

**VILLAGE OF OGDEN**

Ogden, Illinois

**ANNUAL**  
**FINANCIAL STATEMENTS**

For the Year Ended  
April 30, 2017

***Kristie L Wright, CPA***

**VILLAGE OF OGDEN**  
Ogden, Illinois

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April 30, 2017

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## INDEPENDENT AUDITORS' REPORT

Board of Village Trustees  
Village of Ogden, Illinois

I have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Ogden, Illinois (the Village), as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 the risks of material misstatement on 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village as of April 30, 2017; the respective changes in modified cash basis financial position; and, when applicable, cash flows thereof for the year then ended in conformity with the basis of accounting as described in Note 1.

### **Report on Supplementary and Other Information**

My audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Village's basic financial statements. The schedule listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule listed as "Supplementary Information" is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule listed as "Supplementary Information" is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The Village of Ogden, Illinois has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of, the basic financial statements.

### **Basis of Accounting**

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

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Kristie L. Wright, C.P.A.  
Ogden, Illinois  
September 8, 2017

**VILLAGE OF OGDEN**

Ogden, Illinois

Statement of Net Position - Modified Cash Basis

April 30, 2017

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	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 509,535	\$ 132,884	\$ 642,419
Investments	<u>114,325</u>	<u>36,545</u>	<u>150,870</u>
Total Assets	<u>623,860</u>	<u>169,429</u>	<u>793,289</u>
<b>Liabilities</b>			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Restricted for:			
Streets	29,525	-	29,525
Sidewalks	15,093	-	15,093
Infrastructure	25,419	-	25,419
Depreciation	-	83,596	83,596
Unrestricted	<u>553,823</u>	<u>85,833</u>	<u>639,656</u>
Total Net Position	<u>\$ 623,860</u>	<u>\$ 169,429</u>	<u>\$ 793,289</u>

The notes following are an integral part of this financial statement.

**VILLAGE OF OGDEN**  
Ogden, Illinois

Statement of Activities - Modified Cash Basis

For the Year Ended April 30, 2017

	Program Revenue			Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating	Governmental	Business-Type	Total
			Grants and Contributions	Activities	Activities	
<b>Functions</b>						
Governmental Activities:						
General Government Administration	\$ 120,148	\$ 17,444	\$ -	\$ (102,704)	\$ -	\$ (102,704)
Library	33,923	1,380	624	(31,919)	-	(31,919)
Public Works	217,683	-	-	(217,683)	-	(217,683)
Capital Outlay	<u>18,312</u>	<u>-</u>	<u>-</u>	<u>(18,312)</u>	<u>-</u>	<u>(18,312)</u>
Total Governmental Activities	390,066	18,824	624	(370,618)	-	(370,618)
Business-Type Activities:						
Water	52,991	85,877	-	-	32,886	32,886
Sewer	<u>70,190</u>	<u>46,425</u>	<u>-</u>	<u>-</u>	<u>(23,765)</u>	<u>(23,765)</u>
Total Business-Type Activities	<u>123,181</u>	<u>132,302</u>	<u>-</u>	<u>-</u>	<u>9,121</u>	<u>9,121</u>
Total Primary Government	<u>513,247</u>	<u>151,126</u>	<u>624</u>	<u>(370,618)</u>	<u>9,121</u>	<u>(361,497)</u>
<b>General Revenues</b>						
Taxes:						
Property Taxes				73,761	-	73,761
Income Tax				77,122	-	77,122
Municipal Franchise Tax				12,135	-	12,135
Sales Tax				108,332	-	108,332
Motor Fuel Tax				20,601	-	20,601
Road and Bridge Allocation				8,265	-	8,265
Use Tax				19,790	-	19,790
Other Taxes				25,036	-	25,036
Interest Income				664	199	863
Miscellaneous				13,732	8,276	22,008
Transfers				<u>(6,369)</u>	<u>6,369</u>	<u>-</u>
Total General Revenues and Transfers				<u>353,069</u>	<u>14,844</u>	<u>367,913</u>
<b>Change in Net Position</b>				(17,549)	23,965	6,416
<b>Net Position May 1, 2016 (Deficit)</b>				<u>641,409</u>	<u>145,464</u>	<u>786,873</u>
<b>Net Position April 30, 2017 (Deficit)</b>				<u>\$ 623,860</u>	<u>\$ 169,429</u>	<u>\$ 793,289</u>

The notes following are an integral part of this financial statement.

