-	(459,896)	(459,896)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	690,477	(2,110,810)	(1,420,333)
Total Pension Expense to be Recognized in Future Periods	690,477	(2,759,827)	(2,069,350)
Pension Contributions Made Subsequent to the Measurement Date	29,428	-	29,428
Total Deferred Amounts Related to IMRF	<u>719,905</u>	<u>(2,759,827)</u>	<u>(2,039,922)</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 (Inflows) of Resources
2019	\$ (535,846)
2020	(428,263)
2021	(577,537)
2022	(527,704)
2023	-
Thereafter	<u>-</u>
Total	<u>(2,069,350)</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, 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, 2018

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, 2018, the Village's contribution was 22.84% of covered payroll.

Concentrations. At year-end, the 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, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of April 30, 2018, 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	4.00%
Inflation	2.50%

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

Discount Rate

A Single Discount Rate of 5.16% was used to measure the total pension liability and 5.52% 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 3.79%, and the resulting single discount rate is 5.16%.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 (4.16%)	Current Discount Rate (5.16%)	1% Increase (6.16%)
Net Pension Liability	\$ 36,257,446	27,977,895	21,264,453

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 49,940,527	25,762,813	24,177,714
Changes for the Year:			
Service Cost	1,406,131	-	1,406,131
Interest on the Total Pension Liability	2,697,387	-	2,697,387
Difference Between Expected and Actual Experience of the Total Pension Liability	213,124	-	213,124
Changes of Assumptions	2,575,606	-	2,575,606
Contributions - Employer	-	721,564	(721,564)
Contributions - Employees	-	309,041	(309,041)
Net Investment Income	-	2,129,149	(2,129,149)
Benefit Payments, including Refunds of Employee Contributions	(2,149,638)	(2,149,638)	-
Administrative Expenses	-	(67,687)	67,687
Net Changes	4,742,610	942,429	3,800,181
Balances at April 30, 2018	54,683,137	26,705,242	27,977,895

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 2018, the Village recognized pension expense of \$2,488,473. At April 30, 2018, 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	\$ 178,185	(596,098)	(417,913)
Change in Assumptions	2,652,433	(1,303,147)	1,349,286
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	890,561	(605,856)	284,705
Total Deferred Amounts Related to Police Pension	<u>3,721,179</u>	<u>(2,505,101)</u>	<u>1,216,078</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/(Inflows) of Resources
2019	\$ 388,171
2020	388,170
2021	(57,108)
2022	29,803
2023	421,332
Thereafter	<u>45,710</u>
Total	<u>1,216,078</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, 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 3 percent compounded annually thereafter.

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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 firefighter 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 proceeding 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, 2018, the Village's contribution was 26.71% of covered payroll.

Concentrations. At year end, the 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, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of April 30, 2018, 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	3.50%
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 5.36% was used to measure the total pension liability and 5.74% 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 3.97%, and the resulting single discount rate is 5.36%.

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 (4.36%)	Current Discount Rate (5.36%)	1% Increase (6.36%)
Net Pension Liability	\$ 19,085,982	14,764,660	11,299,863

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 24,832,450	12,047,970	12,784,480
Changes for the Year:			
Service Cost	683,732	-	683,732
Interest on the Total Pension Liability	1,392,754	-	1,392,754
Difference Between Expected and Actual Experience of the Total Pension Liability	(2,783)	-	(2,783)
Changes of Assumptions	1,405,032	-	1,405,032
Contributions - Employer	-	456,912	(456,912)
Contributions - Employees	-	151,907	(151,907)
Net Investment Income	-	921,160	(921,160)
Benefit Payments, including Refunds of Employee Contributions	(1,136,853)	(1,136,853)	-
Administrative Expenses	-	(31,424)	31,424
Net Changes	2,341,882	361,702	1,980,180
Balances at April 30, 2018	27,174,332	12,409,672	14,764,660

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 2018, the Village recognized pension expense of \$1,648,096. At April 30, 2018, 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	\$ 419,515	(2,480)	417,035
Change in Assumptions	2,701,965	(1,026,486)	1,675,479
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	485,104	(129,992)	355,112
Total Deferred Amounts Related to Firefighters' Pension	<u>3,606,584</u>	<u>(1,158,958)</u>	<u>2,447,626</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
2019	\$ 515,868
2020	515,868
2021	273,316
2022	290,680
2023	310,155
Thereafter	<u>541,739</u>
Total	<u>2,447,626</u>

VILLAGE OF DOLTON, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, retirees contributed \$59,075. Active employees do not contribute to the plan until retirement.

