

CITY OF CASEY, ILLINOIS  
FINANCIAL STATEMENTS  
For the Year Ended April 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Casey  
Casey, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Casey, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Casey, Illinois' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Casey, Illinois, as of April 30, 2017, and the respective changes in financial position, and, where applicable, cash flows and the respective budgetary comparison for the General Fund 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 schedule of funding progress, schedule of changes in net pension liability and related ratios, and the schedule of employer contributions on pages 51 through 55 be presented to supplement the basic financial statements. Such information, although not a 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Casey, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other information section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2017, on our consideration of the City of Casey, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Casey, Illinois' internal control over financial reporting and compliance.

*Gilbert, Metzger & Madigan, LLP*

December 6, 2017

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council  
City of Casey  
Casey, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Casey, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Casey, Illinois' basic financial statements and have issued our report thereon dated December 6, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Casey, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Casey, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Casey, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2017-1 described in the accompanying schedule of findings and questioned costs to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiency 2017-2 described in the accompany schedule of findings and questioned costs to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Casey, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, we noted other matters involving internal control and its operation that we have reported to management of City of Casey in a separate letter dated December 6, 2017.

## **City of Casey, Illinois' Response to Findings**

City of Casey, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Casey, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Gilbert, Metzger & Madigan, LLP*

December 6, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

To the City Council  
City of Casey  
Casey, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited the City of Casey, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Casey, Illinois' major federal programs for the year ended April 30, 2017. City of Casey, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Casey, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Casey, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Casey, Illinois' compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Casey, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2017.

## Report on Internal Control over Compliance

Management of the City of Casey, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Casey, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Casey, Illinois' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Gilbert, Metzger & Madigan, LLP*

December 6, 2017

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CASEY, ILLINOIS  
STATEMENT OF NET POSITION  
April 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Casey Township Park District
<b>ASSETS</b>				
Cash deposits	\$ 1,925,853.52	\$ 9,461,771.39	\$11,387,624.91	\$ 96,960.51
Receivables:				
Property taxes	367,465.26	-	367,465.26	88,815.34
Accounts receivable	-	1,104,617.93	1,104,617.93	-
Due from other governmental agencies	195,340.66	1,376,000.00	1,571,340.66	1,613.83
Interest receivable	124.78	542.00	666.78	-
Other receivables	62,341.79	-	62,341.79	-
Prepaid expenses	10,057.23	29,479.70	39,536.93	-
Inventory	-	317,691.26	317,691.26	-
Internal balances	(295.27)	295.27	-	-
Restricted assets:				
Cash deposits	-	320,833.33	320,833.33	-
Cash held with fiscal agent	-	16,700.00	16,700.00	-
Capital assets, net of accumulated depreciation	<u>2,921,488.69</u>	<u>19,088,770.70</u>	<u>22,010,259.39</u>	<u>68,740.51</u>
Total assets	<u>5,482,376.66</u>	<u>31,716,701.58</u>	<u>37,199,078.24</u>	<u>256,130.19</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	293,763.00	518,980.00	812,743.00	-
Deferred amount on refunding, net of amortization	<u>-</u>	<u>3,932.98</u>	<u>3,932.98</u>	<u>-</u>
Total deferred outflows of resources	<u>293,763.00</u>	<u>522,912.98</u>	<u>816,675.98</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	33,876.98	3,359,984.47	3,393,861.45	3,736.49
Accrued wages	20,701.44	32,148.20	52,849.64	-
Interest payable	2,605.73	65,932.99	68,538.72	-
Customer deposits	-	200,000.00	200,000.00	-
Accrued compensated absences	36,482.21	58,984.43	95,466.64	-
Net OPEB obligation	134,992.00	505,730.00	640,722.00	-
Net pension liability	675,454.00	1,232,308.00	1,907,762.00	-
Notes payable:				
Due within one year	48,779.83	2,453,400.00	2,502,179.83	-
Due in more than one year	308,592.45	-	308,592.45	-
Bonds payable:				
Due within one year	25,000.00	290,000.00	315,000.00	-
Due in more than one year	<u>455,000.00</u>	<u>8,066,312.89</u>	<u>8,521,312.89</u>	<u>-</u>
Total liabilities	<u>1,741,484.64</u>	<u>16,264,800.98</u>	<u>18,006,285.62</u>	<u>3,736.49</u>

CITY OF CASEY, ILLINOIS  
STATEMENT OF NET POSITION  
April 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Casey Township Park District
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	367,465.26	-	367,465.26	88,815.34
Deferred pensions	18,667.00	20,820.00	39,487.00	-
Total deferred inflows of resources	<u>386,132.26</u>	<u>20,820.00</u>	<u>406,952.26</u>	<u>88,815.34</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,078,745.93	5,237,405.37	7,316,151.30	68,740.51
Restricted for:				
General government	19,785.96	-	19,785.96	-
Public safety	377,779.03	-	377,779.03	-
Highways and streets	69,813.12	-	69,813.12	-
Development	141,439.39	-	141,439.39	-
Culture and recreation	124,357.39	-	124,357.39	-
Debt service	-	120,833.33	120,833.33	-
Capital projects	1,280.68	-	1,280.68	-
Insurance	29,320.76	-	29,320.76	3,917.17
Social security	-	-	-	19,546.22
Unrestricted	<u>806,000.50</u>	<u>10,595,754.88</u>	<u>11,401,755.38</u>	<u>71,374.46</u>
 Total Net Position	 <u>\$ 3,648,522.76</u>	 <u>\$15,953,993.58</u>	 <u>\$19,602,516.34</u>	 <u>\$ 163,578.36</u>

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

CITY OF CASEY, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2017

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Unit
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Casey Township Park District
<b>Primary Government:</b>								
Governmental activities:								
General government	\$ 335,423.62	\$ 25,527.82	\$ -	\$ 190,959.58	\$ (118,936.22)	\$ -	\$ (118,936.22)	
Public safety	784,362.28	38,875.37	321,997.81	1,812.07	(421,677.03)	-	(421,677.03)	
Highways and streets	503,352.44	-	70,184.44	-	(433,168.00)	-	(433,168.00)	
Culture and recreation	9,905.64	-	250.00	-	(9,655.64)	-	(9,655.64)	
Interest expense	32,756.10	-	-	-	(32,756.10)	-	(32,756.10)	
Total governmental activities	<u>1,665,800.08</u>	<u>64,403.19</u>	<u>392,432.25</u>	<u>192,771.65</u>	<u>(1,016,192.99)</u>	<u>-</u>	<u>(1,016,192.99)</u>	
Business-type activities:								
Gas	1,142,989.83	1,180,957.76	-	-	-	37,967.93	37,967.93	
Electric	3,582,234.44	4,117,974.13	-	-	-	535,739.69	535,739.69	
Sewer	544,100.75	770,128.23	-	1,899,600.00	-	2,125,627.48	2,125,627.48	
Water	624,864.36	658,243.99	-	-	-	33,379.63	33,379.63	
Refuse	336,004.16	343,840.48	-	-	-	7,836.32	7,836.32	
Total business-type activities	<u>6,230,193.54</u>	<u>7,071,144.59</u>	<u>-</u>	<u>1,899,600.00</u>	<u>-</u>	<u>2,740,551.05</u>	<u>2,740,551.05</u>	
Total primary government	<u>\$ 7,895,993.62</u>	<u>\$ 7,135,547.78</u>	<u>\$ 392,432.25</u>	<u>\$ 2,092,371.65</u>	<u>(1,016,192.99)</u>	<u>2,740,551.05</u>	<u>1,724,358.06</u>	
<b>Component Unit:</b>								
Casey Township Park District	<u>\$ 58,250.97</u>	<u>\$ 1,880.00</u>	<u>\$ 2,363.87</u>	<u>\$ -</u>			<u>\$ (54,007.10)</u>	
<b>General Revenues:</b>								
Taxes:								
Property taxes					367,769.83	-	367,769.83	\$ 88,556.11
Personal property replacement tax					20,780.43	-	20,780.43	10,496.38
Municipal retailers' occupation tax					566,933.87	-	566,933.87	-
Illinois income tax					261,083.00	-	261,083.00	-
Utility tax					372,694.56	-	372,694.56	-
Video gaming tax					43,070.75	-	43,070.75	-
Tourism tax					29,453.91	-	29,453.91	-
Other taxes					68,273.75	-	68,273.75	-
Interest income					5,045.27	18,908.43	23,953.70	5.74
Other income					14,041.67	74,158.14	88,199.81	1,243.56
Gain (loss) on sale or disposition of assets					7,891.12	38,000.00	45,891.12	-
Transfers					11,255.98	(11,255.98)	-	-
Total general revenues and transfers					<u>1,768,294.14</u>	<u>119,810.59</u>	<u>1,888,104.73</u>	<u>100,301.79</u>

CITY OF CASEY, ILLINOIS  
 STATEMENT OF ACTIVITIES  
 For the Year Ended April 30, 2017

	Net (Expenses) Revenue and Changes in Net Position			Component Unit
	Governmental Activities	Business-Type Activities	Total	Casey Township Park District
Change in net position	752,101.15	2,860,361.64	3,612,462.79	46,294.69
Net position, beginning of year	<u>2,896,421.61</u>	<u>13,093,631.94</u>	<u>15,990,053.55</u>	<u>117,283.67</u>
Net Position, End of Year	<u>\$ 3,648,522.76</u>	<u>\$15,953,993.58</u>	<u>\$19,602,516.34</u>	<u>\$ 163,578.36</u>

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

FUND FINANCIAL STATEMENTS

CITY OF CASEY, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Component Unit Casey Township Park District</u>
<b>ASSETS</b>				
Cash deposits	\$ 1,473,393.65	\$ 452,459.87	\$ 1,925,853.52	\$ 96,960.51
Receivables:				
Property taxes	367,465.26	-	367,465.26	88,815.34
Due from other governmental agencies	189,278.02	6,062.64	195,340.66	1,613.83
Interest receivable	53.07	71.71	124.78	-
Other receivables	59,894.87	2,446.92	62,341.79	-
Due from other funds	<u>6,296.73</u>	<u>-</u>	<u>6,296.73</u>	<u>-</u>
 Total Assets	 <u>\$ 2,096,381.60</u>	 <u>\$ 461,041.14</u>	 <u>\$ 2,557,422.74</u>	 <u>\$ 187,389.68</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 31,736.98	\$ 2,140.00	\$ 33,876.98	\$ 3,736.49
Accrued wages	20,701.44	-	20,701.44	-
Due to other funds	<u>6,592.00</u>	<u>-</u>	<u>6,592.00</u>	<u>-</u>
Total liabilities	<u>59,030.42</u>	<u>2,140.00</u>	<u>61,170.42</u>	<u>3,736.49</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	<u>367,465.26</u>	<u>-</u>	<u>367,465.26</u>	<u>88,815.34</u>

CITY OF CASEY, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Component Unit Casey Township Park District</u>
FUND BALANCE				
Restricted for:				
General government	961.77	18,824.19	19,785.96	-
Public safety	377,779.03	-	377,779.03	-
Highways and streets	-	69,813.12	69,813.12	-
Development	-	141,439.39	141,439.39	-
Culture and recreation	-	124,357.39	124,357.39	-
Capital projects	-	1,280.68	1,280.68	-
Insurance	16,761.01	-	16,761.01	6,064.86
Social security	-	-	-	19,546.22
IMRF	-	-	-	-
Committed for:				
Equipment	372,943.73	-	372,943.73	-
Debt service	-	99,384.84	99,384.84	-
Capital projects	452,225.38	-	452,225.38	-
Assigned for:				
Capital projects	-	3,801.53	3,801.53	-
Unassigned	449,215.00	-	449,215.00	69,226.77
Total fund balance	<u>1,669,885.92</u>	<u>458,901.14</u>	<u>2,128,787.06</u>	<u>94,837.85</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 2,096,381.60</u>	 <u>\$ 461,041.14</u>	 <u>\$ 2,557,422.74</u>	 <u>\$ 187,389.68</u>

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

CITY OF CASEY, ILLINOIS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
April 30, 2017

Total fund balance - total governmental funds		\$ 2,128,787.06
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. This is the amount by which capital assets of \$4,727,573.87 exceeds accumulated depreciation of \$1,806,085.18.		2,921,488.69
Certain prepaid expenses do not require current financial resources. Therefore, these prepaid expenses are not reported as an asset in the governmental funds balance sheet.		10,057.23
Deferred outflows of resources related to certain changes in the net pension liability are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the funds.		293,763.00
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(2,605.73)
Deferred inflows of resources related to certain changes in the net pension liability are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the funds.		(18,667.00)
The net pension liability is the difference between the total pension liability and fiduciary net position of the plan and is not due and payable in the current period, and, therefore, is not reported on the governmental funds balance sheet.		(675,454.00)
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Accrued compensated absences	\$ 36,482.21	
Net OPEB obligation	134,992.00	
Notes payable, due within one year	48,779.83	
Notes payable, due in more than one year	308,592.45	
Bonds payable, due within one year	25,000.00	
Bonds payable, due in more than one year	<u>455,000.00</u>	<u>(1,008,846.49)</u>
Net Position of Governmental Activities		<u>\$ 3,648,522.76</u>

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

CITY OF CASEY, ILLINOIS  
RECONCILIATION OF THE COMPONENT UNIT BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
April 30, 2017

Total fund balance - component unit	\$ 94,837.85
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. This is the amount by which capital assets of \$213,875.82 exceeds accumulated depreciation of \$145,135.31.	<u>68,740.51</u>
Net Position of Governmental Activities	<u>\$ 163,578.36</u>