**VILLAGE OF OGDEN**  
Ogden, Illinois

Balance Sheet - Modified Cash Basis  
*Governmental Funds*

April 30, 2017

	<u>General Fund</u>	<u>Library Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 459,926	\$ 20,084	\$ 29,525	\$ 509,535
Investments	<u>114,325</u>	<u>-</u>	<u>-</u>	<u>114,325</u>
Total Current Assets	<u>574,251</u>	<u>20,084</u>	<u>29,525</u>	<u>623,860</u>
Total Assets	<u><u>574,251</u></u>	<u><u>20,084</u></u>	<u><u>29,525</u></u>	<u><u>623,860</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	40,512	-	29,525	70,037
Unassigned	<u>533,739</u>	<u>20,084</u>	<u>-</u>	<u>553,823</u>
Total Fund Balances	<u>574,251</u>	<u>20,084</u>	<u>29,525</u>	<u>623,860</u>
Total Liabilities and Fund Balances	<u><u>\$ 574,251</u></u>	<u><u>\$ 20,084</u></u>	<u><u>\$ 29,525</u></u>	<u><u>\$ 623,860</u></u>

The notes following are an integral part of this financial statement.

**VILLAGE OF OGDEN**  
Ogden, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis  
*Governmental Funds*

For the Year Ended April 30, 2017

	General Fund	Library Fund	Motor Fuel Tax Fund	Total
<b>Revenues</b>				
<b>Local Receipts</b>				
Municipal Franchise Tax	\$ 12,135	\$ -	\$ -	\$ 12,135
Property Tax	39,307	34,454	-	73,761
Road & Bridge Allocation	8,265	-	-	8,265
Non-Home Rule Sales Tax	41,767	-	-	41,767
<b>Intergovernmental Receipts</b>				
Income Tax	77,122	-	-	77,122
Sales Tax	66,565	-	-	66,565
Motor Fuel Tax	-	-	20,601	20,601
Use Tax	19,790	-	-	19,790
Other Taxes	25,036	-	-	25,036
Grants	-	624	-	624
<b>Other Receipts</b>				
Interest	610	27	27	664
Rent	15,220	-	-	15,220
License & Fees	2,224	1,380	-	3,604
Miscellaneous	5,059	8,673	-	13,732
<b>Total Revenues</b>	<u>313,100</u>	<u>45,158</u>	<u>20,628</u>	<u>378,886</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	120,148	-	-	120,148
Library	-	33,923	-	33,923
Public Works	202,219	-	15,464	217,683
Capital Outlay	9,000	9,312	-	18,312
<b>Total Expenditures</b>	<u>331,367</u>	<u>43,235</u>	<u>15,464</u>	<u>390,066</u>
<b>Excess (Deficit) of Revenues</b>				
Over Expenditures	<u>(18,267)</u>	<u>1,923</u>	<u>5,164</u>	<u>(11,180)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer - Payroll Taxes	<u>(6,369)</u>	<u>-</u>	<u>-</u>	<u>(6,369)</u>
<b>Net Change in Fund Balance</b>	<u>(24,636)</u>	<u>1,923</u>	<u>5,164</u>	<u>(17,549)</u>
<b>Fund Balances, May 1, 2016</b>	<u>598,887</u>	<u>18,161</u>	<u>24,361</u>	<u>641,409</u>
<b>Fund Balances, April 30, 2017</b>	<u>\$ 574,251</u>	<u>\$ 20,084</u>	<u>\$ 29,525</u>	<u>\$ 623,860</u>
<b>Change in Net Assets of Governmental Activities</b>				<u>\$ (17,549)</u>

The notes following are an integral part of this financial statement.



**VILLAGE OF OGDEN**

Ogden, Illinois

Statement of Net Position - Modified Cash Basis

*Proprietary Fund*

April 30, 2017

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	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 104,285	\$ 28,599	\$ 132,884
Investments	<u>-</u>	<u>36,545</u>	<u>36,545</u>
Total Current Assets	104,285	65,144	169,429
<b>Property and Equipment, Net</b>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 104,285</u>	<u>\$ 65,144</u>	<u>\$ 169,429</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Restricted For:			
Depreciation	64,104	19,492	83,596
Unrestricted	<u>40,181</u>	<u>45,652</u>	<u>85,833</u>
Total Net Position	<u>\$ 104,285</u>	<u>\$ 65,144</u>	<u>\$ 169,429</u>

The notes following are an integral part of this financial statement.

