
CITY OF BUNKER HILL, ILLINOIS
REPORT AND FINANCIAL STATEMENTS
APRIL 30, 2018

CITY OF BUNKER HILL, ILLINOIS

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CITY OF BUNKER HILL, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Bunker Hill, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bunker Hill, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bunker Hill, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, each major fund, and the aggregate remaining fund information of the City of Bunker Hill, Illinois, as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

SOUTH COUNTY

4167 Crescent Drive • Suite 103A
St. Louis, MO 63129
Phone: (314) 707-7872 • Fax: (888) 675-4426

EDWARDSVILLE

#1 Sunset Hills Professional Center • Suite D
Edwardsville, IL 62025
Phone: (618) 307-0315 • Fax: (888) 675-4426

ALTON

2852 Homer Adams Parkway
Alton, IL 62002
Phone: (618) 462-1162 • Fax: (618) 462-1168

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Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis and budgetary comparison schedules 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 Bunker Hill, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Franklin & Vaughn, LLC
Edwardsville, IL
December 26, 2018

CITY OF BUNKER HILL, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2018

	<u>PRIMARY GOVERNMENT</u>		
	<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
CURRENT ASSETS:			
Cash	\$ 326,757	\$ 829,154	\$ 1,155,911
Cash Investments	121,382		121,382
Restricted Cash		385,471	385,471
Receivables (net of allowance where applicable)			
Property Taxes Receivable	148,191		148,191
Intergovernmental Taxes Receivable	59,739		59,739
Other Receivables	7,800	216,367	224,167
Due From Other Funds		10,900	10,900
Inventory		12,000	12,000
Total Current Assets	<u>\$ 663,869</u>	<u>\$ 1,453,892</u>	<u>\$ 2,117,761</u>
CAPITAL ASSETS:			
Utility Systems		\$ 10,351,506	\$ 10,351,506
Streets	\$ 788,076		788,076
Buildings and Improvements	2,261,340		2,261,340
Equipment	376,966		376,966
Vehicles	289,437		289,437
Total Cost of Capital Assets	<u>\$ 3,715,819</u>	<u>\$ 10,351,506</u>	<u>\$ 14,067,325</u>
Less: Accumulated Depreciation	<u>(1,692,360)</u>	<u>(4,511,672)</u>	<u>(6,204,032)</u>
Net Capital Assets	<u>\$ 2,023,459</u>	<u>\$ 5,839,834</u>	<u>\$ 7,863,293</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pension Liability	<u>\$ 144,662</u>	<u>\$ 57,410</u>	<u>\$ 202,072</u>
TOTAL ASSETS	<u>\$ 2,831,990</u>	<u>\$ 7,351,136</u>	<u>\$ 10,183,126</u>
LIABILITIES AND NET ASSETS:			
CURRENT LIABILITIES:			
Cash Overdraft	\$ 191,997		\$ 191,997
Accounts Payable	22,638	\$ 16,998	39,636
Accrued Payroll and Payroll Costs	6,059	2,596	8,655
Due To Other Funds	10,900		10,900
Customer Deposits		56,311	56,311
Accrued Interest		3,531	3,531
Current Portion - Long-term Debt	29,091	71,000	100,091
Total Current Liabilities	<u>\$ 260,685</u>	<u>\$ 150,436</u>	<u>\$ 411,121</u>
NONCURRENT LIABILITIES:			
Pension Liability	\$ 415,090	\$ 160,563	\$ 575,653
Bonds and Notes Payable - Net of Current Portion	181,473	2,626,000	2,807,473
Total Long-Term Debt	<u>\$ 596,563</u>	<u>\$ 2,786,563</u>	<u>\$ 3,383,126</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Liability	<u>\$ 183,904</u>	<u>\$ 87,616</u>	<u>\$ 271,520</u>
TOTAL LIABILITIES	<u>\$ 1,041,152</u>	<u>\$ 3,024,615</u>	<u>\$ 4,065,767</u>
NET POSITION:			
Investment in Capital Assets, Net of Related Debt	\$ 1,812,895	\$ 3,142,834	\$ 4,955,729
Restricted (Note 1)	54,853	166,363	221,216
Unassigned	(76,910)	1,017,324	940,414
TOTAL NET POSITION	<u>\$ 1,790,838</u>	<u>\$ 4,326,521</u>	<u>\$ 6,117,359</u>