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

CITY OF CASEY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2017

	General	Other Governmental Funds	Total Governmental Funds	Component Unit Casey Township Park District
<b>Revenues:</b>				
Property taxes	\$ 367,769.83	\$ -	\$ 367,769.83	\$ 88,556.11
Personal property replacement tax	20,780.43	-	20,780.43	10,496.38
Municipal retailers' occupation tax	566,933.87	-	566,933.87	-
Illinois motor fuel tax	-	70,184.44	70,184.44	-
Illinois income tax	261,083.00	-	261,083.00	-
Utility tax	318,694.56	54,000.00	372,694.56	-
Video gaming tax	43,070.75	-	43,070.75	-
Tourism tax	-	29,453.91	29,453.91	-
Other governmental agencies	74,610.27	-	74,610.27	-
Grants	10,602.31	-	10,602.31	-
Charges for services	3,961.00	-	3,961.00	1,880.00
Licenses, permits and fees	26,702.82	-	26,702.82	-
Fines	27,402.85	-	27,402.85	-
Donations	321,997.81	250.00	322,247.81	2,363.87
Interest income	3,636.22	1,409.05	5,045.27	5.74
Other income	12,441.67	1,600.00	14,041.67	1,243.56
<b>Total revenues</b>	<u>2,059,687.39</u>	<u>156,897.40</u>	<u>2,216,584.79</u>	<u>104,545.66</u>
<b>Expenditures:</b>				
General government	310,196.61	35.00	310,231.61	-
Public safety	850,270.42	-	850,270.42	-
Highways and streets	488,314.06	65,757.22	554,071.28	-
Culture and recreation	-	9,811.67	9,811.67	66,560.73
Debt service	61,899.99	43,201.39	105,101.38	-
<b>Total expenditures</b>	<u>1,710,681.08</u>	<u>118,805.28</u>	<u>1,829,486.36</u>	<u>66,560.73</u>
Excess of revenues over (under) expenditures	<u>349,006.31</u>	<u>38,092.12</u>	<u>387,098.43</u>	<u>37,984.93</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	180,000.00	-	180,000.00	-
Transfers out	(168,744.02)	-	(168,744.02)	-
<b>Total other financing sources (uses)</b>	<u>11,255.98</u>	<u>-</u>	<u>11,255.98</u>	<u>-</u>

CITY OF CASEY, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Component Unit Casey Township Park District</u>
Change in fund balance	360,262.29	38,092.12	398,354.41	37,984.93
Fund balance, beginning of year	<u>1,309,623.63</u>	<u>420,809.02</u>	<u>1,730,432.65</u>	<u>56,852.92</u>
Fund Balance, End of Year	<u>\$ 1,669,885.92</u>	<u>\$ 458,901.14</u>	<u>\$ 2,128,787.06</u>	<u>\$ 94,837.85</u>

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

CITY OF CASEY, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2017

Net change in fund balances - governmental funds	\$ 398,354.41
Amounts reported for the 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. This is the amount of capital outlays of \$215,842.02 less depreciation of \$216,328.27 in the current period.	(486.25)
The City disposed of a capital asset with a net book value of \$4,358.88 which is only reported in the statement of activities.	(4,358.88)
The repayment of principal of long-term debt consumes current financial resources of government funds. However, the repayment has no effect on change in net position on the statement of activities.	72,191.33
Certain prepaid expenses reported in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental funds. This is the amount of decrease over prior year.	(23,903.86)
The change in deferred outflows of resources does not require the use of current financial resources and, therefore, is not reported in governmental funds.	40,338.00
Certain revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in the governmental funds.	182,169.34
The change in deferred inflows of resources does not require the use of current financial resources and, therefore, is not reported in governmental funds.	(18,667.00)
Accrued interest reported in the statement of activities does not require the use of current financial resources and is, therefore, not reported as an expenditure in governmental funds.	153.95
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.	
Change in accrued compensated absences	6,548.11
Change in net OPEB obligation	43,206.00
Change in net pension liability	56,556.00
Change in Net Position of Governmental Activities	\$ 752,101.15

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

CITY OF CASEY, ILLINOIS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE COMPONENT UNIT  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2017

Net change in component unit fund balance	\$ 37,984.93
Amounts reported for the 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. This is the amount by which capital outlays of \$14,250.02 exceeded depreciation of \$3,792.57 in the current period.	10,457.45
Certain prepaid expenses reported in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental funds. This is the change from the prior year.	<u>(2,147.69)</u>
Change in Net Position of Governmental Activities	<u>\$ 46,294.69</u>

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

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
COMPARISON TO BUDGET  
GENERAL FUND  
For the Year Ended April 30, 2017

	Original and Final Budget	Actual	Positive (Negative) Final Budget
Receipts:			
Property taxes	\$ -	\$ 367,769.83	\$ 367,769.83
Personal property replacement tax	-	21,570.69	21,570.69
Municipal retailers' occupation tax	-	562,487.82	562,487.82
Illinois income tax	-	263,644.28	263,644.28
Utility tax	-	319,389.32	319,389.32
Video gaming tax	-	43,169.48	43,169.48
Other governmental agencies	-	73,990.15	73,990.15
Grants	-	17,629.75	17,629.75
Licenses, permits and fees	-	28,426.40	28,426.40
Fines	-	26,713.31	26,713.31
Donations	-	321,997.81	321,997.81
Interest income	-	3,636.04	3,636.04
Other income	-	16,302.67	16,302.67
Total revenue receipts	<u>-</u>	<u>2,066,727.55</u>	<u>2,066,727.55</u>
Non-revenue receipts:			
Transfers from other funds	-	180,000.00	180,000.00
Loans from other funds	-	6,592.00	6,592.00
Loan repayment from other funds	-	314,500.00	314,500.00
Total non-revenue receipts	<u>-</u>	<u>501,092.00</u>	<u>501,092.00</u>
Total receipts	<u>-</u>	<u>2,567,819.55</u>	<u>2,567,819.55</u>
Disbursements:			
General government	509,920.00	315,536.64	194,383.36
Public safety	995,900.00	856,804.26	139,095.74
Highways and streets	603,400.00	489,866.54	113,533.46
Development	-	-	-
Debt service	-	61,899.99	(61,899.99)
Total disbursements	<u>2,109,220.00</u>	<u>1,724,107.43</u>	<u>385,112.57</u>
Non-expenditure disbursements:			
Transfers to other funds	-	168,744.02	(168,744.02)
Loan repayment to other funds	-	550,000.00	(550,000.00)
Total non-expenditure disbursements	<u>-</u>	<u>718,744.02</u>	<u>(718,744.02)</u>
Total disbursements	<u>2,109,220.00</u>	<u>2,442,851.45</u>	<u>(333,631.45)</u>

CITY OF CASEY, ILLINOIS  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
 COMPARISON TO BUDGET  
 GENERAL FUND  
 For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final Budget</u>
Excess of receipts over (under) disbursements	<u>\$(2,109,220.00)</u>	124,968.10	<u>\$ 2,234,188.10</u>
Cash deposits, beginning of year		<u>1,348,425.55</u>	
Cash Deposits, End of Year		<u>\$ 1,473,393.65</u>	

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

CITY OF CASEY, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
April 30, 2017

ASSETS	Gas	Electric	Sewer	Water	Other Enterprise Funds	Total Enterprise Funds
<b>Current assets:</b>						
Cash and cash equivalents	\$ 1,407,525.96	\$ 4,263,511.67	\$ 1,323,185.44	\$ 171,977.90	\$ 100,690.83	\$ 7,266,891.80
Cash deposits	629,281.82	764,144.23	604,198.82	145,271.49	51,983.23	2,194,879.59
<b>Receivables:</b>						
Accounts receivable	204,660.89	583,975.56	140,049.68	115,067.97	60,863.83	1,104,617.93
Due from other governmental agencies	-	-	1,376,000.00	-	-	1,376,000.00
Interest receivable	208.56	176.02	110.80	19.10	27.52	542.00
Prepaid expenses	14,478.00	11,385.62	1,944.55	1,671.53	-	29,479.70
Due from other funds	792.00	10,851.73	3,328.00	1,680.00	-	16,651.73
Inventory	11,111.03	261,605.50	3,932.41	41,042.32	-	317,691.26
Total current assets	<u>2,268,058.26</u>	<u>5,895,650.33</u>	<u>3,452,749.70</u>	<u>476,730.31</u>	<u>213,565.41</u>	<u>12,306,754.01</u>
<b>Noncurrent assets:</b>						
<b>Restricted assets:</b>						
Cash and cash equivalents	-	120,833.33	-	-	45,679.36	166,512.69
Cash deposits	-	-	-	-	154,320.64	154,320.64
Cash held with fiscal agent	-	16,700.00	-	-	-	16,700.00
Capital assets, net of accumulated depreciation	<u>282,780.13</u>	<u>2,961,339.96</u>	<u>11,354,873.88</u>	<u>4,411,679.17</u>	<u>78,097.56</u>	<u>19,088,770.70</u>
Total noncurrent assets	<u>282,780.13</u>	<u>3,098,873.29</u>	<u>11,354,873.88</u>	<u>4,411,679.17</u>	<u>278,097.56</u>	<u>19,426,304.03</u>
<b>Total assets</b>	<u>2,550,838.39</u>	<u>8,994,523.62</u>	<u>14,807,623.58</u>	<u>4,888,409.48</u>	<u>491,662.97</u>	<u>31,733,058.04</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pensions	143,250.00	162,138.00	106,728.00	106,864.00	-	518,980.00
Deferred amount on refunding, net of amortization	-	3,932.98	-	-	-	3,932.98
Total deferred outflows of resources	<u>143,250.00</u>	<u>166,070.98</u>	<u>106,728.00</u>	<u>106,864.00</u>	<u>-</u>	<u>522,912.98</u>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	41,933.31	220,975.50	2,091,956.11	974,123.30	30,996.25	3,359,984.47
Accrued wages	9,059.68	10,197.66	6,674.21	6,216.65	-	32,148.20
Interest payable	-	13,916.67	49,591.80	2,424.52	-	65,932.99
Due to other funds	-	-	16,356.46	-	-	16,356.46
Notes payable, due in more than one year	-	-	-	2,453,400.00	-	2,453,400.00
Bonds payable, due within one year	-	290,000.00	-	-	-	290,000.00
Total current liabilities	<u>50,992.99</u>	<u>535,089.83</u>	<u>2,164,578.58</u>	<u>3,436,164.47</u>	<u>30,996.25</u>	<u>6,217,822.12</u>

CITY OF CASEY, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
April 30, 2017

	Gas	Electric	Sewer	Water	Other Enterprise Funds	Total Enterprise Funds
Noncurrent liabilities:						
Customer deposits	-	-	-	-	200,000.00	200,000.00
Accrued compensated absences	15,350.67	19,822.81	11,051.27	12,759.68	-	58,984.43
Net OPEB obligation	130,967.00	157,474.00	93,014.00	124,275.00	-	505,730.00
Net pension liability	340,146.00	384,993.00	253,423.00	253,746.00	-	1,232,308.00
Bonds payable, due in more than one year	-	808,312.89	7,008,000.00	250,000.00	-	8,066,312.89
Total noncurrent liabilities	<u>486,463.67</u>	<u>1,370,602.70</u>	<u>7,365,488.27</u>	<u>640,780.68</u>	<u>200,000.00</u>	<u>10,063,335.32</u>
 Total liabilities	 <u>537,456.66</u>	 <u>1,905,692.53</u>	 <u>9,530,066.85</u>	 <u>4,076,945.15</u>	 <u>230,996.25</u>	 <u>16,281,157.44</u>
 DEFERRED INFLOWS OF RESOURCES						
Deferred pensions	<u>5,747.00</u>	<u>6,504.00</u>	<u>4,282.00</u>	<u>4,287.00</u>	<u>-</u>	<u>20,820.00</u>
 NET POSITION						
Net investment in capital assets	275,280.13	1,859,960.05	2,276,518.88	753,327.14	72,319.17	5,237,405.37
Restricted for debt service	-	120,833.33	-	-	-	120,833.33
Unrestricted	<u>1,875,604.60</u>	<u>5,267,604.69</u>	<u>3,103,483.85</u>	<u>160,714.19</u>	<u>188,347.55</u>	<u>10,595,754.88</u>
 Total Net Position	 <u>\$ 2,150,884.73</u>	 <u>\$ 7,248,398.07</u>	 <u>\$ 5,380,002.73</u>	 <u>\$ 914,041.33</u>	 <u>\$ 260,666.72</u>	 <u>\$ 15,953,993.58</u>

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

CITY OF CASEY, ILLINOIS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended April 30, 2017

	Gas	Electric	Sewer	Water	Other Enterprise Funds	Total Enterprise Funds
<b>Operating Revenues:</b>						
Charges for services	\$ 1,180,957.76	\$ 4,117,974.13	\$ 770,128.23	\$ 658,243.99	\$ 343,840.48	\$ 7,071,144.59
Other operating revenue	1,356.17	71,577.56	290.44	833.97	100.00	74,158.14
Cost of product sold	(619,569.51)	(2,562,968.17)	-	-	(298,993.50)	(3,481,531.18)
Total operating revenue	<u>562,744.42</u>	<u>1,626,583.52</u>	<u>770,418.67</u>	<u>659,077.96</u>	<u>44,946.98</u>	<u>3,663,771.55</u>
<b>Operating Expenses:</b>						
Personnel services	389,946.25	446,128.93	304,398.42	313,623.52	-	1,454,097.12
Contractual services	63,232.60	139,294.18	106,292.17	95,574.48	30,295.99	434,689.42
Materials and supplies	43,397.74	136,686.11	34,192.66	109,804.07	4,105.56	328,186.14
Heat, light and power	7,142.43	59,425.30	56,205.19	58,543.95	-	181,316.87
Depreciation	19,401.30	199,114.86	43,012.31	47,318.34	2,483.15	311,329.96
Other	300.00	2,903.19	-	-	-	3,203.19
Total operating expenses	<u>523,420.32</u>	<u>983,552.57</u>	<u>544,100.75</u>	<u>624,864.36</u>	<u>36,884.70</u>	<u>2,712,822.70</u>
Operating income (loss)	<u>39,324.10</u>	<u>643,030.95</u>	<u>226,317.92</u>	<u>34,213.60</u>	<u>8,062.28</u>	<u>950,948.85</u>
<b>Non-Operating Revenue (Expenses):</b>						
Grant income	-	-	1,899,600.00	-	-	1,899,600.00
Interest income	4,034.06	8,115.49	5,001.44	778.90	978.54	18,908.43
Gain (loss) on sale or disposition of assets	38,000.00	-	-	-	-	38,000.00
Interest expense	-	(39,149.28)	-	-	-	(39,149.28)
Amortization	-	3,435.58	-	-	(125.96)	3,309.62
Total non-operating revenue (expenses)	<u>42,034.06</u>	<u>(27,598.21)</u>	<u>1,904,601.44</u>	<u>778.90</u>	<u>852.58</u>	<u>1,920,668.77</u>
Income (loss) before transfers	<u>81,358.16</u>	<u>615,432.74</u>	<u>2,130,919.36</u>	<u>34,992.50</u>	<u>8,914.86</u>	<u>2,871,617.62</u>
<b>Transfers:</b>						
Transfers in	-	-	48,325.22	125,000.00	20,200.00	193,525.22
Transfers out	(60,000.00)	(84,781.20)	(24,000.00)	(24,000.00)	(12,000.00)	(204,781.20)
Total net transfers	<u>(60,000.00)</u>	<u>(84,781.20)</u>	<u>24,325.22</u>	<u>101,000.00</u>	<u>8,200.00</u>	<u>(11,255.98)</u>
Change in net position	21,358.16	530,651.54	2,155,244.58	135,992.50	17,114.86	2,860,361.64
Net position, beginning of year	<u>2,129,526.57</u>	<u>6,717,746.53</u>	<u>3,224,758.15</u>	<u>778,048.83</u>	<u>243,551.86</u>	<u>13,093,631.94</u>
Net Position, End of Year	<u>\$ 2,150,884.73</u>	<u>\$ 7,248,398.07</u>	<u>\$ 5,380,002.73</u>	<u>\$ 914,041.33</u>	<u>\$ 260,666.72</u>	<u>\$15,953,993.58</u>