**VILLAGE OF OGDEN**

Ogden, Illinois

Statement of Revenues, Expenses and  
Changes in Fund Net Position- Modified Cash Basis*Proprietary Fund*

For the Year Ended April 30, 2017

	Water Fund	Sewer Fund	Total
<b>Operating Revenue</b>			
Service Fees	\$ 85,877	\$ 46,425	\$ 132,302
Total Operating Revenue	<u>85,877</u>	<u>46,425</u>	<u>132,302</u>
<b>Operating Expenses</b>			
General Operating Expenses	52,991	69,702	122,693
Depreciation	-	488	488
Total Operating Expenses	<u>52,991</u>	<u>70,190</u>	<u>123,181</u>
<b>Operating Profit (Loss)</b>	32,886	(23,765)	9,121
<b>Non-Operating Revenue (Expenses)</b>			
Interest Income	112	87	199
Insurance Claim Proceeds	-	8,276	8,276
Total Non-Operating Revenue/Expense	<u>112</u>	<u>8,363</u>	<u>8,475</u>
Net Loss Before Transfers	32,998	(15,402)	17,596
Transfers			
Transfers In	4,902	1,467	6,369
<b>Changes in Net Position</b>	37,900	(13,935)	23,965
<b>Net Position May 1, 2016</b>	<u>66,385</u>	<u>79,079</u>	<u>145,464</u>
<b>Net Position April 30, 2017</b>	<u>\$ 104,285</u>	<u>\$ 65,144</u>	<u>\$ 169,429</u>

The notes following are an integral part of this financial statement.

**VILLAGE OF OGDEN**

Ogden, Illinois

## Statement of Cash Flows - Modified Cash Basis

*Proprietary Fund*

For the Year Ended April 30, 2017

	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from Customers	\$ 85,877	\$ 46,425	\$ 132,302
Payments to Vendors	(34,620)	(64,229)	(98,849)
Payments to Employees	(18,371)	(5,473)	(23,844)
Net Cash Provided (Used) by Operating Activities	<u>32,886</u>	<u>(23,277)</u>	<u>9,609</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Transfers - In	<u>4,902</u>	<u>1,467</u>	<u>6,369</u>
Net Cash Provided By (Used In) Non-Capital Financing Activities	4,902	1,467	6,369
<b>Cash Flows from Investing Activities</b>			
Receipts of Interest	112	87	199
Insurance Claim Proceeds	<u>-</u>	<u>8,276</u>	<u>8,276</u>
Total Cash Flows from Investing Activities	112	8,363	8,475
<b>Net Increase in Cash and Cash Equivalents</b>	37,900	(13,447)	24,453
<b>Cash, May 1, 2016</b>	<u>66,385</u>	<u>78,591</u>	<u>144,976</u>
<b>Cash, April 30, 2017</b>	<u><u>104,285</u></u>	<u><u>65,144</u></u>	<u><u>169,429</u></u>
<b>Cash Flows from Operating Activities</b>			
Operating Profit (Loss)	32,886	(23,765)	9,121
Adjustment to Reconcile Operating Profit to Net Cash Provided by Operating Activities:			
Depreciation	<u>-</u>	<u>488</u>	<u>488</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 32,886</u></u>	<u><u>\$ (23,277)</u></u>	<u><u>\$ 9,609</u></u>

The notes following are an integral part of this financial statement.

## VILLAGE OF OGDEN

Ogden, Illinois

Notes to Basic Financial Statements

April 30, 2017

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **1.A. REPORTING ENTITY**

This report includes all of the funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading and incomplete. A legally separate organization should be reported as a component unit if the officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The Village has no discretely presented component units. The Village's financial reporting entity is composed of the following:

Primary Government: Village of Ogden

#### **1.B. BASIS OF PRESENTATION**

##### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

In March 2009, the GASB issued Statement No. 54-*Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement established fund balance classifications based primarily

## VILLAGE OF OGDEN

Ogden, Illinois

Notes to Basic Financial Statements

April 30, 2017

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

on the extent to which the Village is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance policies and procedures.

The Statement of net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

### **FUND FINANCIAL STATEMENTS**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Village presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

The Village has decided all funds will be presented as major funds.