At April 30, 2018, 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, 2018**

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, 2018 was calculated as follows:

Annual Required Contribution	\$ 89,836
Interest on the NPO	11,138
Adjustment to the ARC	<u>(9,282)</u>
Annual OPEB Cost	91,692
Actual Contribution	<u>98,904</u>
Change in the NOPEBO	(7,212)
NOPEBO - Beginning	<u>278,474</u>
NOPEBO - Ending	<u><u>271,262</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
2016	\$ 119,064	\$ 88,040	73.94%	\$ 302,764
2017	88,400	112,690	127.48%	278,474
2018	91,692	98,904	107.87%	271,262

VILLAGE OF DOLTON, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, the date of the latest actuarial valuation, 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, 2018 was 30 years.

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, 2018**

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 Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll		
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
2018	N/A	N/A	N/A	N/A	N/A		N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2018	98,904	89,836	110.09%

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, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 141,746	\$ 141,950	\$ 204	\$ 2,362,425	6.01%
2017	179,936	244,112	64,176	2,860,670	8.53%
2018	125,551	125,551	-	2,761,650	4.55%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 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	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered 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%
2018	1,414,979	721,564	(693,415)	3,159,810	22.84%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market
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. Information for additional years will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered 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%
2018	806,828	456,912	(349,916)	1,710,864	26.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market
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. Information for additional years 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, 2018**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 217,866
Interest	1,468,511
Differences Between Expected and Actual Experience	70,698
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(1,322,421)</u>
 Net Change in Total Pension Liability	 434,654
Total Pension Liability - Beginning	<u>20,132,424</u>
 Total Pension Liability - Ending	 <u><u>20,567,078</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 141,950
Contributions - Members	107,417
Net Investment Income	106,340
Benefit Payments, Including Refunds of Member Contributions	(1,322,421)
Other (Net Transfer)	<u>272,643</u>
 Net Change in Plan Fiduciary Net Position	 (694,071)
Plan Net Position - Beginning	<u>21,804,621</u>
 Plan Net Position - Ending	 <u><u>21,110,550</u></u>
 Employer's Net Pension Obligation	 <u><u>\$ (543,472)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	 102.64%
 Covered Payroll	 \$ 2,362,425
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	 (23.00%)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2016	12/31/2017
291,620	312,308
1,497,434	1,498,458
(330,146)	(110,959)
-	(655,580)
(1,494,194)	(1,417,020)
(35,286)	(372,793)
20,567,078	20,531,792
20,531,792	20,158,999
244,112	152,588
129,850	138,809
1,416,783	4,211,306
(1,494,194)	(1,417,020)
719,146	(1,185,693)
1,015,697	1,899,990
21,110,550	22,126,247
22,126,247	24,026,237
(1,594,455)	(3,867,238)
107.77%	119.18%
2,860,670	2,922,475
(55.74%)	(132.33%)

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 1,301,043
Interest	2,212,327
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(1,786,828)</u>
 Net Change in Total Pension Liability	 1,726,542
Total Pension Liability - Beginning	<u>46,135,266</u>
 Total Pension Liability - Ending	 <u><u>47,861,808</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	716,574
Contributions - Members	329,382
Net Investment Income	1,662,239
Benefit Payments, Including Refunds of Member Contributions	(1,786,828)
Administrative Expense	<u>(70,626)</u>
 Net Change in Plan Fiduciary Net Position	 850,741
Plan Net Position - Beginning	<u>24,782,844</u>
 Plan Net Position - Ending	 <u><u>25,633,585</u></u>
 Employer's Net Pension Liability	 <u><u>22,228,223</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 53.56%
 Covered Payroll	 2,939,400
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 756.22%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
1,238,399	1,332,573	1,406,131
2,513,788	2,707,162	2,697,387
(831,040)	(247,761)	213,124
965,468	(1,938,831)	2,575,606
(1,750,240)	(1,910,799)	(2,149,638)
2,136,375	(57,656)	4,742,610
47,861,808	49,998,183	49,940,527
49,998,183	49,940,527	54,683,137
787,728	762,459	721,564
325,100	325,913	309,041
(457,288)	2,200,659	2,129,149
(1,750,240)	(1,910,799)	(2,149,638)
(83,581)	(70,723)	(67,687)
(1,178,281)	1,307,509	942,429
25,633,585	24,455,304	25,762,813
24,455,304	25,762,813	26,705,242
25,542,879	24,177,714	27,977,895
48.91%	51.59%	48.84%
3,221,094	3,405,262	3,159,810
792.99%	710.01%	885.43%