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

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended April 30, 2017

	Gas	Electric	Sewer	Water	Other Enterprise Funds	Total Enterprise Funds
<b>Cash Flows from Operating Activities:</b>						
Receipts from customers	\$ 1,139,225.55	\$ 4,103,791.73	\$ 768,534.99	\$ 652,081.09	\$ 349,675.62	\$ 7,013,308.98
Payments to suppliers	(723,678.42)	(2,844,707.91)	(155,232.28)	(213,867.68)	(343,410.89)	(4,280,897.18)
Payments to employees	(381,140.55)	(440,295.82)	(293,580.79)	(306,389.00)	-	(1,421,406.16)
Other receipts (payments)	1,056.17	68,674.37	290.44	892.57	100.00	71,013.55
Net cash provided (used) by operating activities	<u>35,462.75</u>	<u>887,462.37</u>	<u>320,012.36</u>	<u>132,716.98</u>	<u>6,364.73</u>	<u>1,382,019.19</u>
 <b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers in (out)	(60,000.00)	(84,781.20)	24,325.22	101,000.00	8,200.00	(11,255.98)
Loan from (to) other funds	(792.00)	539,148.27	(149,768.27)	(159,680.00)	-	228,908.00
Net cash provided (used) by noncapital financing activities	<u>(60,792.00)</u>	<u>454,367.07</u>	<u>(125,443.05)</u>	<u>(58,680.00)</u>	<u>8,200.00</u>	<u>217,652.02</u>
 <b>Cash Flows from Capital and Related Financing Activities:</b>						
Proceeds from capital debt	-	-	6,153,900.00	2,703,400.00	-	8,857,300.00
Capital grant proceeds	-	-	523,600.00	-	-	523,600.00
Disposition of capital assets	38,000.00	-	-	-	-	38,000.00
Purchases of capital assets	(134,364.93)	(46,518.72)	(7,313,624.04)	(2,724,920.37)	(32,577.60)	(10,252,005.66)
Principal paid on capital debt	-	(280,000.00)	-	-	-	(280,000.00)
Interest paid on capital debt	-	(41,450.00)	-	-	-	(41,450.00)
Net cash provided (used) by financing activities	<u>(96,364.93)</u>	<u>(367,968.72)</u>	<u>(636,124.04)</u>	<u>(21,520.37)</u>	<u>(32,577.60)</u>	<u>(1,154,555.66)</u>
 <b>Cash Flows from Investing Activities:</b>						
Purchases of investments	(1,737.70)	(2,075.63)	(2,356.62)	(579.82)	(745.49)	(7,495.26)
Interest income	4,033.26	8,114.95	5,001.01	778.83	978.44	18,906.49
Net cash provided (used) by investing activities	<u>2,295.56</u>	<u>6,039.32</u>	<u>2,644.39</u>	<u>199.01</u>	<u>232.95</u>	<u>11,411.23</u>
Net increase (decrease) in cash and cash equivalents	(119,398.62)	979,900.04	(438,910.34)	52,715.62	(17,779.92)	456,526.78
Cash and cash equivalents, beginning of year	<u>1,526,924.58</u>	<u>3,421,144.96</u>	<u>1,762,095.78</u>	<u>119,262.28</u>	<u>164,150.11</u>	<u>6,993,577.71</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,407,525.96</u>	<u>\$ 4,401,045.00</u>	<u>\$ 1,323,185.44</u>	<u>\$ 171,977.90</u>	<u>\$ 146,370.19</u>	<u>\$ 7,450,104.49</u>

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended April 30, 2017

	<u>Gas</u>	<u>Electric</u>	<u>Sewer</u>	<u>Water</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Reconciliation of Operating Income to Net Cash						
Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 39,324.10	\$ 643,030.95	\$ 226,317.92	\$ 34,213.60	\$ 8,062.28	\$ 950,948.85
Noncash items included in operating income:						
Depreciation	19,401.30	199,114.86	43,012.31	47,318.34	2,483.15	311,329.96
Net (increase) decrease in:						
Accounts receivable	(41,732.21)	(14,182.40)	(1,593.24)	(6,162.90)	(914.86)	(64,585.61)
Prepaid expenses	(8,657.67)	(9,732.63)	(273.90)	(446.21)	-	(19,110.41)
Inventory	(4,660.18)	(13,344.64)	-	3,666.61	-	(14,338.21)
Other accounts receivable	-	-	-	58.60	-	58.60
Deferred pensions	(46,793.00)	(50,501.00)	(37,002.00)	(35,233.00)	-	(169,529.00)
Net increase (decrease) in:						
Accounts payable	4,394.28	26,009.69	11,409.21	4,075.99	(10,015.84)	35,873.33
Accrued wages	414.25	488.64	406.79	(57.46)	-	1,252.22
Customer deposits	-	-	-	-	6,750.00	6,750.00
Accrued compensated absences	438.88	1,314.90	175.27	711.41	-	2,640.46
Net OPEB obligation	18,573.00	50,719.00	30,308.00	42,744.00	-	142,344.00
Deferred pensions	5,747.00	6,504.00	4,282.00	4,287.00	-	20,820.00
Net pension liability	<u>49,013.00</u>	<u>48,041.00</u>	<u>42,970.00</u>	<u>37,541.00</u>	<u>-</u>	<u>177,565.00</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 35,462.75</u>	<u>\$ 887,462.37</u>	<u>\$ 320,012.36</u>	<u>\$ 132,716.98</u>	<u>\$ 6,364.73</u>	<u>\$ 1,382,019.19</u>

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

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Casey, Illinois, conform to U.S. generally accepted accounting principles as applicable to governments.

The following is a summary of the more significant policies:

- a) Reporting Entity – The City is established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor and Aldermen. The accompanying financial statements present the City’s primary government and component unit over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City, as distinct from legal relationships.

The following Organization is a discretely presented component unit of the City:

Casey Township Park District – An intergovernmental agreement was commenced on April 1, 1996, whereas the City of Casey has agreed to operate, maintain and partially fund the park currently operated, maintained and funded by the Park District. The obligations of the City include, but are not limited to, providing police patrols for the Park, maintaining appropriate activity programs, maintaining adequate insurance on real property and equipment and overseeing all aspects of the Park. The Park District has an elected board of directors which considers and passes the annual budget and appropriation ordinance and the City reviews and notifies the Park District of any changes that should be made to the annual budget and appropriation ordinance. In addition, the City maintains the accounting and payroll records of the Casey Township Park District. No separate financial statements are issued.

- b) Basis of Presentation – The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City’s basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City’s general and special revenue funds are classified as governmental activities, while the City’s proprietary funds are classified as business-type activities.

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

Fund Financial Statements:

Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements. All non-major funds are aggregated and presented in a single column. The following fund types are used by the City:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources, use and balances of financial resources).

General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted or committed to expenditures for specified purposes. The City has no major special revenue funds.

Debt Service Fund is used to account for the accumulation of resources and the payment of general long-term debt not financed by a specific source.

Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

Proprietary Funds are those funds through which the accounting objectives are determinations of operating income, change in net position, financial position, and changes in cash flows. These funds are accounted for using the economic resources measurement focus which is similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises---where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's major enterprise funds are the Gas Fund, Electric Fund, Sewer Fund, and Water Fund.

Gas Fund is used to account for the operations of the City's natural gas distribution system.

Electric Fund is used to account for the operations of the City's power plant facility.

Sewer Fund is used to account for the operations of the City's waste water treatment activities.

Water Fund is used to account for the operations of the City's water treatment and distribution facilities and services.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

- c) Measurement Focus and Basis of Accounting – Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus is used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. All assets and liabilities, including capital assets and long-term liabilities, are included. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position and cash flows.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period to be used to pay current liabilities. The City uses the following collection periods for determining availability of revenues: within 60 days for property taxes and 120 days for all other revenue sources. Expenditures generally are recorded when a liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due and payable.

The proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. This is the same measurement focus and basis of accounting used on the government-wide financial statements.

- d) Budgets and Budgetary Accounting – The City follows these procedures in establishing the budgetary data reflected in the financial statements:
1. A proposed operating budget is submitted to the city council for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. The City does not approve a budget for the Revolving Loan or DCEO Railroad Grant Funds because they are not funded with property taxes.
  2. Public hearings are conducted to obtain taxpayer comments.
  3. Prior to August 1, the appropriations are legally enacted through passage of an appropriation ordinance.
  4. The tax levy ordinance is adopted and filed with the county clerk on or before the last Tuesday in December.
  5. Formal budgetary integration is employed as a management control device during the year for all funds.
  6. All budgets are adopted on a cash basis which is inconsistent with U.S. generally accepted accounting principles (GAAP) which require accrual basis reporting. All budget comparisons presented in this report are on a non-GAAP budgetary basis and are compared with actual cash receipts and disbursements. A reconciliation of the timing differences in excess of revenues and other financing sources over (under) expenditures and other financing uses for the year ended April 30, 2017, is presented below:

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

	General Fund
Excess of receipts (disbursements) (budgetary basis)	\$ 124,968.10
Increase (decrease) in receivables and other assets	(332,954.75)
(Increase) decrease in payables, other liabilities, and deferred inflows of resources	568,248.94
Net change in fund balance	\$ 360,262.29

7. Unused appropriations for all of the annually budgeted funds lapse at the end of each year.

- e) Cash and Cash Equivalents – For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.
- f) Inventory – Inventory held by the City’s proprietary funds types is priced at cost (first-in, first-out) which approximates market.
- g) Capital Assets and Depreciation – Capital assets, which includes property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. The City has defined the following initial individual cost thresholds for when an asset should be capitalized: \$1,500 for office equipment; \$2,500 for machinery, equipment and computer software; \$10,000 for land, buildings, storm sewers, sidewalks, traffic signals, water system and improvements, sewer system and improvements, vehicles and all other infrastructure and improvements other than buildings; and \$50,000 for streets, curbs, gutters, bridges and fire apparatus. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are stated at their fair market value on the date donated. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City reports all major general infrastructure assets constructed or acquired in fiscal years ending after April 30, 2004, or that received major renovations, restorations, or improvements during that period. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
Buildings, bridges, storm sewers	50
Water system and improvements	30
Sewer system and improvements	30
Streets, curbs, gutters, sidewalks, traffic signals, fire apparatus, all other infrastructure and improvements other than buildings	20
Vehicles	7
Machinery, equipment, computer software	5
Office equipment	3

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

- h) **Deferred Outflows and Inflows of Resources** – The City reports a decrease in net position/fund balance that applies to a future period as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position and the governmental funds balance sheet. The City reports the following deferred outflows of resources: an unamortized loss on a bond defeasance, unrecognized items not yet charged to pension expense, and pension contributions from the City after the measurement date but before the end of the City’s reporting period.

The City reports an increase in net position/fund balance that applies to a future period as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position and the governmental funds balance sheet. The City will not recognize the related revenues until a future event occurs. Under the modified accrual basis of accounting, governmental fund revenues are not recognized until available. Accordingly, unavailable property taxes are reported in the government-wide statement of net position and the governmental funds balance sheet. The City reported deferred inflows of resources for unrecognized items not yet charged to pension expense.

- i) **Interfund Activity** – Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables, as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as “internal balances.” Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a 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 and proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Operating transfers between funds during the year ended April 30, 2017 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds:</b>		
General Fund	\$ 180,000.00	\$ 168,744.02
<b>Enterprise Funds:</b>		
Gas Fund	-	60,000.00
Electric Fund	-	84,781.20
Sewer Fund	48,325.22	24,000.00
Water Fund	125,000.00	24,000.00
Other enterprise funds	20,200.00	12,000.00
Total enterprise funds	193,525.22	204,781.20
Total Transfers	\$ 373,525.22	\$ 373,525.22

The General Fund made the following transfers of utility tax receipts to support the Sewer Fund in the amount of \$23,544.02, the Water Fund in the amount of \$125,000.00, and the Refuse Fund in the amount of \$20,200.00.

The Gas Fund made a \$60,000.00 transfer to the General Fund, the Sewer Fund made a \$24,000.00 transfer to the General Fund, the Electric Fund made a \$60,000.00 transfer to the General Fund, the Water Fund made a \$24,000.00 transfer to the General Fund, and the Refuse Fund made a \$12,000.00 transfer to the General Fund to cover administrative expenses. The Electric Fund also transferred \$24,781.20 of internal labor to the Sewer Fund for a capital project.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ <u>6,296.73</u>	\$ <u>6,592.00</u>
Gas Fund	\$ 792.00	\$ -
Electric Fund	10,851.73	-
Sewer Fund	3,328.00	16,356.46
Water Fund	<u>1,680.00</u>	<u>-</u>
Total Enterprise Funds	\$ <u>16,651.73</u>	\$ <u>16,356.46</u>

The General Fund borrowed \$792.00 from the Gas Fund, \$792.00 from the Electric Fund, \$3,328.00 from the Sewer Fund, and \$1,680.00 from the Water Fund for IMRF retiree health insurance premiums deposited to the wrong fund.

The Sewer Fund borrowed \$6,296.73 from the General Fund and \$10,059.73 from the Electric Fund for invoices paid in error.