The funds of the financial reporting entity are described below:

### **Governmental Funds**

#### **General Fund**

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

## VILLAGE OF Ogden

Ogden, Illinois

Notes to Basic Financial Statements

April 30, 2017

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### 1.B. BASIS OF PRESENTATION (continued)

<u>Fund</u>	<u>Brief Description</u>
Library Fund	Accounts for and revenues and expenditures for Village operation of a library.

#### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Village. The reporting entity includes the following special revenue funds:

<u>Fund</u>	<u>Brief Description</u>
Motor Fuel Tax	Accounts for revenues and expenditures for Village street maintenance.

#### Proprietary Funds

##### Enterprise Funds

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

<u>Fund</u>	<u>Brief Description</u>
Water and Sewer	Accounts for revenues and expenses for operating the water and sewer system.

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

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

#### MEASUREMENT FOCUS

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

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

## VILLAGE OF OGDEN

Ogden, Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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### **1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)**

#### **Governmental Funds**

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

#### **Proprietary Funds**

Enterprise funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their Statement of Net Position with the exception of recording capital assets and depreciation. Their operating statements present sources and uses of available spendable financial resources and recognized depreciation expense during a given period. These funds use net assets as their measure of available spendable financial resources at the end of the period.

#### **BASIS OF ACCOUNTING**

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

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

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

## VILLAGE OF OGDEN

Ogden, Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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

#### CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

#### CAPITAL ASSETS

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate.

#### Government-Wide Statements

##### Governmental Activities

The governmental activities do not capitalize or depreciate property and equipment for assets.

##### Business-Type Activities (Enterprise Fund)

Enterprise Fund capital assets arising from cash transactions are capitalized within the fund at acquisition. Capital assets are valued at historical cost, or estimated historical cost of actual is unavailable. Donated capital assets are valued at their fair market value on the date donated. Prior to May 1, 2015, enterprise funds' infrastructure assets were not capitalized.

Depreciation is computed using the straight-line method over estimated useful lives ranging from five to thirty years. A capitalization threshold of \$5,000 is used to report capital assets.

#### LONG-TERM DEBT

All long-term debt arising from modified cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from modified cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial treatment in the government-wide statements.



## VILLAGE OF OGDEN

Ogden, Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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

#### **Fund Financial Statements**

#### **EQUITY CLASSIFICATION**

#### **Government-Wide Statements**

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

- a. Invested in capital assets, net of related debt-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 improvements of those assets.
- b. Restricted net position-Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position-All other net position that do not meet the definition of "restricted" or invested in capital assets, net of related debt.

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

#### **Fund Financial Statements**

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements. Governmental fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Village board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the Village board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative fund balance in other governmental funds represents excess of expenditures incurred over the amounts restricted, committed or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the Village's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

## VILLAGE OF OGDEN

Ogden., Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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

#### **PROGRAM REVENUES**

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Village has the following program revenues in each activity:

General government

Licenses, permits, and fees

Operating grants and contributions

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

#### **OPERATING REVENUES AND EXPENSES**

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

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

#### **FUND FINANCIAL STATEMENTS**

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

1. Interfund loans-Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services-Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements-Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers-Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

## VILLAGE OF OGDEN

Ogden, Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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### **1.E. REVENUES, EXPENDITURES AND EXPENSES (continued)**

1. Internal balances-Amounts reported in the fund financial statements are interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities-Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

### **1.F. PROPERTY TAXES**

Property taxes are levied and attached as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent year (by passage of the Tax Levy Ordinance). The 2016 tax levy was adopted by the Board on December 1, 2016. Tax bills are prepared by the County and issued on or about June 1, and are payable in two installments, on or about July 1 and September 1. The Village receives significant distributions of taxes approximately one month after these due dates. No provision has been made for delinquent property taxes since, in past years, the amount has been immaterial. Property taxes are recorded as revenues when they are received.

### **1.G. USE OF ESTIMATES**

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

### **NOTE 2. DETAIL NOTES-TRANSACTION CLASSES/ACCOUNTS**

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

### **2.A. DEPOSITS AND INVESTMENTS**

#### **DEPOSITS**

At April 30, 2017, the carrying amount of the Village's deposits totaled \$642,419 and the bank balances totaled \$643,691.

#### **CUSTODIAL CREDIT RISK-DEPOSITS**

Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the Village's name. The Village does not have a policy in regard to collateral for deposit and investment balances above Federal Deposit Insurance Corporation (FDIC) insurance coverage. At April 30, 2017, the Village's deposits were fully collateralized.