VILLAGE OF DOLTON, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 566,874
Interest	1,167,617
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(846,907)</u>
 Net Change in Total Pension Liability	 887,584
Total Pension Liability - Beginning	<u>20,554,789</u>
 Total Pension Liability - Ending	 <u><u>21,442,373</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	455,180
Contributions - Members	126,553
Net Investment Income	486,676
Benefit Payments, Including Refunds of Member Contributions	(846,907)
Administrative Expense	<u>(24,167)</u>
 Net Change in Plan Fiduciary Net Position	 197,335
Plan Net Position - Beginning	<u>11,987,452</u>
 Plan Net Position - Ending	 <u><u>12,184,787</u></u>
 Employer's Net Pension Liability	 <u><u>9,257,586</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 56.83%
 Covered Payroll	 1,391,319
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 665.38%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
702,731	646,616	683,732
1,136,396	1,400,881	1,392,754
368,615	219,638	(2,783)
2,157,958	(1,311,622)	1,405,032
(873,808)	(1,057,328)	(1,136,853)
3,491,892	(101,815)	2,341,882
21,442,373	24,934,265	24,832,450
24,934,265	24,832,450	27,174,332
499,389	485,543	456,912
151,144	198,450	151,907
(368,320)	882,593	921,160
(873,808)	(1,057,328)	(1,136,853)
(21,884)	(32,596)	(31,424)
(613,479)	476,662	361,702
12,184,787	11,571,308	12,047,970
11,571,308	12,047,970	12,409,672
13,362,957	12,784,480	14,764,660
46.41%	48.52%	45.67%
1,667,358	1,653,009	1,710,864
801.44%	773.41%	862.99%

VILLAGE OF DOLTON, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2018**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.87%
2016	(1.82%)
2017	9.26%
2018	8.89%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF DOLTON, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2018**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	4.40%
2016	(3.13%)
2017	7.83%
2018	7.77%

Note:
This schedule is intended to show information for ten years. Information for additional years 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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 9,978,201	9,978,201	9,570,499
Intergovernmental	2,039,000	2,039,000	2,651,990
Licenses and Permits	1,160,723	1,160,723	1,273,124
Charges for Services	1,745,220	1,745,220	1,862,717
Fines and Forfeitures	1,742,000	1,742,000	2,671,385
Interest	4,000	4,000	7,464
Miscellaneous	873,558	873,558	789,786
Total Revenues	17,542,702	17,542,702	18,826,965
Expenditures			
General Government	5,166,764	5,059,045	5,966,161
Public Safety	8,703,326	8,568,089	10,704,213
Public Works	2,831,247	2,796,238	2,820,969
Public Property Maintenance	1,858,607	1,865,947	1,756,132
Debt Service			
Principal Retirement	1,955,556	1,955,556	77,902
Interest and Fiscal Charges	90,000	90,000	74,532
Total Expenditures	20,605,500	20,334,875	21,399,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,062,798)	(2,792,173)	(2,572,944)
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	22,000
Debt Issuance	-	-	1,869,312
Transfers In	-	-	655,303
Transfers Out	-	-	(2,548,247)
	-	-	(1,632)
Net Change in Fund Balance	(3,062,798)	(2,792,173)	(2,574,576)
Fund Balance - Beginning			(2,862,163)
Fund Balance - Ending			(5,436,739)

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 600,000	600,000	591,166
Interest	-	-	6,157
Total Revenues	600,000	600,000	597,323
Expenditures			
Public Works			
Maintenance	500,000	500,000	459,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	100,000	138,210
Other Financing (Uses)			
Transfers Out	-	-	(655,303)
Net Change in Fund Balance	100,000	100,000	(517,093)
Fund Balance - Beginning			3,521,774
Fund Balance - Ending			3,004,681

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

The 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 Village uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

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.