- j) Property Taxes – Property taxes are deferred in the fiscal year for which they are levied and are recorded as revenue in the fiscal year in which they are received. Taxes levied and uncollected are carried as an asset of the appropriate fund. The City's property tax calendar is as follows:
1. Property is assessed on January 1 each year.
  2. The tax levy ordinance was adopted on December 5, 2016 and filed with the county clerk.
  3. Property taxes are due to be collected by the County from June through September in two installments in the year following the levy year.
- k) Operating Revenues and Expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services in connection with proprietary funds' principal operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
- l) Net Position – Government-wide and proprietary fund net positions are divided into three components:
1. Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
  2. Restricted – consists of net positions that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by both federal and state grantors and by other contributors.
  3. Unrestricted – all other net positions are reported in this category.
- m) Fund Balance – The following classifications describe the constraints placed on the purposes for which resources can be used:
1. Nonspendable fund balance – consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

2. Restricted fund balance – consists of amounts that are subject to outside restrictions, such as those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.
3. Committed fund balance – consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the City Council). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.
4. Assigned fund balance – consists of amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. The intent can be expressed by the City Council or by an official or body which the Council delegates authority.
5. Unassigned fund balance - consists of amounts available for any purpose and positive amounts are reported only in the General Fund.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

- n) Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – CASH DEPOSITS AND INVESTMENTS

The City is allowed to invest in one or more of the following: (a) interest bearing savings accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (b) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States as to principal and interest; (c) bonds, notes, debentures or other similar obligations of the United States of America or its agencies; (d) short-term obligations of corporations organized in the United States with assets exceeding \$5,000,000 pursuant to law; (e) money market mutual funds registered under the Investment Company Act of 1940 pursuant to law.

At April 30, 2017, the City had the following cash and investments:

Governmental Activities:	
Cash on hand	\$ 570.00
Cash deposits	1,480,199.22
Certificates of deposit	<u>445,084.30</u>
	<u>\$ 1,925,853.52</u>
Business-Type Activities:	
Cash on hand	\$ 400.00
Cash deposits	7,376,044.69
Certificates of deposit	2,406,160.03
Cash held with fiscal agent	<u>16,700.00</u>
	<u>\$ 9,799,304.72</u>

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

Component Unit:	
Cash Deposits	<u>\$ 96,960.51</u>

The City's bank balances totaled \$11,837,358.87, deposits with Illinois funds totaled \$34,196.65, and deposits in U.S. Government Money Market Fund totaled \$5,082.21.

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City minimizes its exposure to interest rate risk by limiting its purchases of long term investments and by structuring investments to mature to meet cash requirements. At April 30, 2017, the City had no investments but cash deposits consisted of certificates of deposits with local financial institutions ranging in maturity from 90 days to 12 months.

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has no investments which are subject to credit risk rating.

Concentration of Credit Risk:

The City's investment policy does not place limitations on the amount that can be invested in any one issuer. Cash deposits held with local financial institutions are exempt from the 5% investment in any one issuer disclosure.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits in federally insured banks and savings and loans are insured up to \$250,000 for demand deposits and \$250,000 for time deposits. The City's investment policy requires that all amounts deposited or invested with financial institutions in excess of any insurance limit be collateralized by securities held by the City in the City's name. As of April 30, 2017, of the City of Casey's total bank balances, \$750,000.00 was secured by federal depository insurance and \$11,087,358.87 was collateralized with securities held by the pledging financial institution's trust department in the City of Casey's name.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of deposits or investments. None of the City's cash deposits are directly subject to foreign currency risk.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

NOTE C – CAPITAL ASSETS

A summary of changes in capital assets at April 30, 2017, is as follows:

	Balance May 1, 2016	Additions	Deletions	Balance April 30, 2017
Primary Government:				
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 174,632.24	\$ -	\$ -	\$ 174,632.24
Construction in progress	55,528.74	-	(55,528.74)	-
Capital assets being depreciated:				
Building and improvements	775,324.54	242,034.16	-	1,017,358.70
Accumulated depreciation	(455,287.22)	(16,782.32)	-	(472,069.54)
Building and improvements, net	320,037.32	225,251.84	-	545,289.16
Vehicles and equipment	1,630,025.39	92,863.45	(66,605.56)	1,656,283.28
Accumulated depreciation	(1,051,082.83)	(113,618.40)	62,246.68	(1,102,454.55)
Vehicles and equipment, net	578,942.56	(20,754.95)	(4,358.88)	553,828.73
Infrastructure	1,760,657.16	118,642.49	-	1,879,299.65
Accumulated depreciation	(145,633.54)	(85,927.55)	-	(231,561.09)
Infrastructure, net	1,615,023.62	32,714.94	-	1,647,738.56
Total, Governmental Activities, Net Capital Assets	\$ 2,744,164.48	\$ 237,211.83	\$ (59,887.62)	\$ 2,921,488.69
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 235,864.73	\$ 28,793.00	\$ -	\$ 264,657.73
Construction in progress	2,261,616.64	11,681,547.50	(11,718.93)	13,931,445.21
Capital assets being depreciated:				
Building and improvements	536,301.83	-	-	536,301.83
Accumulated depreciation	(308,267.20)	(10,726.04)	-	(318,993.24)
Building and improvements, net	228,034.63	(10,726.04)	-	217,308.59
Vehicles and equipment	1,009,010.17	284,701.78	(49,000.00)	1,244,711.95
Accumulated depreciation	(929,497.11)	(47,959.64)	49,000.00	(928,456.75)
Vehicles and equipment, net	79,513.06	236,742.14	-	316,255.20
Infrastructure	9,387,845.20	-	-	9,387,845.20
Accumulated depreciation	(4,776,096.95)	(252,644.28)	-	(5,028,741.23)
Infrastructure, net	4,611,748.25	(252,644.28)	-	4,359,103.97
Total, Business-Type Activities, Net Capital Assets	\$ 7,416,777.31	\$11,683,712.32	\$ (11,718.93)	\$19,088,770.70

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	Balance May 1, 2016	Additions	Deletions	Balance April 30, 2017
Component Unit:				
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ 9,966.15	\$ -	\$ 9,966.15
Construction in progress	<u>1,484.72</u>	<u>-</u>	<u>(1,484.72)</u>	<u>-</u>
Capital assets being depreciated:				
Building and improvements	94,616.16	-	-	94,616.16
Accumulated depreciation	<u>(56,924.07)</u>	<u>(1,243.22)</u>	<u>-</u>	<u>(58,167.29)</u>
Building and improvements, net	<u>37,692.09</u>	<u>(1,243.22)</u>	<u>-</u>	<u>36,448.87</u>
Vehicles and equipment	31,859.50	5,768.59	-	37,628.09
Accumulated depreciation	<u>(31,859.50)</u>	<u>(554.95)</u>	<u>-</u>	<u>(32,414.45)</u>
Vehicles and equipment, net	<u>-</u>	<u>5,213.64</u>	<u>-</u>	<u>5,213.64</u>
Infrastructure	71,665.42	-	-	71,665.42
Accumulated depreciation	<u>(52,559.17)</u>	<u>(1,994.40)</u>	<u>-</u>	<u>(54,553.57)</u>
Infrastructure, net	<u>19,106.25</u>	<u>(1,994.40)</u>	<u>-</u>	<u>17,111.85</u>
Total, Governmental Activities, Net Capital Assets	<u>\$ 58,283.06</u>	<u>\$ 11,942.17</u>	<u>\$ (1,484.72)</u>	<u>\$ 68,740.51</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 48,488.58
Public safety	74,365.85
Highways and streets	<u>93,473.84</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 216,328.27</u>

The amount of interest capitalized in the Sewer Fund was \$69,760.04 and in the Water Fund was \$15,842.90.

The City has the following construction in progress at April 30, 2017:

Business-Type Activities:

The City has been awarded a USDA loan and a USDA grant for wastewater treatment plant improvements, drainage improvements, and combined sewer overhaul control. The estimated cost of the project is \$11,114,800.00, of which \$422,000.00 has been paid from local funds, and the estimated completion date is September 2017. The construction commitments are \$8,637,617.00 for Curry Construction, Inc. and \$568,371.00 for B&T Drainage, Inc. As of April 30, 2017, \$10,182,608.65 of planning, engineering, and construction costs had been spent.

In lieu of upgrading the City's Water Treatment Plant, the City plans to construct a 12" waterline to the City of Marshall. The waterline would allow treated water to be purchased from the City of Marshall. The estimated cost is \$4.5 million and estimated completion date is July 2017. The construction commitment is \$4,046,726.86

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for B&T Drainage, Inc. The City was approved for a USDA loan of \$4,990,000.00 to fund this project. As of April 30, 2017, \$3,735,292.14 of planning, engineering, and construction costs had been spent.

The City is considering plans for additions to the gas border building. The estimated cost of the project is unknown at this time. As of April 30, 2017, \$6,374.42 in planning and engineering costs had been spent.

The City is considering plans to extend water service to Shore-Ag. The estimated cost of the project is unknown at this time. As of April 30, 2017, \$6,670.00 in planning and engineering costs had been spent.

The City is considering plans to extend gas service to Shore-Ag. The estimated cost of the project is unknown at this time. As of April 30, 2017, \$500.00 in planning and engineering costs had been spent.

#### NOTE D – DEFINED BENEFIT PENSION PLANS

Plan Description - The City's defined benefit pension plans provide retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plans are managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

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

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

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

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

Net Pension Liability - The City's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.5%.
- **Projected Retirement Age** was from the Experience-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

Single Discount Rate - A single discount rate of 7.50% for Regular and 7.50% for SLEP was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

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

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For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50% for Regular and 7.50% for SLEP.

Additional information for each plan follows:

a) Illinois Municipal Retirement Fund – Regular Plan

Employees Covered by Benefit Terms - As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	53
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	<u>25</u>
Total	<u>92</u>

Contributions - As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2016 and 2017 were 15.37% and 14.24%. For the fiscal year ended April 30, 2017, the City contributed \$358,513.00 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

	Pension Liability <u>(A)</u>	Plan Net Position <u>(B)</u>	Total Net Pension Liability <u>(A) – (B)</u>
Changes in the Net Pension Liability:			
Balances at December 31, 2015	\$ 9,952,479.00	\$ 8,187,356.00	\$ 1,765,123.00
Changes for the year:			
Service Cost	162,299.00	-	162,299.00
Interest on the Total Pension Liability	728,946.00	-	728,946.00
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	339,275.00	-	339,275.00
Changes of Assumptions	(46,805.00)	-	(46,805.00)
Contributions – Employer	-	287,013.00	(287,013.00)
Contributions – Employees	-	111,042.00	(111,042.00)
Net Investment Income	-	547,769.00	(547,769.00)
Benefit Payments, including			
Refunds of Employee Contributions	(524,470.00)	(524,470.00)	-
Other (Net Transfer)	-	109,969.00	(109,969.00)
Net Changes	<u>659,245.00</u>	<u>531,323.00</u>	<u>127,922.00</u>
Balances at December 31, 2016	<u>\$ 10,611,724.00</u>	<u>\$ 8,718,679.00</u>	<u>\$ 1,893,045.00</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

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	1% Lower 6.50%	Current 7.50%	1% Higher 8.50%
Net Pension Liability	\$ 3,148,982.00	\$ 1,893,045.00	\$ 845,251.00

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2017, the City recognized pension expense of \$305,986.00. At April 30, 2017, the City 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
Deferred Amounts Related to Pensions:		
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 257,206.00	\$ -
Changes of assumptions	8,282.00	31,983.00
Net difference between projected and actual earnings on pension plan investments	395,927.00	-
Total deferred amounts to be recognized in pension expense in future periods	661,415.00	31,983.00
Pension contributions made subsequent to the measurement date	135,830.00	-
Total Deferred Amounts Related to Pensions	\$ 797,245.00	\$ 31,983.00

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:

	Net Deferred Outflows of Resources
Year Ending April 30	
2018	\$ 249,187.00
2019	224,908.00
2020	142,203.00
2021	13,134.00
Total	\$ 629,432.00

b) Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel

Employees Covered by Benefit Terms - As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	1
Total	1

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Contributions - As set by statute, the City's Sheriff's Law Enforcement Personnel Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rates for calendar year 2016 and 2017 were 14.83% and 14.29%, respectively. For the fiscal year ended April 30, 2017, the City contributed \$10,529.00 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Changes in the Net Pension Liability (Asset):	Total Pension Liability <u>(A)</u>	Plan Net Position <u>(B)</u>	Net Pension Liability (Asset) <u>(A) – (B)</u>
Balances at December 31, 2015	\$ 115,997.00	\$ 94,368.00	\$ 21,629.00
Changes for the year:			
Service Cost	14,450.00	-	14,450.00
Interest on the Total Pension Liability	9,168.00	-	9,168.00
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(8,249.00)	-	(8,249.00)
Changes of Assumptions	(854.00)	-	(854.00)
Contributions – Employer	-	10,628.00	(10,628.00)
Contributions – Employees	-	5,375.00	(5,375.00)
Net Investment Income	-	6,734.00	(6,734.00)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(1,310.00)	1,310.00
Net Changes	<u>14,515.00</u>	<u>21,427.00</u>	<u>(6,912.00)</u>
Balances at December 31, 2016	<u>\$ 130,512.00</u>	<u>\$ 115,795.00</u>	<u>\$ 14,717.00</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower <u>6.50%</u>	Current <u>7.50%</u>	1% Higher <u>8.50%</u>
Net Pension Liability	\$ 29,935.00	\$ 14,717.00	\$ 1,894.00

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2017, the City recognized pension expense of \$13,689. At April 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF CASEY, ILLINOIS  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions:		
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 7,391.00	\$ 6,800.00
Changes of assumptions	531.00	704.00
Net difference between projected and actual earnings on pension plan investments	4,434.00	-
Total deferred amounts to be recognized in pension expense in future periods	12,356.00	7,504.00
Pension contributions made subsequent to the measurement date	3,142.00	-
Total Deferred Amounts Related to Pensions	\$ 15,498.00	\$ 7,504.00

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:

Year Ending April 30	Net Deferred Outflows of Resources
2018	\$ 1,765.00
2019	1,765.00
2020	1,763.00
2021	525.00
2022	(966.00)
Total	\$ 4,852.00

NOTE E – LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended April 30, 2017:

	Balance May 1, 2016	Additions	Retired	Balance April 30, 2017	Amount Due Within One Year
Governmental Activities:					
Bonds payable:					
2010 General Obligation	\$ 505,000.00	\$ -	\$ 25,000.00	\$ 480,000.00	\$ 25,000.00
Notes payable	404,563.61	-	47,191.33	357,372.28	48,779.83
Total	\$ 909,563.61	\$ -	\$ 72,191.33	\$ 837,372.28	\$ 73,779.83

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	Balance May 1, 2016	Additions	Retired	Balance April 30, 2017	Amount Due Within One Year
<b>Business-Type Activities:</b>					
<b>Bonds payable:</b>					
2015 Electric Refunding	\$ 1,365,000.00	\$ -	\$ 280,000.00	\$ 1,085,000.00	\$ 290,000.00
2015 Sewer Revenue	854,100.00	6,153,900.00	-	7,008,000.00	-
2016 Water Revenue	-	250,000.00	-	250,000.00	-
Notes payable	-	2,453,400.00	-	2,453,400.00	2,453,400.00
<b>Total</b>	<b><u>\$ 2,219,100.00</u></b>	<b><u>\$8,857,300.00</u></b>	<b><u>\$ 280,000.00</u></b>	<b><u>\$10,796,400.00</u></b>	<b><u>\$ 2,743,400.00</u></b>

a) **Governmental Activities:**

The City issued \$630,000.00 of taxable general obligation bonds (alternative revenue source) on November 1, 2010. Of this amount, \$610,000.00 are Recovery Zone Economic Development bonds and \$20,000.00 are Non-Recovery Zone Economic Development bonds. Heartland Bank and Trust Company is the bond registrar and paying agent. Principal payments are due annually on November 1 and interest payments, varying from 2.25% to 6.75%, are due semiannually on May 1 and November 1. The City is eligible for a 45% rebate on interest paid from the Internal Revenue Service. The final payment is due November 1, 2030. During the year, \$17,401.39 in interest, net of expected IRS rebate, was incurred and charged to expense. At April 30, 2017, the outstanding liability was \$480,000.00.