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

CITY OF BUNKER HILL, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED APRIL 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUE
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
PRIMARY GOVERNMENT:					
Governmental Activities:					
General Government	\$ 223,936	\$ 15,106			\$ (208,830)
Public Safety	409,096	32,097			(376,999)
Transportation and Public Works	153,492				(153,492)
Culture and Recreation	38,638				(38,638)
Total Governmental Activities	<u>\$ 825,162</u>	<u>\$ 47,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (777,959)</u>
Business-Type Activities:					
Water	\$ 777,344	\$ 801,345			\$ 24,001
Sewer	444,624	479,061			34,437
Total Business-Type Activities	<u>\$ 1,221,968</u>	<u>\$ 1,280,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,438</u>
Total Primary Government	<u>\$ 2,047,130</u>	<u>\$ 1,327,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (719,521)</u>
NET (EXPENSE) REVENUE			GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GENERAL REVENUES:			<u>\$ (777,959)</u>	<u>\$ 58,438</u>	<u>\$ (719,521)</u>
Local Taxes					
Intergovernmental Taxes		\$ 158,526		\$ 40,372	\$ 198,898
Interest Income		454,910			454,910
Other Income		95		1,857	1,952
Total General Revenue		<u>40,012</u>			<u>40,012</u>
		<u>\$ 653,543</u>		<u>\$ 42,229</u>	<u>\$ 695,772</u>
Change in Net Position			\$ (124,416)	\$ 100,667	\$ (23,749)
NET POSITION, MAY 1			1,915,254	4,225,854	6,141,108
NET POSITION, APRIL 30			<u>\$ 1,790,838</u>	<u>\$ 4,326,521</u>	<u>\$ 6,117,359</u>

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

CITY OF BUNKER HILL, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2018

ASSETS:	GENERAL CORPORATE FUND	STREET FUND	MOTOR FUEL TAX FUND	ROAD AND BRIDGES FUND	PARKS AND RECREATION FUND	POLICE PROTECTION FUND	TORT	RETIREMENT	TAX INCREMENT FINANCING	TOTAL GOVERNMENTAL FUNDS
Current Assets:										
Cash	\$ 185,917		\$ 47,053	\$ 51,627	\$ 632	\$ 16,227	\$ 24,380		\$ 17,148	\$ 326,757
Cash Investments	105,155									121,382
Accounts Receivable			7,800							7,800
Property Taxes Receivable	29,780	\$ 11,410				39,999	26,001	\$ 41,001		148,191
Due from Other Funds					14,562					14,562
State Income and Use Tax Receivable	28,401									28,401
Sales and Telecom Tax Receivable	31,338									31,338
Total Assets	\$ 380,591	\$ 11,410	\$ 54,853	\$ 51,627	\$ 15,194	\$ 56,226	\$ 50,381	\$ 41,001	\$ 17,148	\$ 678,431
LIABILITIES AND FUND BALANCES:										
Current Liabilities:										
Cash Overdraft		\$ 71,135				\$ 120,862	\$ 21,218			\$ 191,997
Accounts Payable		1,420								22,638
Due To Other Funds	\$ 14,562		\$ 10,900							25,462
Accrued Payroll	581	722			\$ 285	3,384				4,972
Accrued Payroll Taxes and Retirement	127	158			62	740				1,087
Deferred Tax Revenue	29,780	11,410				39,999	26,001	\$ 41,001		148,191
Total Current Liabilities	\$ 45,050	\$ 84,845	\$ -	\$ 10,900	\$ 347	\$ 164,985	\$ 47,219	\$ 41,001	\$ -	\$ 394,347
FUND BALANCES:										
Restricted			\$ 54,853							\$ 54,853
Assigned		\$ (73,435)		\$ 40,727	\$ 14,847	\$ (108,759)	\$ 3,162	\$ -	\$ 17,148	(106,310)
Unassigned	\$ 335,541	\$ (73,435)	\$ 54,853	\$ 40,727	\$ 14,847	\$ (108,759)	\$ 3,162	\$ -	\$ 17,148	335,541
Total Fund Balances	\$ 335,541	\$ 11,410	\$ 54,853	\$ 51,627	\$ 15,194	\$ 56,226	\$ 50,381	\$ 41,001	\$ 17,148	\$ 284,084
Total Liabilities and Fund Balances	\$ 380,591	\$ 11,410	\$ 54,853	\$ 51,627	\$ 15,194	\$ 56,226	\$ 50,381	\$ 41,001	\$ 17,148	\$ 678,431