DEBT SERVICE FUNDS

The 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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS

The 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 nonmajor 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 Village 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 Village 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, 2018**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 4,987,724	4,987,724	4,806,179
Sales Tax	2,720,000	2,720,000	2,589,532
Transfer Tax	150,000	150,000	222,986
Utility Tax	1,963,277	1,963,277	1,665,304
Hotel Tax	7,200	7,200	3,600
Other Taxes	150,000	150,000	282,898
Total Taxes	9,978,201	9,978,201	9,570,499
Intergovernmental			
State Income Tax	1,800,000	1,800,000	2,092,992
Replacement Tax	200,000	200,000	216,552
Local Motor Fuel Tax	39,000	39,000	50,022
911 Service Surcharges	-	-	9,742
Grants	-	-	282,682
Total Intergovernmental	2,039,000	2,039,000	2,651,990
Licenses and Permits			
Licenses	808,723	808,723	861,085
Permits	352,000	352,000	412,039
Total Licenses and Permits	1,160,723	1,160,723	1,273,124
Charges for Services			
Fees and Service Charges	50,000	50,000	114,464
Refuse Collection Fees	1,695,220	1,695,220	1,748,253
Total Charges for Services	1,745,220	1,745,220	1,862,717
Fines and Forfeitures	1,742,000	1,742,000	2,671,385
Interest	4,000	4,000	7,464
Miscellaneous			
Rental Income	50,538	50,538	87,548
Reimbursements	25,000	25,000	127,271
Employee Contributions	564,020	564,020	-
Other	234,000	234,000	574,967
Total Miscellaneous	873,558	873,558	789,786
Total Revenues	17,542,702	17,542,702	18,826,965

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
General Government			
General			
Salaries	\$ 516,206	454,556	509,821
Benefits	1,216,712	1,208,753	1,252,066
Printing and Publishing	35,000	35,000	2,094
Office Supplies	12,000	12,000	6,554
Maintenance Supplies	-	-	120
Postage and Shipping	6,000	6,000	4,776
Insurance	1,045,500	1,045,500	1,044,009
Repairs and Maintenance	12,000	12,000	18,334
Utilities	200,000	200,000	15,495
Telephones	200,000	200,000	187,619
Training, Travel and Meetings	6,000	6,000	2,259
Membership Dues	22,000	22,000	28,713
Special Event Activities	51,000	51,000	15,952
Auditing	60,000	60,000	122,745
Legal Services	300,000	300,000	324,139
Settlements	9,500	9,500	17,644
Red Light	-	-	607,719
Contracted Services	770,400	770,400	786,203
Professional Services	250,000	250,000	233,555
Miscellaneous	230,000	230,000	645,876
Media Center			
Salaries	48,000	45,600	47,941
Benefits	13,864	13,554	11,203
Printing and Publishing	1,000	1,000	-
Professional Services	6,000	6,000	5,240
Office Supplies	500	500	148
Maintenance Supplies	1,500	1,500	-
Equipment	3,000	3,000	2,159
Miscellaneous	1,700	1,700	-
Board and Commission			
Salaries	3,000	3,000	3,000
Printing and Publishing	20,000	20,000	-
Professional Services	-	-	2,366
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, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance			
Salaries	\$ 85,000	52,250	54,924
Benefits	22,882	20,232	12,108
Training, Travel and Meetings	2,000	2,000	150
Membership Dues	500	500	300
Office Supplies	500	500	929
Total General Government	5,166,764	5,059,045	5,966,161
Public Safety			
Police Department			
Salaries	4,274,379	4,274,379	4,744,034
Benefits	910,197	910,197	837,088
Pension	-	-	721,564
Office Supplies	10,000	10,000	15,622
Postage and Shipping	2,000	2,000	-
Operating Supplies	92,000	92,000	114,460
Repairs and Maintenance	99,000	99,000	186,329
Training, Travel and Meetings	35,000	35,000	28,395
Public Education	8,000	8,000	450
Membership Dues	9,500	9,500	3,800
Uniform Allowance	40,000	40,000	33,215
Forfeiture Purchases	-	-	80,377
Equipment	30,000	30,000	28,205
Contracted Services	101,800	101,800	39,840
Professional Services	76,800	76,800	45,815
Miscellaneous	40,000	40,000	58,696
Fire Department			
Salaries	2,143,813	2,063,280	2,171,224
Benefits	526,278	456,574	394,791
Pension	-	-	456,912
Office Supplies	4,500	4,500	4,821
Operating Supplies	72,770	72,770	60,922
Tools and Supplies	-	-	11,155
Repairs and Maintenance	50,520	50,520	68,037