On October 28, 2013, the City borrowed \$143,000.00 from First Neighbor Bank at 2.99% interest to finance the purchase of a Tymco Regenerative Air Sweeper with a maturity date of October 28, 2018. The agreement calls for monthly payments of \$2,568.99. At April 30, 2017, the outstanding liability was \$45,162.95.

On February 11, 2015, the City entered into a capital lease in the amount of \$347,900.00 with Oshkosh Capital to finance the purchase of a Pierce Fire Truck. The capital lease calls for fifteen annual payments of \$31,072.11 at 3.90% interest beginning February 11, 2016 and with a maturity date of February 11, 2030. At April 30, 2017, the outstanding liability was \$312,209.33.

The annual requirements to retire long-term debt as of April 30, 2017, including interest of \$341,516.99 less the expected IRS rebate of \$111,919.52, are as follows:

Year Ending April 30	Principal	Interest	Total
2018	\$ 73,779.83	\$ 29,295.66	\$ 103,075.49
2019	64,911.95	27,082.72	91,994.67
2020	50,398.57	25,315.92	75,714.49
2021	51,194.11	23,596.38	74,790.49
2022	52,020.68	21,812.81	73,833.49
2023-2027	293,675.29	80,077.02	373,752.31
2028-2031	<u>251,391.85</u>	<u>22,416.96</u>	<u>273,808.81</u>
	<b><u>\$ 837,372.28</u></b>	<b><u>\$ 229,597.47</u></b>	<b><u>\$ 1,066,969.75</u></b>

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b) Business-Type Activities:

The City issued \$1,630,000.00 of general obligation refunding bonds (electric system revenue alternative revenue source) on March 12, 2015. Commerce Bank in Kansas City, Missouri is the bond registrar and paying agent. Principal payments are due annually on December 1 and interest payments, varying from 2.75% to 3.25%, are due semiannually on June 1 and December 1. The final payment is due December 1, 2020. This was an advance refunding of the 2007 refunding electric system bonds and reduced total debt service payments by \$100,529.55. At April 30, 2017, the City had unamortized premium of \$13,312.88 and deferred loss on bond refunding of \$3,932.98. The current year premium amortization was \$3,435.58 and the amortization for the loss on bond refunding was \$907.61. The remaining amount of loss on bond refunding is shown as a deferred outflow of resources and the unamortized premium has been used to increase the principal balance of the bonds at April 30, 2017 on the statement of net position for the proprietary funds. At April 30, 2017, the outstanding liability was \$1,085,000.00.

The City authorized the issuance of up to \$8,082,000.00 sewerage revenue bonds for the purpose of defraying the cost of acquiring, constructing, installing, and operating sewerage facilities (Series A, \$6,960,000.00 and Series B, \$1,122,000.00). Bonds are dated December 1, 2015, with final payment due May 1, 2055. Principal payments are due annually on May 1 and interest payments of 2% are due semiannually on May 1 and November 1. At April 30, 2017, the outstanding liability was \$7,008,000.00. The entire amount has not been drawn down.

The City authorized the issuance of up to \$4,990,000.00 of waterworks revenue bonds for the purpose of paying a part of the cost of acquiring, constructing, installing and operating waterworks facilities. Bonds are dated November 2, 2016, with final payment due May 1, 2055. Principal payments are due annually on May 1 and interest payments of 1.375% are due semiannually on May 1 and November 1. At April 30, 2017, the outstanding liability was \$250,000.00. The entire amount has not been drawn down.

The City secured interim financing for the waterworks revenue bonds through Casey State Bank up to the amount of \$4,000,000.00. The promissory note is dated November 8, 2016 with a maturity of November 15, 2017. The outstanding principal balance is due on November 15, 2017. Monthly interest payments at 3.5% are due beginning December 15, 2016. At April 30, 2017, the outstanding liability was \$2,453,400.00.

The annual requirements to amortize all debt outstanding as of April 30, 2017, including interest payments of \$3,255,222.93, are as follows:

Year Ending April 30	Principal	Interest	Total
2018	\$ 2,743,400.00	\$ 203,021.68	\$ 2,946,421.68
2019	538,000.00	166,230.00	704,230.00
2020	548,000.00	153,095.00	701,095.00
2021	367,000.00	139,676.25	506,676.25
2022	120,000.00	130,800.00	250,800.00
2023-2027	600,000.00	618,000.00	1,218,000.00
2028-2032	840,000.00	548,400.00	1,388,400.00
2033-2037	900,000.00	459,000.00	1,359,000.00
2038-2042	900,000.00	369,000.00	1,269,000.00
2043-2047	1,080,000.00	273,600.00	1,353,600.00
2048-2052	1,200,000.00	156,000.00	1,356,000.00
2053-2056	960,000.00	38,400.00	998,400.00
	<u>\$10,796,400.00</u>	<u>\$ 3,255,222.93</u>	<u>\$14,051,622.93</u>

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

NOTE F – COMPENSATED ABSENCES

The City accrued a liability for the compensated absences which met the following criteria:

1. The City’s obligation relating to employees’ rights to compensation for future absences is attributable to employees’ services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for compensated absences which have been earned but not taken by its employees.

Accumulated unpaid vacation, sick pay and other employee benefit amounts for governmental fund types are accrued in these funds as a noncurrent liability because they would normally not be liquidated with expendable available financial resources.

The following is a summary of the accrued compensated absences liability at April 30, 2017:

	Accrued Compensated Absences
Governmental Activities	\$ 36,482.21
Business-Type Activities:	
Gas Fund	15,350.67
Electric Fund	19,822.81
Sewer Fund	11,051.27
Water Fund	12,759.68
Total business-type activities	58,984.43
Total	\$ 95,466.64

NOTE G – RISK MANAGEMENT

The City is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers’ compensation, and public official liability. To limit exposure to these risks, the City purchases commercial insurance.

NOTE H – OTHER POST-EMPLOYMENT BENEFITS

Plan Description – In addition to providing the pension benefits described, the City provides post-employment health care 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 City and can be amended by the City 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.

Benefits Provided – The City provides post-employment health care insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City’s retirement plans.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

All health care benefits are provided through the City's insured health 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 City's plan becomes secondary.

Membership – At April 30, 2017, membership consisted of:

Retirees and beneficiaries of employees currently receiving benefits	3
Terminated employees entitled to benefits but not yet receiving them	-
Active vested plan members	9
Active nonvested plan members	<u>15</u>
 Total	 <u><u>27</u></u>

Funding Policy – The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retired employees contribute 50% of the blended premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). Active employees do not contribute to the plan until retirement.

Annual OPEB Costs and Net OPEB Obligation – The City had an actuarial valuation performed for the plan as of April 30, 2014 to determine the employer's annual required contribution (ARC), and updates were performed for the plan as of April 30, 2015 and April 30, 2016. The City's annual OPEB cost (expense) for the year ended April 30, 2017 was \$162,948.00. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 was as follows:

<u>April 30</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 162,948.00	\$ 63,811.00	39.0%	\$ 640,722.00
2016	169,599.00	54,187.00	32.0%	541,585.00
2015	168,835.00	54,187.00	32.1%	426,173.00

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

Annual required contribution	\$ 159,337.00
Interest on net OPEB obligation	21,664.00
Adjustment to annual required contribution	<u>(18,053.00)</u>
Annual OPEB cost	162,948.00
Contributions made	<u>(63,811.00)</u>
Increase (decrease) in net OPEB obligation	99,137.00
Net OPEB obligation, April 30, 2016	<u>541,585.00</u>
 Net OPEB Obligation, April 30, 2017	 <u><u>\$ 640,722.00</u></u>

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

Funded Status and Funding Progress – The funded status of the plan as of April 30, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 1,742,111.00
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,742,111.00
Funded ratio (actuarial value of plan assets/AAL)	0%

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 trend. Amounts determined regarding the funded status of the plan and the annual required 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 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, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return and projected salary increases of 4.00% and the healthcare inflation rate assumption rate of 2.50%. The actuarial value of assets was not determined as the City has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017 was 30 years.

NOTE I – AIRPORT PROPERTY

The City entered into a lease agreement with Casey Airport Boosters, Inc., a not-for-profit corporation, on September 8, 1965. The City owns and insures all property associated with the Casey Municipal Airport, but has appointed the Casey Airport Boosters, Inc. as its agent to oversee, manage, and maintain the general operation of the Casey Municipal Airport. The Casey Airport Boosters, Inc. leases the airport property from the City for nothing.

NOTE J – SEGMENT INFORMATION

The City has issued general obligation refunding bonds (alternative revenue source) to finance its electric system, which operates the City's electric distribution system. Investors in the revenue bonds rely solely on the revenue generated by the individual activities; therefore, summary financial information is presented for the Electric Fund. Segment information for the year ended April 30, 2017, is presented below.

Condensed Statement of Net Position:

Assets:	
Current assets	\$ 5,895,650.33
Other assets	137,533.33
Capital assets	<u>2,961,339.96</u>
Total assets	<u>8,994,523.62</u>
Deferred Outflows of Resources	<u>166,070.98</u>

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

Liabilities:	
Current liabilities	535,089.83
Noncurrent liabilities	<u>1,370,602.70</u>
Total liabilities	<u>1,905,692.53</u>
Deferred Inflows of Resources	<u>6,504.00</u>
Net Position:	
Net investment in capital assets	1,859,960.05
Restricted	120,833.33
Unrestricted	<u>5,267,604.69</u>
Total Net Position	<u>\$ 7,248,398.07</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position:	
Charges for services	\$ 4,117,974.13
Other operating revenue	71,577.56
Cost of product sold	(2,562,968.17)
Depreciation	(199,114.86)
Other operating expenses	<u>(784,437.71)</u>
Operating income (loss)	<u>643,030.95</u>
Non-Operating Revenues (Expenses):	
Interest income	8,115.49
Interest expense	(39,149.28)
Amortization	<u>3,435.58</u>
Total non-operating revenues (expenses)	<u>(27,598.21)</u>
Transfers	<u>(84,781.20)</u>
Change in net position	<u>530,651.54</u>
Beginning net position	<u>6,717,746.53</u>
Ending Net Position	<u>\$ 7,248,398.07</u>
Condensed Statement of Cash Flows:	
Net cash provided (used) by:	
Operating activities	\$ 887,462.37
Noncapital financing activities	454,367.07
Capital and related financing activities	(367,968.72)
Investing activities	<u>6,039.32</u>
Net increase (decrease)	979,900.04
Beginning cash and cash equivalents	<u>3,421,144.96</u>
Ending Cash and Cash Equivalents	<u>\$ 4,401,045.00</u>

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

NOTE K – RESTRICTED ASSETS

The amounts reported as restricted assets are cash deposits related to amounts held for customer meter deposits, required bond payable accounts, and cash held with fiscal agent. The restricted assets as of April 30, 2017, are as follows:

<u>Type of Restricted Asset</u>	<u>Total</u>
Customer deposits	\$ 200,000.00
Bond and interest reserve accounts	120,833.33
Cash held with fiscal agent	<u>16,700.00</u>
	<u>\$ 337,533.33</u>

NOTE L – PLEDGED REVENUES

The City has pledged utility tax collections imposed by the City upon public utilities to repay \$630,000.00 in general obligation bonds (alternative revenue source), Series 2010 to finance the costs of storm sewer and related drainage improvements in the recovery zone. Total remaining principal and interest payments for the bonds are \$728,710.02, less the expected IRS rebate of \$111,919.52, for a total of \$616,790.50 payable semiannually through November 2030. During the year ended April 30, 2017, the City collected \$294,268.89 of utility taxes, of which \$54,000.00 were set aside for debt service payments and paid principal and interest of \$42,401.39.

NOTE M – LITIGATION

The City is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable.