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

CITY OF BUNKER HILL, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
APRIL 30, 2018

Total Fund Balances - Total Governmental Funds	\$ 284,084
Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because:	
Certain taxes applicable to the City's governmental activities are not earned until available for fund financial reporting and accordingly are not reported as revenues on the fund statements	148,191
Net Deferred Outflows and the related net pension obligation are not reflected in the governmental fund statements	(270,428)
Net Deferred Inflows are not reflected in the governmental fund statements	(183,904)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the Statement of Net Position.	(210,564)
Capital assets of \$3,715,819 net of accumulated depreciation of \$1,692,703 are not financial resources and, therefore, are not reported in the funds.	2,023,459
Net Position of Governmental Activities	<u>\$ 1,790,838</u>

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

CITY OF BUNKER HILL, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2018

	GENERAL CORPORATE FUND	STREET FUND	MOTOR FUEL TAX FUND	ROAD AND BRIDGES FUND	PARKS AND RECREATION FUND	POLICE PROTECTION FUND	TORT	RETIREMENT	TAX INCREMENT FINANCING	TOTAL GOVERNMENTAL FUNDS
REVENUES:										
Local Taxes	\$ 39,868	\$ 11,421	\$ 44,872	\$ 11,670		\$ 37,044	\$ 22,240	\$ 31,650	\$ 9,826	\$ 163,719
Intergovernmental Taxes	410,038		31	57	3	4				454,910
Interest						32,097				95
Fines and Penalties	15,106									32,097
Licenses and Permits	10,920									15,106
Rental Income	11,000	7,187								10,920
Service, Reimbursements and Other Income					2,030	8,875				29,092
Total Revenues	\$ 486,932	\$ 18,608	\$ 44,903	\$ 11,727	\$ 2,033	\$ 78,020	\$ 22,240	\$ 31,650	\$ 9,826	\$ 705,939
EXPENDITURES:										
General Government	\$ 128,932									\$ 128,932
Public Safety		\$ 113,354				\$ 373,670	\$ 42,437			416,107
Transportation and Public Works					\$ 20,542					113,354
Culture and Recreation		5,000				15,193				20,542
Debt Service			\$ 47,013							20,193
Capital Outlay		\$ 118,354	\$ 47,013	\$ -	\$ 20,542	\$ 388,863	\$ 42,437	\$ -	\$ -	47,013
Total Expenditures	\$ 128,932	\$ 118,354	\$ 47,013	\$ -	\$ 20,542	\$ 388,863	\$ 42,437	\$ -	\$ -	\$ 746,141
EXCESS OF REVENUES OVER (UNDER)										
EXPENDITURES BEFORE OTHER										
FINANCING SOURCES (USES)	\$ 358,000	\$ (99,746)	\$ (2,110)	\$ 11,727	\$ (18,509)	\$ (310,843)	\$ (20,197)	\$ 31,650	\$ 9,826	\$ (40,202)
OTHER FINANCING SOURCES (USES):										
Operating Transfers In / (Out)	\$ (316,510)	\$ 99,031			\$ 18,093	\$ 265,101	\$ 41,954	\$ (107,669)		\$ 45,139
Long-Term Borrowings						45,139				
Total Other Financing Sources (Uses)	\$ (316,510)	\$ 99,031	\$ -	\$ -	\$ 18,093	\$ 310,240	\$ 41,954	\$ (107,669)	\$ -	\$ 45,139
EXCESS OF REVENUES AND OTHER										
FINANCING SOURCES OVER (UNDER)	\$ 41,490	\$ (715)	\$ (2,110)	\$ 11,727	\$ (416)	\$ (603)	\$ 21,757	\$ (76,019)	\$ 9,826	\$ 4,937
EXPENDITURES AND OTHER										
FINANCING USES										
FUND BALANCE - MAY 1	294,051	(72,720)	56,963	29,000	15,263	(108,156)	(18,595)	76,019	7,322	279,147
FUND BALANCE - APRIL 30	\$ 335,541	\$ (73,435)	\$ 54,853	\$ 40,727	\$ 14,847	\$ (108,759)	\$ 3,162	\$ -	\$ 17,148	\$ 284,084