**VILLAGE OF OGDEN**

Ogden, Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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**2.A. DEPOSITS AND INVESTMENTS (continued)**

INVESTMENTS

At April 30, 2017, the carrying amount of the Village's certificate of deposits totaled \$150,870 and the bank balances totaled \$150,870. Certificate of deposits maturity term is 11 months, and next mature date is June 13, 2018. The investment rate is 1.5%

CUSTODIAL CREDIT RISK-INVESTMENTS

At April 30, 2017, the Village's certificate of deposit investments were fully collateralized.

**2.B. RESTRICTED ASSETS**

Assets that are not available to finance general operations of the Village are reported as restricted on the Statement of Net Position. The Village's policy is to apply restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available.

**2.C. CAPITAL ASSETS**

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended April 30, 2017 was as follows:

Enterprise fund and business-type activities for the year ended April 30, 2017:

		For the Years Ended April 30			
	<u>2016</u>	<u>Additions</u>	<u>Retirements</u>		<u>2017</u>
Depreciable Property and Equipment:					
Waterworks System	\$ 2,283,778	\$ -	\$ -		\$ 2,283,778
Less: Accumulated Depreciation	<u>(2,283,290)</u>	<u>(488)</u>	<u>-</u>		<u>(2,283,778)</u>
Property and Equipment, Net	\$ 488	\$ (488)	\$ -		\$ -

Depreciation expense for 2017 was charged to the Sewer activity in the amount of \$488.

**VILLAGE OF OGDEN**

Ogden, Illinois

Notes to Basic Financial Statements - (continued)

April 30, 2017

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**2.D. MOTOR FUEL TAX ALLOTMENTS**

Under current procedures, the allotments of the Village are being received from the State of Illinois each month. These allotments; however, may be expended only for specific projects that have been approved each month by the Department of Transportation, State of Illinois.

**2.E. RISK MANAGEMENT**

The Village maintains a practice of carrying conventional casualty insurance to limit the risk of loss associated with tort claims, property damage or destruction, employee injuries and other unanticipated casualties or natural disasters. Instead of commercial insurance; however, the Village has elected to participate as a member in the Illinois Municipal League Risk Management Association (IMLRMA Pool), a cooperative risk sharing arrangement among Illinois communities that works in many ways like a traditional insurer. Members can obtain typical insurance coverage limits and deductible options at reasonable rates according to their risk tolerance while the IMLRMA Pool provides traditional underwriting, reinsurance, claims processing and loss control services. Unlike commercial insurance, the IMLRMA Pool offers the opportunity to earn a pro-rata refund of the surplus premiums according to the Village's premiums paid and its favorable loss experience in recent years.

The Village manages these various risks of loss as follows:

<i>Type of Loss</i>	<i>Method Managed</i>	<i>Risk of Loss Retained</i>
a. Torts, errors and omissions	Membership in Risk Management Pool	None
b. Workers compensation, health and life	Membership in Risk Management Pool	None
c. Physical property loss and natural disasters	Membership in Risk Management Pool	None

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

**2.F. INTERFUND ACTIVITY**

**TRANSFERS IN/OUT**

Transfers of funds at April 30, 2017, consist of the following:

Transfer In to Proprietary Funds for payment of payroll taxes	\$	6,369
Transfer Out from General Fund for payment of payroll taxes		<u>(6,369)</u>
Net Transfers In/Out	\$	<u><u>-</u></u>