NOTE N – RELATED PARTY TRANSACTIONS

The City’s Mayor, Everett E. Bolin, and his family members own and operate several businesses in Casey, Illinois. The City conducts business with several of these related party businesses, although transactions are consummated in arm’s-length transactions. The following payments were made during the year ending April 30, 2017:

Bolin Enterprises, Inc.	\$ 26,644.91
JJET Leasing, Inc.	10,427.48
Bolin Transport, LLC	6,558.20
BEI Automotive, Inc.	<u>13,313.62</u>
Total	<u>\$ 56,944.21</u>

NOTE O – MAJOR SUPPLIER

On April 18, 2016, the City of Casey signed a water supply agreement with the City of Marshall. The City of Marshall has agreed to supply a minimum of 200,000 gallons and up to a maximum of 1,000,000 gallons of treated water per day. This agreement is for a term of 40 years. The water will be purchased at a rate of \$2.21 per 1,000 gallons through June 30, 2017. Commencing on July 1<sup>st</sup> of each year, there shall be a 3% increase to the rate per 1,000 gallons in effect prior to the increase. The City of Casey did not purchase any treated water during the year ended April 30, 2017 while the infrastructure for the 12” waterline to the City of Marshall is being completed.

CITY OF CASEY, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

NOTE P – SUBSEQUENT EVENTS

On March 15, 2016, a referendum was passed for the formation of the Casey Fire Protection District. Once the District is formed and receives their initial tax levy, the operation of the City's Fire Department will cease and all fire services will be performed by the newly formed Casey Fire Protection District. The District's initial tax levy will be made in 2016 for tax funding payable in 2017. The Fire Department will continue to operate as it has previously and will continue to need the financial support of the City until that time. The City began transferring assets to the Casey Fire Protection District on May 1, 2017.

NOTE Q – TAX ABATEMENT

As a result of tax abatement agreements imposed by Clark County to further the objectives of the enterprise zone, the City's current year tax revenues received are affected. The gross amount of property taxes abated during the year ended April 30, 2017 were \$20,358.24.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CASEY, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 April 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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Other Post-Employment Benefit Plans:

4/30/2017	\$ -	\$ 1,742,111	\$ 1,742,111	0.00%	\$ -	0.00%
4/30/2016	-	1,853,868	1,853,868	0.00%	-	0.00%
4/30/2015	-	1,853,868	1,853,868	0.00%	-	0.00%

CITY OF CASEY, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 REGULAR PLAN  
 December 31, 2016

	2016	2015
Total Pension Liability:		
Service cost	\$ 162,299	\$ 152,683
Interest	728,946	697,208
Differences between expected and actual experience	339,275	69,055
Changes of assumptions	(46,805)	22,538
Benefit payments, including refunds of employee contributions	(524,470)	(467,255)
Net change in total pension liability	659,245	474,229
Total pension liability, beginning of year	9,952,479	9,478,250
Total Pension Liability, End of Year	\$ 10,611,724	\$ 9,952,479
 Plan Fiduciary Net Position:		
Contributions - employer	\$ 287,013	\$ 197,869
Contributions - employees	111,042	67,547
Net investment income	547,769	40,466
Benefit payments, including refunds of employee contributions	(524,470)	(467,255)
Other (net transfer)	109,969	154,593
Net change in fiduciary net position	531,323	(6,780)
Plan net position, beginning of year	8,187,356	8,194,136
Plan Net Position, End of Year	\$ 8,718,679	\$ 8,187,356
 Employer's Net Pension Liability	\$ 1,893,045	\$ 1,765,123
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.16%	82.26%
 Covered Employee Payroll	\$ 1,356,292	\$ 1,447,477
 Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	139.58%	121.94%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF CASEY, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 SHERIFF'S LAW ENFORCEMENT PERSONNEL  
 December 31, 2016

	2016	2015
Total Pension Liability:		
Service cost	\$ 14,450	\$ 14,227
Interest	9,168	6,772
Differences between expected and actual experience	(8,249)	11,019
Changes of assumptions	(854)	793
Net change in total pension liability	14,515	32,811
Total pension liability, beginning of year	115,997	83,186
Total Pension Liability, End of Year	\$ 130,512	\$ 115,997
 Plan Fiduciary Net Position:		
Contributions - employer	\$ 10,628	\$ 10,645
Contributions - employees	5,375	5,521
Net investment income	6,734	458
Other (net transfer)	(1,310)	(5,842)
Net change in fiduciary net position	21,427	10,782
Plan net position, beginning of year	94,368	83,586
Plan Net Position, End of Year	\$ 115,795	\$ 94,368
 Employer's Net Pension Liability	\$ 14,717	\$ 21,629
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.72%	81.35%
 Covered Employee Payroll	\$ 71,673	\$ 73,619
 Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	20.53%	29.38%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF CASEY, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 December 31, 2016

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
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Illinois Municipal Retirement Fund - Regular Plan:

2015	\$ 197,870	\$ 197,869	\$ 1	\$ 1,447,477	13.67%
2016	208,462	287,013	(78,551)	1,356,292	21.16%

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel (SLEP):

2015	\$ 10,645	\$ 10,645	-	\$ 73,619	14.46%
2016	10,629	10,628	1	71,673	14.83%

CITY OF CASEY, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
December 31, 2016

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate \*

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contributions Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	27-year closed period until remaining period reaches 15 years (then 15-year rolling period) SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.5%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation.

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

COMBINING STATEMENTS AND  
INDIVIDUAL FUND STATEMENTS

CITY OF CASEY, ILLINOIS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 April 30, 2017

	Motor Fuel Tax	Hotel-Motel Tax	Revolving Loan	DCEO Railroad Grant	Debt Service	Project Recovery Zone	Total Non-Major Governmental Funds
<b>ASSETS</b>							
Cash deposits	\$ 63,750.48	\$ 123,978.76	\$ 141,439.39	\$ 18,824.19	\$ 99,384.84	\$ 5,082.21	\$ 452,459.87
Receivables:							
Due from other governmental agencies	6,062.64	-	-	-	-	-	6,062.64
Interest receivable	-	71.71	-	-	-	-	71.71
Other receivables	-	2,446.92	-	-	-	-	2,446.92
Total Assets	\$ 69,813.12	\$ 126,497.39	\$ 141,439.39	\$ 18,824.19	\$ 99,384.84	\$ 5,082.21	\$ 461,041.14
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 2,140.00	\$ -	\$ -	\$ -	\$ -	\$ 2,140.00
<b>FUND BALANCE</b>							
Restricted for:							
General government	-	-	-	18,824.19	-	-	18,824.19
Highways and streets	69,813.12	-	-	-	-	-	69,813.12
Development	-	-	141,439.39	-	-	-	141,439.39
Culture and recreation	-	124,357.39	-	-	-	-	124,357.39
Capital projects	-	-	-	-	-	1,280.68	1,280.68
Committed for:							
Debt service	-	-	-	-	99,384.84	-	99,384.84
Assigned for:							
Capital projects	-	-	-	-	-	3,801.53	3,801.53
Total fund balance	69,813.12	124,357.39	141,439.39	18,824.19	99,384.84	5,082.21	458,901.14
Total Liabilities and Fund Balance	\$ 69,813.12	\$ 126,497.39	\$ 141,439.39	\$ 18,824.19	\$ 99,384.84	\$ 5,082.21	\$ 461,041.14

CITY OF CASEY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended April 30, 2017

	Motor Fuel Tax	Hotel-Motel Tax	Revolving Loan	DCEO Railroad Grant	Debt Service	Project Recovery Zone	Total Non-Major Governmental Funds
Revenues:							
Illinois motor fuel tax	\$ 70,184.44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,184.44
Utility tax	-	-	-	-	54,000.00	-	54,000.00
Tourism tax	-	29,453.91	-	-	-	-	29,453.91
Donations	-	250.00	-	-	-	-	250.00
Interest income	89.12	358.51	705.26	28.14	227.27	0.75	1,409.05
Other	-	1,600.00	-	-	-	-	1,600.00
Total revenues	<u>70,273.56</u>	<u>31,662.42</u>	<u>705.26</u>	<u>28.14</u>	<u>54,227.27</u>	<u>0.75</u>	<u>156,897.40</u>
Expenditures:							
General government	-	-	-	-	-	35.00	35.00
Highways and streets	65,757.22	-	-	-	-	-	65,757.22
Culture and recreation	-	9,811.67	-	-	-	-	9,811.67
Debt service	-	-	-	-	43,201.39	-	43,201.39
Total expenditures	<u>65,757.22</u>	<u>9,811.67</u>	<u>-</u>	<u>-</u>	<u>43,201.39</u>	<u>35.00</u>	<u>118,805.28</u>
Change in fund balance	4,516.34	21,850.75	705.26	28.14	11,025.88	(34.25)	38,092.12
Fund balance, beginning of year	<u>65,296.78</u>	<u>102,506.64</u>	<u>140,734.13</u>	<u>18,796.05</u>	<u>88,358.96</u>	<u>5,116.46</u>	<u>420,809.02</u>
Fund Balance, End of Year	<u>\$ 69,813.12</u>	<u>\$ 124,357.39</u>	<u>\$ 141,439.39</u>	<u>\$ 18,824.19</u>	<u>\$ 99,384.84</u>	<u>\$ 5,082.21</u>	<u>\$ 458,901.14</u>

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
COMPARISON TO BUDGET  
MOTOR FUEL TAX FUND  
For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final Budget</u>
Receipts:			
Illinois motor fuel tax	\$ -	\$ 70,423.53	\$ 70,423.53
Interest income	-	89.12	89.12
Total receipts	<u>-</u>	<u>70,512.65</u>	<u>70,512.65</u>
Disbursements:			
Highways and streets	<u>67,500.00</u>	<u>65,757.22</u>	<u>1,742.78</u>
Excess of receipts over (under) disbursements	<u>\$ (67,500.00)</u>	4,755.43	<u>\$ 72,255.43</u>
Cash deposits, beginning of year		<u>58,995.05</u>	
Cash Deposits, End of Year		<u>\$ 63,750.48</u>	

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
COMPARISON TO BUDGET  
HOTEL-MOTEL TAX FUND  
For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final Budget</u>
Receipts:			
Tourism tax	\$ -	\$ 29,706.63	\$ 29,706.63
Donations	-	358.22	358.22
Interest income	-	250.00	250.00
Miscellaneous income	-	<u>1,600.00</u>	<u>1,600.00</u>
Total receipts	<u>-</u>	<u>31,914.85</u>	<u>31,914.85</u>
Disbursements:			
Culture and recreation	<u>20,500.00</u>	<u>9,064.67</u>	<u>11,435.33</u>
Excess of receipts over (under) disbursements	<u>\$ (20,500.00)</u>	22,850.18	<u>\$ 43,350.18</u>
Cash deposits, beginning of year		<u>101,128.58</u>	
Cash Deposits, End of Year		<u>\$ 123,978.76</u>	

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
COMPARISON TO BUDGET  
DEBT SERVICE FUND  
For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final Budget</u>
Receipts:			
Utility tax	\$ -	\$ 54,000.00	\$ 54,000.00
Donations	-	227.27	227.27
Total receipts	<u>-</u>	<u>54,227.27</u>	<u>54,227.27</u>
Disbursements:			
Debt service	<u>57,000.00</u>	<u>43,201.39</u>	<u>13,798.61</u>
Excess of receipts over (under) disbursements	<u>\$ (57,000.00)</u>	11,025.88	<u>\$ 68,025.88</u>
Cash deposits, beginning of year		<u>88,358.96</u>	
Cash Deposits, End of Year		<u>\$ 99,384.84</u>	

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
COMPARISON TO BUDGET  
PROJECT RECOVERY ZONE FUND  
For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final Budget</u>
Receipts:			
Interest income	\$ -	\$ 0.75	\$ 0.75
Disbursements:			
General government	<u>5,116.50</u>	<u>35.00</u>	<u>5,081.50</u>
Excess of receipts over (under) disbursements	<u><u>\$ (5,116.50)</u></u>	<u>(34.25)</u>	<u><u>\$ 5,082.25</u></u>
Cash deposits, beginning of year		<u>5,116.46</u>	
Cash Deposits, End of Year		<u><u>\$ 5,082.21</u></u>	

CITY OF CASEY, ILLINOIS  
 COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS

April 30, 2017

	Refuse	Utility Deposits	Total Non-Major Proprietary Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 72,965.22	\$ 27,725.61	\$ 100,690.83
Cash deposits	51,983.23	-	51,983.23
Accounts receivable	60,863.83	-	60,863.83
Interest receivable	-	27.52	27.52
Total current assets	185,812.28	27,753.13	213,565.41
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	-	45,679.36	45,679.36
Cash deposits	-	154,320.64	154,320.64
Capital assets, net of accumulated depreciation	78,097.56	-	78,097.56
Total noncurrent assets	78,097.56	200,000.00	278,097.56
Total assets	263,909.84	227,753.13	491,662.97
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	30,996.25	-	30,996.25
Noncurrent liabilities:			
Customer deposits	-	200,000.00	200,000.00
Total liabilities	30,996.25	200,000.00	230,996.25
<b>NET POSITION</b>			
Net investment in capital assets	72,319.17	-	72,319.17
Unrestricted	160,594.42	27,753.13	188,347.55
Total Net Position	\$ 232,913.59	\$ 27,753.13	\$ 260,666.72

CITY OF CASEY, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 For the Year Ended April 30, 2017

	<u>Refuse</u>	<u>Utility Deposits</u>	<u>Total Non-Major Proprietary Funds</u>
Operating Revenues:			
Charges for services	\$ 343,840.48	\$ -	\$ 343,840.48
Other operating revenue	-	100.00	100.00
Cost of product sold	<u>(298,993.50)</u>	<u>-</u>	<u>(298,993.50)</u>
Gross operating revenue	<u>44,846.98</u>	<u>100.00</u>	<u>44,946.98</u>
Operating Expenses:			
Contractual services	30,295.99	-	30,295.99
Materials and supplies	4,105.56	-	4,105.56
Depreciation	<u>2,483.15</u>	<u>-</u>	<u>2,483.15</u>
Total operating expenses	<u>36,884.70</u>	<u>-</u>	<u>36,884.70</u>
Operating income (loss)	<u>7,962.28</u>	<u>100.00</u>	<u>8,062.28</u>
Non-Operating Revenue (Expenses):			
Interest income	259.11	719.43	978.54
Amortization	<u>(125.96)</u>	<u>-</u>	<u>(125.96)</u>
Total non-operating revenue (expenses)	<u>133.15</u>	<u>719.43</u>	<u>852.58</u>
Income (loss) before transfers	<u>8,095.43</u>	<u>819.43</u>	<u>8,914.86</u>
Transfers:			
Transfers in	20,200.00	-	20,200.00
Transfers out	<u>(12,000.00)</u>	<u>-</u>	<u>(12,000.00)</u>
Total net transfers	<u>8,200.00</u>	<u>-</u>	<u>8,200.00</u>
Change in net position	16,295.43	819.43	17,114.86
Net position, beginning of year	<u>216,618.16</u>	<u>26,933.70</u>	<u>243,551.86</u>
Net Position, End of Year	<u>\$ 232,913.59</u>	<u>\$ 27,753.13</u>	<u>\$ 260,666.72</u>