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

CITY OF BUNKER HILL, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 4,937
Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because:	
Governmental funds report borrowings under long term arrangements as income. However, in the Statement of Activities, the receipt of funds under long term borrowings is not recorded. These receipts are reflected on the Statement of Net Assets as additional long term debt.	\$ (45,139)
Governmental funds report payments on debt principal as an expense. However, in the Statement of Activities, the payment of debt principal is not recorded. This payment is reflected on the Statement of Net Assets as a reduction in the loan principal.	20,193
Changes in net pension obligations are reported only in the Statement of Activities	(89,279)
Certain taxes applicable to the City's governmental activities are not earned until available for fund financial reporting and accordingly are not reported as revenues in the fund statements.	(5,193)
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. The amount shown is the amount by which depreciation of \$102,087 exceeded capital outlay of \$92,152 in the current period.	(9,935)
Change in Net Position of Governmental Activities	<u>\$ (124,416)</u>

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

CITY OF BUNKER HILL, ILLINOIS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
APRIL 30, 2018

	<u>WATER</u>	<u>SEWER</u>	<u>OTHER PROPRIETARY FUNDS</u>	<u>TOTAL PROPRIETARY FUNDS</u>
ASSETS:				
Current Assets:				
Cash	\$ 220,170	\$ 608,984		\$ 829,154
Restricted Cash	98,425	198,690	\$ 88,356	385,471
Accounts Receivable (Net of Allowance)	89,893	48,467	78,007	216,367
Due From Other Funds		10,900		10,900
Inventory	6,000	6,000		12,000
Total Current Assets	<u>\$ 414,488</u>	<u>\$ 873,041</u>	<u>\$ 166,363</u>	<u>\$ 1,453,892</u>
Capital Assets:				
Property, Plant, and Equipment	\$ 4,171,525	\$ 6,179,981		\$ 10,351,506
Less Accumulated Depreciation	(2,412,943)	(2,098,729)		(4,511,672)
Net Capital Assets	<u>\$ 1,758,582</u>	<u>\$ 4,081,252</u>	<u>\$ -</u>	<u>\$ 5,839,834</u>
Deferred Outflows of Resources				
Deferred Outflow Related to Pension Liability	\$ 28,918	\$ 28,492		\$ 57,410
Total Assets	<u>\$ 2,201,988</u>	<u>\$ 4,982,785</u>	<u>\$ 166,363</u>	<u>\$ 7,351,136</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	\$ 8,322	\$ 8,676		\$ 16,998
Customer Deposits	56,311			56,311
Accrued Payroll	1,065	1,120		2,185
Accrued Payroll Taxes and Retirement	233	178		411
Bonds Payable - In One Year	25,000	46,000		71,000
Interest Payable - Current	3,531			3,531
Total Current Liabilities	<u>\$ 94,462</u>	<u>\$ 55,974</u>	<u>\$ -</u>	<u>\$ 150,436</u>
Long-Term Liabilities:				
Pension Liability	\$ 78,312	\$ 82,251		\$ 160,563
Bonds and Notes Payable Beyond One Year	260,000	2,366,000		2,626,000
Total Long-Term Liabilities	<u>\$ 338,312</u>	<u>\$ 2,448,251</u>	<u>\$ -</u>	<u>\$ 2,786,563</u>
Deferred Inflows of Resources				
Deferred Inflow Related to Pension Liability	\$ 45,526	\$ 42,090	\$ -	\$ 87,616
Total Liabilities	<u>\$ 478,300</u>	<u>\$ 2,546,315</u>	<u>\$ -</u>	<u>\$ 3,024,615</u>
NET POSITION:				
Investment in Capital Assets	\$ 1,473,582	\$ 1,669,252		\$ 3,142,834
Restricted for:				
Current Bond Maturities			\$ 145,488	145,488
Future Bond Maturities			2,075	2,075
Sewer Reserves, Replacement, and Maintenance			18,800	18,800
Unrestricted	250,106	767,218		1,017,324
Total Net Position	<u>\$ 1,723,688</u>	<u>\$ 2,436,470</u>	<u>\$ 166,363</u>	<u>\$ 4,326,521</u>
Total Liabilities and Net Position	<u>\$ 2,201,988</u>	<u>\$ 4,982,785</u>	<u>\$ 166,363</u>	<u>\$ 7,351,136</u>