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF OGDEN**

Ogden, Illinois

Budgetary Comparison Schedule - General Fund  
Modified Cash Basis

For the Year Ended April 30, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>General Fund</b>				
Revenues:				
Municipal Franchise Tax	\$ -	\$ -	\$ 12,135	\$ 12,135
Property Tax	-	-	39,307	39,307
Road & Bridge Allocation	-	-	8,265	8,265
Non-Home Rule Sales Tax	-	-	41,767	41,767
Income Tax	-	-	77,122	77,122
Sales Tax	-	-	66,565	66,565
Use Tax	-	-	19,790	19,790
Other Taxes	-	-	25,036	25,036
Interest	-	-	610	610
Other Receipts	-	-	22,503	22,503
Total Revenues	<u>-</u>	<u>-</u>	<u>313,100</u>	<u>313,100</u>
Expenditures:				
<i>Current</i>				
General Government	263,150	263,150	120,148	143,002
Public Works	513,500	513,500	202,219	311,281
Emergency Services and Disaster	13,000	13,000	-	13,000
Capital Outlay	60,000	60,000	9,000	51,000
Total Expenditures	<u>849,650</u>	<u>849,650</u>	<u>331,367</u>	<u>518,283</u>
<b>Library Fund</b>				
Revenues:				
Property Tax	-	-	34,454	34,454
Interest	-	-	27	27
Other Receipts	-	-	10,677	10,677
Total Revenues	<u>-</u>	<u>-</u>	<u>45,158</u>	<u>45,158</u>
Expenditures:				
Library	47,350	47,350	43,235	4,115
Total Expenditures	<u>\$ 47,350</u>	<u>\$ 47,350</u>	<u>\$ 43,235</u>	<u>\$ 4,115</u>

The notes to Budgetary Comparison Schedule are an integral part of this statement.

## VILLAGE OF OGDEN

Ogden, Illinois

### Notes to Budgetary Comparison Schedules

April 30, 2017

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#### **Budget Law:**

The Village board prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to the end of the first quarter of each fiscal year, a board designated person or persons designated by the board submits to the board a proposed operating budget for the year commencing on May 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 10 days prior to final approval of the budget.
- c. Subsequent to the public hearings, the budget is adopted by the board.

The legal level of control at which expenditures may not legally exceed appropriations is the fund.

A comparison budget to actual expenditures is provided for the General Fund only. The Motor Fuel Tax Fund is not required to adopt a legal budget, and; therefore, the comparison budget to actual expenditures has been omitted from these financial statements.

#### **Basis of Accounting**

The budget is prepared on the cash basis of accounting.



**VILLAGE OF OGDEN**  
 Ogden, Illinois  
 Property Tax Levies, Rates, Extensions and Collections

For the Four Years Ended April 30

Fiscal Year Received	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Levy Year	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Assessed Valuations</b>	<u>\$ 11,273,330</u>	<u>\$ 10,855,410</u>	<u>\$ 10,718,110</u>	<u>\$ 10,578,640</u>
<b>Tax Levies</b>				
General	31,245	30,651	30,023	29,480
Library	36,537	35,847	35,111	34,471
Audit	3,164	3,104	3,044	2,981
Insurance	4,118	4,038	3,954	3,887
Social Security	3,152	3,093	3,033	2,970
Total Tax Levies	<u>78,216</u>	<u>76,733</u>	<u>75,165</u>	<u>\$ 73,789</u>
<b>Tax Rates</b>				
General	0.2657	0.2716	0.2725	0.2703
Library	0.3106	0.3176	0.3187	0.3161
Audit	0.0269	0.0275	0.0276	0.0274
Insurance	0.0350	0.0358	0.0359	0.0356
Social Security	0.0268	0.0274	0.0275	0.0273
Total Tax Rates	<u>0.6650</u>	<u>0.6799</u>	<u>0.6822</u>	<u>0.6767</u>
<b>Tax Extensions</b>				
General	29,953	29,483	29,207	28,594
Library	35,015	34,477	34,159	33,439
Audit	3,033	2,985	2,958	2,899
Insurance	3,946	3,886	3,848	3,766
Social Security	3,021	2,975	2,947	2,888
Total Tax Extensions	<u>\$ 74,968</u>	<u>\$ 73,806</u>	<u>\$ 73,119</u>	<u>\$ 71,586</u>
<b>Tax Collections</b>				
Total Tax Collections		<u>\$ 73,761</u>	<u>\$ 72,806</u>	<u>\$ 71,377</u>
<b>Percentage of Extension Collected</b>		<u>99.9%</u>	<u>99.6%</u>	<u>99.7%</u>

**VILLAGE OF Ogden**  
Ogden, Illinois

April 30, 2017

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SCHEDULE OF LEGAL DEBT MARGIN

At April 30, 2017, the estimated legal debt margin was determined as follows:

Assessed Valuation (Tax Year 2016)	\$ <u>11,273,330</u>
Statutory Debt Limitation (8.625 percent of Assessed Valuation)	\$ 972,325
Total General Obligation Bond Indebtedness as of April 30, 2017	\$ -
Legal Debt Margin	\$ 972,325

Note: by Illinois statute, the legal debt margin excludes alternative revenue source debt.