CITY OF CASEY, ILLINOIS  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 For the Year Ended April 30, 2017

	Refuse	Utility Deposits	Total Non-Major Proprietary Funds
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers	\$ 342,925.62	\$ 6,750.00	\$ 349,675.62
Payments to suppliers	(343,410.89)	-	(343,410.89)
Other receipts (payments)	-	100.00	100.00
Net cash provided (used) by operating activities	(485.27)	6,850.00	6,364.73
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers in (out)	8,200.00	-	8,200.00
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchases of capital assets	(32,577.60)	-	(32,577.60)
<b>Cash Flows from Investing Activities:</b>			
Purchases of investments	(129.52)	(615.97)	(745.49)
Interest income	259.11	719.33	978.44
Net cash provided (used) by investing activities	129.59	103.36	232.95
Net increase (decrease) in cash and cash equivalents	(24,733.28)	6,953.36	(17,779.92)
Cash and cash equivalents, beginning of year	97,698.50	66,451.61	164,150.11
Cash and Cash Equivalents, End of Year	\$ 72,965.22	\$ 73,404.97	\$ 146,370.19
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 7,962.28	\$ 100.00	\$ 8,062.28
Noncash items included in operating income (loss):			
Depreciation	2,483.15	-	2,483.15
Net (increase) decrease in:			
Accounts receivable	(914.86)	-	(914.86)
Net increase (decrease) in:			
Accounts payable	(10,015.84)	-	(10,015.84)
Customer deposits	-	6,750.00	6,750.00
Net Cash Provided (Used) by Operating Activities	\$ (485.27)	\$ 6,850.00	\$ 6,364.73

## OTHER INFORMATION

CITY OF CASEY, ILLINOIS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
COMPARISON TO BUDGET  
CASEY TOWNSHIP PARK DISTRICT  
For the Year Ended April 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final Budget</u>
Receipts:			
Property taxes	\$ -	\$ 88,556.11	\$ 88,556.11
Personal property replacement income tax	-	10,448.75	10,448.75
Charges for services	-	1,880.00	1,880.00
Donations	-	2,363.87	2,363.87
Interest income	-	5.74	5.74
Other income	-	1,243.56	1,243.56
Total receipts	<u>-</u>	<u>104,498.03</u>	<u>104,498.03</u>
Disbursements:			
Recreation	<u>177,420.00</u>	<u>66,758.58</u>	<u>110,661.42</u>
Excess of receipts over (under) disbursements	<u>\$ (177,420.00)</u>	37,739.45	<u>\$ 215,159.45</u>
Cash deposits, beginning of year		<u>59,221.06</u>	
Cash Deposits, End of Year		<u>\$ 96,960.51</u>	

CITY OF CASEY, ILLINOIS  
SCHEDULE OF BONDS PAYABLE  
April 30, 2017

			<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
Electric General Obligation	April 30,	2018	\$ 290,000.00	\$ 33,400.00	\$ 323,400.00
Refunding Bonds		2019	300,000.00	24,700.00	324,700.00
Dated - March 12, 2015		2020	310,000.00	15,700.00	325,700.00
Original Issue - \$1,630,000.00		2021	<u>185,000.00</u>	<u>6,012.50</u>	<u>191,012.50</u>
Interest Rate - 2.75% to 3.25%					
Interest due June 1 and December 1			<u>\$ 1,085,000.00</u>	<u>\$ 79,812.50</u>	<u>\$ 1,164,812.50</u>
Taxable General Obligation Bonds	April 30,	2018	\$ 25,000.00	\$ 16,175.50	\$ 41,175.50
(Alternative Revenue Source)		2019	30,000.00	15,508.62	45,508.62
Dated - November 1, 2010		2020	30,000.00	14,642.38	44,642.38
Original Issue - \$630,000.00		2021	30,000.00	13,718.38	43,718.38
Interest Rate - 2.25% to 6.75%		2022	30,000.00	12,761.38	42,761.38
Interest due May 1 and November 1		2023	30,000.00	11,829.12	41,829.12
		2024	35,000.00	10,880.38	45,880.38
		2025	35,000.00	9,744.62	44,744.62
		2026	35,000.00	8,570.38	43,570.38
		2027	35,000.00	7,367.26	42,367.26
		2028	40,000.00	6,125.62	46,125.62
		2029	40,000.00	4,640.62	44,640.62
		2030	40,000.00	3,155.62	43,155.62
		2031	<u>45,000.00</u>	<u>1,670.62</u>	<u>46,670.62</u>
			<u>\$ 480,000.00</u>	<u>\$ 136,790.50</u>	<u>\$ 616,790.50</u>
Sewerage Revenue Bonds	April 30,	2018	\$ -	\$ 119,671.80	\$ 119,671.80
(Series A & B)		2019	138,000.00	138,780.00	276,780.00
Dated - December 1, 2015		2020	138,000.00	136,020.00	274,020.00
Original Issue - \$8,082,000.00		2021	132,000.00	133,320.00	265,320.00
Interest Rate - 2%		2022	120,000.00	130,800.00	250,800.00
Interest due May 1 and November 1		2023	120,000.00	128,400.00	248,400.00
		2024	120,000.00	126,000.00	246,000.00
		2025	120,000.00	123,600.00	243,600.00
		2026	120,000.00	121,200.00	241,200.00
		2027	120,000.00	118,800.00	238,800.00
		2028	120,000.00	116,400.00	236,400.00
		2029	180,000.00	113,400.00	293,400.00
		2030	180,000.00	109,800.00	289,800.00

CITY OF CASEY, ILLINOIS  
SCHEDULE OF BONDS PAYABLE  
April 30, 2017

	<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
2031	180,000.00	106,200.00	286,200.00
2032	180,000.00	102,600.00	282,600.00
2033	180,000.00	99,000.00	279,000.00
2034	180,000.00	95,400.00	275,400.00
2035	180,000.00	91,800.00	271,800.00
2036	180,000.00	88,200.00	268,200.00
2037	180,000.00	84,600.00	264,600.00
2038	180,000.00	81,000.00	261,000.00
2039	180,000.00	77,400.00	257,400.00
2040	180,000.00	73,800.00	253,800.00
2041	180,000.00	70,200.00	250,200.00
2042	180,000.00	66,600.00	246,600.00
2043	180,000.00	63,000.00	243,000.00
2044	180,000.00	59,400.00	239,400.00
2045	240,000.00	55,200.00	295,200.00
2046	240,000.00	50,400.00	290,400.00
2047	240,000.00	45,600.00	285,600.00
2048	240,000.00	40,800.00	280,800.00
2049	240,000.00	36,000.00	276,000.00
2050	240,000.00	31,200.00	271,200.00
2051	240,000.00	26,400.00	266,400.00
2052	240,000.00	21,600.00	261,600.00
2053	240,000.00	16,800.00	256,800.00
2054	240,000.00	12,000.00	252,000.00
2055	240,000.00	7,200.00	247,200.00
2056	240,000.00	2,400.00	242,400.00
	<u>\$ 7,008,000.00</u>	<u>\$ 3,120,991.80</u>	<u>\$ 10,128,991.80</u>

Waterworks Revenue Bonds	April 30, 2018	\$ -	\$ 3,437.50	\$ 3,437.50
Dated - November 1, 2016	2019	100,000.00	2,750.00	102,750.00
Original Issue - \$4,990,000.00	2020	100,000.00	1,375.00	101,375.00
Interest Rate - 1.375%	2021	<u>50,000.00</u>	<u>343.75</u>	<u>50,343.75</u>
Interest due May 1 and November 1		<u>\$ 250,000.00</u>	<u>\$ 7,906.25</u>	<u>\$ 257,906.25</u>

CITY OF CASEY, ILLINOIS  
 ASSESSED VALUATION, TAX RATES, TAXES EXTENDED AND COLLECTED

	Tax Levy Year					
	2016		2015		2014	
	Clark County	Cumberland County	Clark County	Cumberland County	Clark County	Cumberland County
Assessed Valuation	\$ 26,094,793	\$ 120,587	\$ 25,881,790	\$ 100,052	\$ 24,905,812	\$ 100,380
Tax Rates:						
General corporate	0.2345	0.2364	0.2366	0.2458	0.2458	0.2500
Police protection	0.0704	0.0709	0.0710	0.0737	0.0738	0.0750
Fire protection	-	-	0.0710	0.0737	0.0738	0.0750
Emergency Services and Disaster Agency	0.0029	0.0029	0.0029	0.0030	0.0030	0.0031
Audit	0.0770	0.0500	0.0777	0.0500	0.0621	0.0500
IMRF	0.4136	0.4170	0.3975	0.4130	0.3933	0.4051
Insurance	0.2970	0.2994	0.2997	0.3113	0.3114	0.3206
Medicare	0.0611	0.0616	0.0587	0.0610	0.0581	0.0598
Social security	0.1030	0.1038	0.0990	0.1028	0.0955	0.0983
Total Rates	<u>1.2595</u>	<u>1.2419</u>	<u>1.3141</u>	<u>1.3343</u>	<u>1.3168</u>	<u>1.3369</u>
Taxes Extended:						
General corporate	\$ 61,192.29	\$ 285.02	\$ 61,236.32	\$ 245.91	\$ 61,218.49	\$ 250.95
Police protection	18,370.73	85.51	18,376.07	73.78	18,380.49	75.29
Fire protection	-	-	18,376.07	73.78	18,380.49	75.29
Road and bridge	37,019.14	284.63	37,179.32	252.96	36,672.40	255.77
Emergency Services and Disaster Agency	756.75	3.52	750.57	3.00	747.17	3.10
Audit	20,092.99	60.29	20,110.15	50.03	15,466.51	50.19
IMRF	107,928.06	502.82	102,880.12	413.16	97,954.56	406.59
Insurance	77,501.54	361.01	77,567.72	311.48	77,556.70	321.85
Medicare	15,943.92	74.25	15,192.61	61.00	14,470.28	60.04
Social security	26,877.64	125.15	25,622.97	102.83	23,785.05	98.71
	<u>\$ 365,683.06</u>	<u>\$ 1,782.20</u>	<u>\$ 377,291.92</u>	<u>\$ 1,587.93</u>	<u>\$ 364,632.14</u>	<u>\$ 1,597.78</u>
Collections			<u>\$ 366,207.48</u>	<u>\$ 1,586.84</u>	<u>\$ 364,846.91</u>	<u>\$ 1,603.88</u>
Percentage of Extensions Collected			<u>97.06%</u>	<u>99.93%</u>	<u>100.06%</u>	<u>100.38%</u>

CITY OF CASEY, ILLINOIS  
CASEY TOWNSHIP PARK DISTRICT  
ASSESSED VALUATION, TAX RATES, TAXES EXTENDED AND COLLECTED

	Tax Levy Year		
	2016	2015	2014
	<u>Clark County</u>	<u>Clark County</u>	<u>Clark County</u>
Assessed Valuation	<u>\$ 45,686,902</u>	<u>\$ 44,805,973</u>	<u>\$ 42,743,647</u>
Tax Rates:			
General corporate	0.1000	0.1000	0.1000
Recreation program	0.0750	0.0750	0.0750
Insurance	0.0154	0.0138	0.0141
Social security	<u>0.0040</u>	<u>0.0127</u>	<u>0.0129</u>
Total Rates	<u>0.1944</u>	<u>0.2015</u>	<u>0.2020</u>
Taxes Extended:			
General corporate	\$ 45,686.90	\$ 44,805.97	\$ 42,743.65
Recreation program	34,265.18	33,604.48	32,057.74
Insurance	7,035.78	6,183.22	6,026.85
Social security	<u>1,827.48</u>	<u>5,690.36</u>	<u>5,513.93</u>
	<u>\$ 88,815.34</u>	<u>\$ 90,284.03</u>	<u>\$ 86,342.17</u>
Collections		<u>\$ 88,561.85</u>	<u>\$ 86,445.17</u>
Percentage of Extensions Collected		<u>98.09%</u>	<u>100.12%</u>

CITY OF CASEY, ILLINOIS  
LEGAL DEBT MARGIN  
April 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed Valuation - 2016, 2015, and 2014 Tax Year	<u>\$ 26,215,380.00</u>	<u>\$ 25,981,842.00</u>	<u>\$ 25,006,192.00</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 2,261,076.53	\$ 2,240,933.87	\$ 2,156,784.06
Total Debt:			
Notes payable	2,810,772.28	404,563.61	450,212.43
General obligation bonds	480,000.00	505,000.00	530,000.00
Water general obligation bonds	250,000.00	-	-
Sewer revenue bonds	7,008,000.00	854,100.00	-
Electric general obligation bonds	<u>1,098,312.89</u>	<u>1,381,748.47</u>	<u>1,650,000.00</u>
	<u>11,647,085.17</u>	<u>3,145,412.08</u>	<u>2,630,212.43</u>
Less bonds exempt from debt limitation computations	<u>(10,809,712.89)</u>	<u>(2,235,848.47)</u>	<u>(1,650,000.00)</u>
Legal Debt Margin	<u>\$ 1,423,703.25</u>	<u>\$ 1,331,369.26</u>	<u>\$ 1,176,570.63</u>

CITY OF CASEY, ILLINOIS  
 ADDITIONAL INFORMATION  
 For the Year Ended April 30, 2017

GAS FUND

Gas users April 30, 2017	1,520	
Gas purchased during fiscal year	142,554	MCF
Gas billed during fiscal year	141,327	MCF

	Inside City	Outside City
Rates (per month)		
A. Residential usage:		
Customer charge	\$ 3.00	\$ 6.00
Base rate	3.3998	3.4268
Purchased gas adjustment	Varies	Varies
B. Commercial usage:		
Customer charge	\$ 9.00	\$ 28.00
Base rate	3.3956	3.4653
Purchased gas adjustment	Varies	Varies
C. Industrial usage:		
Customer charge	\$ 28.00	\$ 56.00
Base rate	3.3873	3.4382
Purchased gas adjustment	Varies	Varies
D. Public usage:		
Customer charge	\$ 3.00	\$ 6.00
Base rate	3.3821	3.4299
Purchased gas adjustment	Varies	Varies