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

CITY OF BUNKER HILL, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2018

	<u>WATER</u>	<u>SEWER</u>	<u>OTHER PROPRIETARY FUNDS</u>	<u>TOTAL PROPRIETARY FUNDS</u>
OPERATING REVENUES:				
Water and Sewer Collections	\$ 766,304	\$ 471,405		\$1,237,709
Connection Fees	12,747			12,747
Penalties	12,164	7,366		19,530
Refunds and Reimbursements	10,130	290		10,420
Total Revenues	<u>\$ 801,345</u>	<u>\$ 479,061</u>	<u>\$ -</u>	<u>\$1,280,406</u>
OPERATING EXPENSES:				
Cost of Water	\$ 358,241			\$ 358,241
Salaries and Wages	66,440	\$ 61,111		127,551
Payroll Taxes and Fringe Benefits	75,695	70,807		146,502
Repairs and Maintenance	14,902	13,671		28,573
Professional Fees	38,769	10,432		49,201
Equipment Rental	4,503	4,632		9,135
Supplies	11,550	19,378		30,928
Telephone and Utilities	20,192	24,119		44,311
Insurance	10,609	10,609		21,218
Travel and Auto	5,008	2,671		7,679
Depreciation	142,723	165,321		308,044
Other Expenses	13,934	10,150		24,084
Total Expenses	<u>\$ 762,566</u>	<u>\$ 392,901</u>	<u>\$ -</u>	<u>\$1,155,467</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>\$ 38,779</u>	<u>\$ 86,160</u>	<u>\$ -</u>	<u>\$ 124,939</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	\$ 207	\$ 1,650		\$ 1,857
Property Taxes			\$ 40,372	40,372
Interest Expense	(14,778)	(51,723)	-	(66,501)
Total Non-Operating Revenues (Expenses)	<u>\$ (14,571)</u>	<u>\$ (50,073)</u>	<u>\$ 40,372</u>	<u>\$ (24,272)</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 24,208</u>	<u>\$ 36,087</u>	<u>\$ 40,372</u>	<u>\$ 100,667</u>
TOTAL OPERATING TRANSFERS (TO) FROM OTHER FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
INCREASE (DECREASE) IN NET POSITION	\$ 24,208	\$ 36,087	\$ 40,372	\$ 100,667
NET POSITION - MAY 1	<u>1,699,480</u>	<u>2,400,383</u>	<u>125,991</u>	<u>4,225,854</u>
NET POSITION - APRIL 30	<u><u>\$1,723,688</u></u>	<u><u>\$2,436,470</u></u>	<u><u>\$ 166,363</u></u>	<u><u>\$4,326,521</u></u>