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Training, Travel and Meetings	\$ 18,750	18,750	8,240
Public Education	3,000	3,000	4,000
Membership Dues	2,598	2,598	6,604
Uniform Allowance	13,800	13,800	17,494
Equipment	-	-	492,000
Vehicles	-	-	28,488
Legal Services	-	-	2,638
Contracted Services	84,532	99,532	647
Professional Services	40,589	40,589	20,876
Miscellaneous	8,500	8,500	11,896
Police/Fire Commission			
Professional Services	5,000	5,000	5,578
Total Public Safety	8,703,326	8,568,089	10,704,213
Public Works			
Street Division			
Salaries	1,050,264	1,076,644	1,049,149
Benefits	434,606	438,011	355,990
Maintenance Supplies	120,000	120,000	76,850
Office Supplies	10,000	10,000	4,131
Operating Supplies	25,000	25,000	4,941
Janitorial Supplies	1,200	1,200	-
Repairs and Maintenance	235,000	235,000	343,261
Tree Maintenance	50,000	50,000	7,750
Membership Dues	1,000	1,000	100
Training, Travel and Meetings	2,000	2,000	713
Utilities	25,000	25,000	3,565
Uniform Allowance	40,000	40,000	37,226
Rented Equipment	3,000	3,000	5,532
Professional Services	67,000	67,000	73,069
Contracted Services	-	-	17,580
Equipment	71,675	71,675	219,640
Miscellaneous	-	-	6,091

VILLAGE OF DOLTON, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Public Works - Continued			
Housing			
Salaries	\$ 337,480	298,260	302,021
Benefits	136,222	110,648	86,951
Printing and Publishing	7,000	7,000	1,802
Maintenance Supplies	2,500	2,500	5,794
Operating Supplies	20,000	20,000	18,263
Office Supplies	3,500	3,500	1,378
Postage and Shipping	20,300	20,300	19,186
Training, Travel and Meetings	2,000	2,000	230
Membership Dues	4,500	4,500	4,500
Professional Services	-	-	16,800
Contracted Services	139,000	139,000	154,007
Equipment	23,000	23,000	-
Miscellaneous	-	-	4,449
Total Public Works	2,831,247	2,796,238	2,820,969
Public Property Maintenance			
Property Preservation Engineer			
Salaries	60,000	66,500	72,772
Benefits	21,232	22,072	20,368
Maintenance Supplies	2,000	2,000	-
Miscellaneous	3,500	3,500	-
Sanitation			
Contract Collections	1,771,875	1,771,875	1,684,836
Miscellaneous	-	-	(21,844)
Total Public Property Maintenance	1,858,607	1,865,947	1,756,132
Debt Service			
Principal Retirement	1,955,556	1,955,556	77,902
Interest and Fiscal Charges	90,000	90,000	74,532
Total Debt Service	2,045,556	2,045,556	152,434
Total Expenditures	20,605,500	20,334,875	21,399,909

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,505,123	3,505,123	5,045,330
Interest	-	-	3,484
Miscellaneous	-	-	108,603
Total Revenues	<u>3,505,123</u>	<u>3,505,123</u>	<u>5,157,417</u>
Expenditures			
General Government			
Professional Fees	-	-	56,989
Debt Service			
Principal Retirement	2,632,755	2,632,755	3,600,000
Interest and Fiscal Charges	886,462	886,462	1,277,309
Total Expenditures	<u>3,519,217</u>	<u>3,519,217</u>	<u>4,934,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,094)	(14,094)	223,119
Other Financing Sources			
Transfers In	-	-	1,972,792
Net Change in Fund Balance	<u>(14,094)</u>	<u>(14,094)</u>	2,195,911
Fund Balance - Beginning			<u>(534,572)</u>
Fund Balance - Ending			<u>1,661,339</u>

VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2018

	Special Revenue			Totals
	Sibley TIF #2	I-94 Sibley TIF	TIF #3 Indulux	
ASSETS				
Cash and Investments	\$ 26,301	343,230	160,321	529,852
Advances to Other Funds	-	2,523,562	1,303,658	3,827,220
Total Assets	26,301	2,866,792	1,463,979	4,357,072
LIABILITIES				
Accounts Payable	1,197,667	-	-	1,197,667
Advances from Other Funds	651,680	-	-	651,680
Total Liabilities	1,849,347	-	-	1,849,347
FUND BALANCES				
Restricted	-	2,866,792	1,463,979	4,330,771
Unassigned	(1,823,046)	-	-	(1,823,046)
Total Fund Balances	(1,823,046)	2,866,792	1,463,979	2,507,725
Total Liabilities and Fund Balances	26,301	2,866,792	1,463,979	4,357,072

VILLAGE OF DOLTON, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	Special Revenue			Totals
	Sibley TIF #2	I-94 Sibley TIF	TIF #3 Indulux	
Revenues				
Taxes	\$ 197,244	-	62,326	259,570
Interest	330	856	242	1,428
Total Revenues	197,574	856	62,568	260,998
Expenditures				
Economic Development	350,498	810	483	351,791
Net Change in Fund Balances	(152,924)	46	62,085	(90,793)
Fund Balances - Beginning	(1,670,122)	2,866,746	1,401,894	2,598,518
Fund Balances - Ending	(1,823,046)	2,866,792	1,463,979	2,507,725

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 235,000	235,000	197,244
Interest	-	-	330
Total Revenues	<u>235,000</u>	<u>235,000</u>	<u>197,574</u>
Expenditures			
Economic Development			
Professional Services	<u>350,000</u>	<u>350,000</u>	<u>350,498</u>
Net Change in Fund Balance	<u>(115,000)</u>	<u>(115,000)</u>	(152,924)
Fund Balance - Beginning			<u>(1,670,122)</u>
Fund Balance - Ending			<u>(1,823,046)</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 780,000	780,000	-
Interest	-	-	856
Total Revenues	<u>780,000</u>	<u>780,000</u>	856
Expenditures			
Economic Development			
Professional Services	-	-	810
Net Change in Fund Balance	<u>780,000</u>	<u>780,000</u>	46
Fund Balance - Beginning			<u>2,866,746</u>
Fund Balance - Ending			<u>2,866,792</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 135,000	135,000	62,326
Interest	-	-	242
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>62,568</u>
Expenditures			
Economic Development			
Professional Services	-	-	483
Net Change in Fund Balance	<u>135,000</u>	<u>135,000</u>	62,085
Fund Balance - Beginning			<u>1,401,894</u>
Fund Balance - Ending			<u>1,463,979</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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 5,818,320	5,818,320	5,169,052
Miscellaneous	75,000	75,000	112,999
Total Operating Revenues	<u>5,893,320</u>	<u>5,893,320</u>	<u>5,282,051</u>
Operating Expenses			
Operations			
Salaries and Benefits	459,155	459,155	431,336
Contractual Services	34,800	34,800	20,508
Supplies	5,000	5,000	66,306
Commodities and Merchandise	5,592,256	5,592,256	4,988,895
Occupancy and Maintenance	13,500	13,500	32,014
Postage	20,000	20,000	17,770
Utilities	12,000	12,000	17,416
Miscellaneous	20,000	20,000	107,521
Total Operating Expenses	<u>6,156,711</u>	<u>6,156,711</u>	<u>5,681,766</u>
Change in Net Position	<u>(263,391)</u>	<u>(263,391)</u>	(399,715)
Net Position - Beginning			<u>(854,844)</u>
Net Position - Ending			<u><u>(1,254,559)</u></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, 2018

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 257,757	257,757	130,845
Operating Expenses			
Operations			
Salaries and Benefits	78,880	78,880	69,357
Contractual Services	249,588	249,588	202,939
Supplies	19,000	19,000	13,000
Equipment	15,992	15,992	1,015
Miscellaneous	15,000	15,000	12,221
Depreciation	-	-	82,065
Total Operating Expenses	378,460	378,460	380,597
Operating Income (Loss)	(120,703)	(120,703)	(249,752)
Nonoperating Revenues			
Interest Income	-	-	4
Rental Income	6,000	6,000	-
	6,000	6,000	4
Change in Net Position	(114,703)	(114,703)	(249,748)
Net Position - Beginning			1,603,505
Net Position - Ending			1,353,757