ELECTRIC FUND

Electric users April 30, 2017	1,688	
Electricity purchased during fiscal year	31,202,421	KWH
Electricity billed during fiscal year	27,966,445	KWH

	Inside City	Outside City
Rates (per month)		
A. Residential usage:		
Minimum charge per month	\$ 25.00	\$ 25.00
Per KWH used per month	0.110	0.128
Residential electric surcharge	5.50	11.00

CITY OF CASEY, ILLINOIS  
 ADDITIONAL INFORMATION  
 For the Year Ended April 30, 2017

	Inside City	Outside City
<b>ELECTRIC FUND (cont.)</b>		
B. Commercial usage:		
Minimum charge per month	\$ 25.00	
1st 100 KWH used per month	0.102	per KWH
All over 100 KWH used per month	0.099	per KWH
Commercial electric surcharge	11.00	21.00
 <b>SEWER FUND</b>		
Sewer users April 30, 2017	1,262	
 <b>Rates (per month)</b>		
A. Residential usage:		
1st 1,000 gallons	\$ 23.45	\$ 34.66
Over 1,000 gallons (per 1,000 gallons)	7.58	8.31
B. Commercial usage:		
1st 1,000 gallons	\$ 40.41	
Over 1,000 gallons (per 1,000 gallons)	9.26	
 <b>WATER FUND</b>		
Water users April 30, 2017	1,666	
Water pumped during fiscal year	110,468,000	gallons
Water billed during fiscal year	82,458,867	gallons
 <b>Rates (per month)</b>		
A. Residential usage:		
1st 1,000 gallons (minimum)	\$ 9.28	\$ 11.82
Next 99,000 gallons (per 1,000 gallons)	5.79	8.00
Over 100,000 gallons (per 1,000 gallons)	6.91	6.00
B. Commercial usage:		
1st 1,000 gallons (minimum)	\$ 8.38	\$ 9.42
Next 99,000 gallons (per 1,000 gallons)	5.17	6.00
Over 100,000 gallons (per 1,000 gallons)	4.19	4.83

CITY OF CASEY, ILLINOIS  
ADDITIONAL INFORMATION  
For the Year Ended April 30, 2017

REFUSE FUND

Refuse customers April 30, 2017	1,103	Inside
	251	Outside
	101	Commercial

Rates (per month)

A. Residential usage:

In city	\$	15.00
Outside city		22.00

B. Commercial usage:

In city - small customers - minimum rate of \$16.50 per month, but with such charges to be negotiated with the customer based upon volume of refuse collected and subject to change.

Outside city - small customers - minimum rate of \$19.50 per month, but with such charges to be negotiated with the customer based upon volume of refuse collected and subject to change.

Large customer commercial rates are designated by Republic Services.

Minimums will be charged on all utilities unless the Utilities Department has been instructed by the user to disconnect them.

A 10% penalty will be added after the 15th of the month. In case any bill, fee, or charge rendered for utility service is not paid by the 15th of the month after the bill has been presented, such services will be discontinued.

FEDERAL FINANCIAL COMPLIANCE SECTION

CITY OF CASEY, ILLINOIS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended April 30, 2017

Federal Grantor/Pass-Through Grantor	Program Title	Pass-Through Grantor Number	CFDA Number	Federal Expenditures
U.S. Department of Agriculture	Water and Waste Disposal Systems for Rural Communities	Loan 92-02	10.760	\$ 5,595,979
		Grant 00-03	10.760	1,899,800
		Loan 92-05	10.760	389,061
		Loan 91-04	10.760	<u>3,705,161</u>
<i>Total U.S. Department of Agriculture</i>				<u>11,590,001</u> (M)
U.S. Department of Justice	Bulletproof Vest Partnership Program	n/a	16.607	<u>1,812</u>
<i>Total U.S. Department of Justice</i>				<u>1,812</u>
U.S. Department of Transportation passed through Illinois Department of Transportation	Airport Improvement Program	3-17-SBGP-87-88	20.106	<u>8,351</u>
<i>Total U.S. Department of Transportation</i>				<u>8,351</u>
Total Expenditures of Federal Awards				<u>\$ 11,600,164</u>

(M) Program was audited as a major program

The accompanying notes to the schedule of expenditures of federal awards are an integral part of these financial statements.

CITY OF CASEY, ILLINOIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of City of Casey, Illinois under programs of the federal government for the year ended April 30, 2017. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedule of expenditures of federal awards are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City did not recognize any indirect costs during the year and therefore, no election was filed to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE C - INSURANCE COVERAGE

The City had the following insurance policies in force at April 30, 2017 for the period 1/1/17-1/1/18:

Illinois Municipal League Risk Management Association:

General Liability:

General liability	\$ 8,000,000
Medical payments	\$ 3,000 each person
Fire legal liability	\$ 100,000 each occurrence
	\$ 100,000 annual aggregate
Public officials/employees	Varies by position
Liquor liability	\$ 1,000,000 each occurrence
	\$ 1,000,000 annual aggregate
Automobile medical payments	\$ 10,000 each person
Uninsured/underinsured motorists	\$ 100,000 each person
	\$ 300,000 each accident

Property:

Auto physical damage	\$ 30,000,000
Building/personal property	\$ 250,000,000
Inland marine	\$ 50,000
Valuable papers/records	\$ 50,000
Flood/earthquake	\$ 5,000,000
Crime	\$ 100,000
Worker's comp/occupational disease	Statutory
Employer's liability	\$ 3,000,000
Information security and privacy coverage	\$ 100,000
Fire fighting vehicles	\$ 1,345,000
Electric utility property – building coverage	\$ 19,256,133
Electric utility property – contents coverage	\$ 350,000
Gas utility property – building coverage	\$ 128,517

CITY OF CASEY, ILLINOIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Gas utility property – contents coverage	\$ 200,000
Deductible	\$ 500
Deductible – electric utility liability	\$ 1,000
Old Republic Insurance Co.:	
Airport Owner/Operator:	
Products-completed operations annual aggregate limit	\$ 1,000,000
Personal injury and advertising annual aggregate limit	\$ 1,000,000
Malpractice annual aggregate limit	\$ 1,000,000
Fire damage limit	\$ 50,000
Medical expenses	\$ 1,000
Hangar keepers	\$ 500,000
Deductible	\$ -
CNA:	
Boiler & Machinery:	
Property damage – limit per accident	\$ 29,819,468
Expediting expense	\$ 100,000
Extra expense	\$ 100,000
Data and media	\$ 100,000
Spoilage damage	\$ 100,000
Business income/extra expense	\$ 1,418,000
Newly acquired location/90 days	Included
Ordinance or law	\$ 500,000
Errors and omissions	Included
Brand and labels	Included
Limited coverage for fungus, wet rot, dry rot, bacteria	\$ 15,000
Ammonia contamination	\$ 100,000
Data and media – covered equipment	\$ 100,000
Hazardous substance	\$ 100,000
Water damage	\$ 100,000
Utility Interruption	\$ 1,000,000
Deductible for property damage or spoilage	\$ 5,000

NOTE D – SUBRECIPIENTS

No amount was provided to subrecipients by the City.

CITY OF CASEY, ILLINOIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE E – FEDERAL LOANS OR LOAN GUARANTEES

On July 1, 2011, the City was approved by the USDA Rural Utilities Service to construct a new wastewater treatment plant, complete drainage improvements, and implement combined sewer overflow control improvements. The award was amended on September 2, 2015 to allow the project to be funded with a federal loan of \$8,082,000 and a federal grant of \$2,610,800. For the year ended April 30, 2017, the City was advanced loan proceeds in the amount of \$6,153,900 and received grant funds of \$523,600. Total federal expenditures that were incurred and expected to be reimbursed from loan proceeds or grant funds are \$7,884,840. At April 30, 2017, the City had an outstanding federal loan balance of \$7,008,000.

The City was approved by the USDA Rural Utilities Service to receive a loan for \$4,990,000 to construct a 16 mile 12” water transmission main to interconnect. For the year ended April 30, 2017, the City was advanced loan proceeds in the amount of \$250,000. Total federal expenditures that were incurred and expected to be reimbursed from loan proceeds are \$3,705,161. At April 30, 2017, the City had an outstanding federal loan balance of \$250,000.

CITY OF CASEY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended April 30, 2017

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of City of Casey, Illinois were prepared in accordance with accounting principles generally accepted in the United States of America.
2. Two significant deficiencies were disclosed during the audit of the financial statements, one of which is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of City of Casey, Illinois, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for City of Casey, Illinois expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program was Water and Waste Disposal Systems for Rural Communities, CFDA #10.760.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. City of Casey, Illinois, was determined not to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT

2017-1 Condition: The City has inadequate design of internal control over the preparation of the financial statements, including the related notes, in accordance with accounting principles generally accepted in the United States of America.

Criteria: Standard business practices encourage adequate financial reporting.

Cause: Management lacks the adequate training, knowledge, and expertise to prepare and/or thoroughly review the financial statements to ensure they are free of material misstatement and include all disclosures as required by the Government Accounting Standards Board.

Effect: Although management reviews the financial statements prior to their issuance, management does not possess adequate expertise and the potential exists that a material misstatement of the financial statements or disclosure omissions could occur and not be prevented or detected by the City's internal control.

CITY OF CASEY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended April 30, 2017

Recommendation: Management has chosen to accept that degree of risk because of cost and other considerations for an entity of their size and structure.

Management Response: The City of Casey does agree with the Auditor findings and City of Casey can't afford to have a full-time governmental auditor or municipal government financial expert on staff. The City works closely with the Auditor to report or ask for assistance throughout the year.

2017-2 Condition: The City did not suitably design and implement controls over the bank reconciliation process.

Criteria: To facilitate accurate financial reporting, timely preparation of complete and accurate bank reconciliations is necessary to ensure all transactions are properly recorded. Bank reconciliations should be prepared on a monthly basis and reviewed by another individual.

Cause: Bank reconciliations for two accounts in the Collector's Office were not performed throughout the year. Because the bank reconciliations were not reviewed for accuracy and completeness by another individual, the error was not caught until preparing for the audit.

Effect: Unreconciled bank accounts can conceal differences, such as bank errors, nonsufficient funds, or improperly recorded transactions. It also caused an unnecessary accumulation of funds in the e-pay account which should have been transferred to the Collector's main account to cover funds transferred monthly to the Treasurer's Office.

Recommendation: The City should design and implement controls over the bank reconciliation process which should include preparing reconciliations on a monthly basis and having another individual review the bank reconciliations.

Management Response: The City of Casey does agree with the Auditor findings and the City of Casey will correct this issue.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

PRIOR AUDIT FINDINGS

2016-1 Condition: The City has inadequate design of internal control over the preparation of the financial statements, including the related notes, in accordance with accounting principles generally accepted in the United States of America.

Criteria: Standard business practices encourage adequate financial reporting.

Cause: Management lacks the adequate training, knowledge, and expertise to prepare and/or thoroughly review the financial statements to ensure they are free of material misstatement and include all disclosures as required by the Government Accounting Standards Board.

Effect: Although management reviews the financial statements prior to their issuance, management does not possess adequate expertise and the potential exists that a material misstatement of the financial statements or disclosure omissions could occur and not be prevented or detected by the City's internal control.

CITY OF CASEY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended April 30, 2017

Recommendation: Management has chosen to accept that degree of risk because of cost and other considerations for an entity of their size and structure.

Management Response: The City of Casey does agree with the Auditor findings and City of Casey can't afford to have a full-time governmental auditor or municipal government financial expert on staff. The City works closely with the Auditor to report or ask for assistance throughout the year.

2016-2 Condition: The City failed to properly implement the non-union employee pay increase for the year ended April 30, 2016.

Criteria: All administrative actions taken by the City Council are to be followed concerning enforcement of ordinances or performance of city programs.

Cause: For the year ended April 30, 2016, the City Council approved a \$0.30 per hour pay increase for all non-union employees. Instead, the City implemented a 1.5% cost of living adjustment for these non-union employees.

Effect: Some non-union employees were overpaid and some non-union employees were underpaid in comparison to the pay raise approved by the City Council.

Recommendation: The City should ensure that proper pay increases are implemented. We recommend payrates be reviewed by more than one individual before being entered into the payroll software.

Management Response: The City of Casey does agree with the recommendation made by the Auditors. Every pay increase will be done and double checked by the City Clerk and City Treasurer to ensure it is done correctly. To fix this issue, the employee that was underpaid was back paid what was owed to them. The Mayor and Finance Committee felt that since an error was made by the City, the City would not ask back the overpayment.

CITY OF CASEY, ILLINOIS  
CORRECTIVE ACTION PLAN  
For the Year Ended April 30, 2017

Corrective Action Plans:

Finding No.: 2017-1

Condition: The City has inadequate design of internal control over the preparation of the financial statements, including the related notes, in accordance with accounting principles generally accepted in the United States of America.

Management's Response: The City of Casey does agree with the Auditor findings and City of Casey can't afford to have a full-time governmental auditor or municipal government financial expert on staff. The City works closely with the Auditor to report or ask for assistance throughout the year.

Corrective Action Plan: Like stated above the City of Casey cannot afford to have a full-time governmental auditor or municipal government financial expert on staff throughout the year. The City will seek out training to better equip our staff to help with the preparation of the financial statements. The City also will continue to get legal help from our municipal attorney as well as if needed ask for assistance from the Illinois Municipal League. The City will continue to work closely with our Auditors throughout the year as well.

Anticipated Date of Completion: Ongoing

Name of Contact Person: Jeremy Mumford, City Clerk

Finding No.: 2017-2

Condition: The City did not suitably design and implement controls over the bank reconciliation process.

Management's Response: The City of Casey does agree with the Auditor findings and the City of Casey will correct this issue.

Corrective Action Plan: The City of Casey Collector will review and reconcile the Collector's bank statements as soon as she possibly can after she receives them. After reconciliation the City Collector will present the Collector's reconciled bank statements to the City Treasurer who will then review them.

Anticipated Date of Completion: Already Completed

Name of Contact Person: Jeremy Mumford, City Clerk