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

CITY OF BUNKER HILL, ILLINOIS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2018

	<u>WATER</u>	<u>SEWER</u>	<u>OTHER PROPRIETARY FUNDS</u>	<u>TOTAL PROPRIETARY FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Collections From Customers	\$ 764,265	\$ 470,268		\$ 1,234,533
Other Income	35,041	7,656		42,697
Payroll Expenditures	(154,731)	(134,961)		(289,692)
Payments for Goods and Services	(441,348)	(69,708)		(511,056)
Net Cash Provided (Used) by Operating Activities	<u>\$ 203,227</u>	<u>\$ 273,255</u>	<u>\$ -</u>	<u>\$ 476,482</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Fixed Assets (Net)				\$ -
Principal Payments	(20,000)	(44,000)		(64,000)
Interest Paid	(14,778)	(51,723)		(66,501)
Taxes Collected for Water Bonds Payable				-
Grant Received for Capital Additions				-
Transfers (to) from other Funds				-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (34,778)</u>	<u>\$ (95,723)</u>	<u>\$ -</u>	<u>\$ (130,501)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income Received	\$ 207	\$ 1,650		\$ 1,857
Net Cash Provided (Used) by Investing Activities	<u>\$ 207</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ 1,857</u>
NET INCREASE (DECREASE) IN CASH	\$ 168,656	\$ 179,182	\$ -	\$ 347,838
CASH AND CASH EQUIVALENTS - MAY 1	<u>149,939</u>	<u>628,492</u>	<u>88,356</u>	<u>866,787</u>
CASH AND CASH EQUIVALENTS - APRIL 30	<u><u>\$ 318,595</u></u>	<u><u>\$ 807,674</u></u>	<u><u>\$ 88,356</u></u>	<u><u>\$ 1,214,625</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 26,183	\$ 83,117		\$ 109,300
Add Back Depreciation	142,723	165,321		308,044
Decrease (Increase) in Current Assets	15,816	17,177		32,993
(Decrease) Increase in Current Liabilities	<u>18,505</u>	<u>7,640</u>		<u>26,145</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 203,227</u></u>	<u><u>\$ 273,255</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 476,482</u></u>

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

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bunker Hill, Illinois (the City), operates under a board form of government and provides the following services as authorized by state statute: public safety, streets, public improvements, planning and zoning, and general administrative services.

Reporting Entity

The City, for financial purposes, includes all of the funds relevant to the operation of the City of Bunker Hill. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Bunker Hill.

The financial statements include all organizations, activities, and functions that comprise the City. Component units are legally separate entities for which the City is financially accountable. Financial accountability is defined as the ability to appoint a majority of the organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City. Using these criteria, the City has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Grants, entitlements, interest and all other revenue items are considered measurable and available only when the City receives cash.

Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict or contradict Governmental Accounting Standards Board (GASB) pronouncements for its proprietary activities. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has not chosen to do so.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, 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, liabilities, fund equity, 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 various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

Government Fund Types

General Corporate Fund

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

Special Revenue Funds

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 legally restricted to expenditures for specified purposes. Funds included in this type are Streets, Motor Fuel Tax, Road and Bridges, Parks and Recreation, Police Protection, Tort and Retirement.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Types

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to that of private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) 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. Grant income and interest income are considered non-operating revenues.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the City receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized when received and eligibility requirements have been satisfied.

Interfund Transactions

During the course of normal operation, the City has numerous transactions between funds. Transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Transfers In” by the recipient fund, and “Transfers Out” by the disbursing fund.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City maintains a capitalization threshold of \$2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not. The infrastructure for streets is capitalized for expenditures beginning in fiscal year 2004. Capital assets are depreciated on a straight line basis over a period of five (5) to forty (40) years based on asset class.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The City does not record in the financial statements compensatory time for sick and vacation time.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded when earned by the City.