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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 512,376	812,706	913,660
Operating Expenses			
Operations			
Salaries and Benefits	300,331	300,331	79,937
Contractual Services	-	-	81,742
Total Operating Expenses	300,331	300,331	161,679
Change in Net Position	212,045	512,375	751,981
Net Position - Beginning			62,660
Net Position - Ending			814,641

VILLAGE OF DOLTON, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
April 30, 2018**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 824,904	189,748	1,014,652
Investments			
U.S. Treasuries	2,101,400	495,521	2,596,921
U.S. Agencies	3,763,538	187,867	3,951,405
State and Local Government Obligations	-	14,860	14,860
Corporate Bonds	2,023,267	694,515	2,717,782
Equity Mutual Funds	17,972,015	3,940,592	21,912,607
Annuities	-	5,695,099	5,695,099
Common Stock	-	1,167,797	1,167,797
Receivables - Net of Allowance			
Accrued Interest	28,127	9,117	37,244
Advances to Other Funds	310,327	15,222	325,549
Reserve Uncollectable - Interfund	(310,327)	-	(310,327)
Prepays	530	890	1,420
Total Assets	26,713,781	12,411,228	39,125,009
LIABILITIES			
Accounts Payable	8,539	1,556	10,095
NET POSITION			
Net Position Restricted for Pensions	26,705,242	12,409,672	39,114,914

VILLAGE OF DOLTON, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2018

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 721,564	456,912	1,178,476
Contributions - Plan Members	309,041	151,907	460,948
Total Contributions	1,030,605	608,819	1,639,424
Investment Earnings			
Interest Earned	527,959	296,750	824,709
Net Change in Fair Value	1,641,315	659,050	2,300,365
	2,169,274	955,800	3,125,074
Less Investment Expenses	(40,125)	(34,640)	(74,765)
Net Investment Income	2,129,149	921,160	3,050,309
Total Additions	3,159,754	1,529,979	4,689,733
Deductions			
Administration	67,687	31,424	99,111
Benefits and Refunds	2,149,638	1,136,853	3,286,491
Total Deductions	2,217,325	1,168,277	3,385,602
Change in Fiduciary Net Position	942,429	361,702	1,304,131
Net Position Restricted for Pensions			
Beginning	25,762,813	12,047,970	37,810,783
Ending	26,705,242	12,409,672	39,114,914

SUPPLEMENTAL SCHEDULES

VILLAGE OF DOLTON, ILLINOIS

**Schedule of Insurance in Force
April 30, 2018**

Insured	Coverage	Limits	Expiration Date of Coverage
Illinois Public Risk Fund	Workers' Compensation	\$3,000,000	12/31/2018

VILLAGE OF DOLTON, ILLINOIS

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

April 30, 2018

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
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>520,000</u>	<u>32,970</u>	<u>552,970</u>		<u>16,485</u>		<u>16,485</u>

VILLAGE OF DOLTON, ILLINOIS

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

April 30, 2018

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
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>430,000</u>	<u>37,374</u>	<u>467,374</u>		<u>18,687</u>		<u>18,687</u>

VILLAGE OF DOLTON, ILLINOIS

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

April 30, 2018

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
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>7,865,000</u>	<u>1,884,300</u>	<u>9,749,300</u>

VILLAGE OF DOLTON, ILLINOIS

Long-Term Debt Requirements

General Obligation Build America Direct Payment Bonds of 2009B

April 30, 2018

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
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>2,944,775</u>	<u>8,399,775</u>

VILLAGE OF DOLTON, ILLINOIS

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

April 30, 2018

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
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>7,055,000</u>	<u>1,600,177</u>	<u>8,655,177</u>

VILLAGE OF DOLTON, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2017**

April 30, 2018

Date of Issue	December 6, 2017
Date of Maturity	December 1, 2018
Authorized Issue	\$1,300,000
Denomination of Bonds	\$100,000
Interest Rate	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Firest Midwest Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2019	<u>\$ 1,300,000</u>	<u>38,565</u>	<u>1,338,565</u>	2018	<u>19,065</u>	2018	<u>19,500</u>