Restricted Fund Balances

The City records restrictions for portions of fund equity which are legally segregated for specific future use and are not available for appropriations or expenditures in the governmental fund balance sheet. Restricted fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets. The special revenue funds have \$56,963 in restricted fund balances.

Assigned Fund Balances

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council to assign amounts to be used for a specific purpose. The City had (\$72,920) of assigned fund balances at April 30, 2017.

Restricted Net Position

Net position represents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by creditors, grantors, laws, or regulations of other governments. The Governmental Activities Funds have \$56,963 in restricted net position related to the Motor Fuel Tax Fund used to account for motor fuel taxes remitted to the City for use on certain street improvement projects. The Business-Type Activities have \$239,366 of restricted net position related to the bonds issued as discussed in Note 10 of these financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 2. DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-City public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. 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.

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.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 2. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	20
Inactive Plan Members entitled to but not yet receiving benefits	12
Active Plan Members	<u>9</u>
Total	41

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 the City 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 2017 was 25.82%. The City's annual contribution rate for the calendar year 2017 was 25.45%. For the fiscal year ended April 30, 2018, the City contributed \$92,038 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.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Aggregate 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 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according 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.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 2. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.60%
International Equity	18%	7.80%
Fixed Income	28%	3.00%
Real Estate	9%	6.15%
Alternative Investments	7%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% 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 City 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 (to the extent that the plan's 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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 2. DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$3,005,897	\$2,163,531	\$842,366
Changes for the year:			
Service Cost	31,979	-	31,979
Interest on the Total Pension Liability	219,395	-	219,395
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	34,501	-	34,501
Changes of Assumptions	(84,504)	-	(84,504)
Contributions – City	-	92,038	(92,038)
Contributions – Employees	-	16,041	(16,041)
Net Investment Income	-	414,988	(414,988)
Benefit Payments, including Refunds of Employee Contributions	(193,232)	(193,232)	-
Other (Net Transfer)	-	(54,983)	54,983
Net Changes	8,139	33,114	(266,713)
Balances at December 31, 2017	<u>\$3,014,036</u>	<u>\$2,438,383</u>	<u>\$575,653</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 (6.50%)	Current (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$970,493	\$ 575,653	\$ 255,285

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 2. DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended April 30, 2018, the City recognized pension expense of \$92,038. At April 30, 2018, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$136,046	\$ -
Changes of assumptions	1,642	65,138
Net difference between projected and actual earnings on pension plan investments	<u>64,384</u>	<u>206,382</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>202,072</u>	<u>271,520</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>-</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 202,072</u></u>	<u><u>\$ 271,520</u></u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 73,735
2019	(35,178)
2020	(56,411)
2021	(51,594)
2022	-
Thereafter	<u>-</u>
Total	<u><u>\$ (69,448)</u></u>

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 3. CASH AND CASH EQUIVALENTS

Separate bank accounts are maintained for City funds. At year end, the bank balance amount of the City's cash balances was \$1,423,951. Of this amount, \$1,173,951 exceeded FDIC limits. That excess deposit was collateralized by securities held by the bank's trust department, but not in the City's name. Interest rates on investment accounts range from 2.0% to 4.5%.

Statutes allow the City to invest in obligations of the U.S. Treasury or any U.S. Agency whose obligations are guaranteed by the full faith and credit of the United States of America as to principal and interest; interest bearing accounts of banks insured by the Bank Insurance Fund; commercial paper of U.S. Corporations with assets exceeding \$500,000,000 provided the obligations are rated in the 3 highest classifications by at least 2 rating services and mature no later than 180 days from purchase; money mutual funds registered under the Investment Company Act of 1940; repurchase agreements, interest bearing accounts of savings and loan associations insured by the Savings Association Insurance Fund; dividend bearing accounts of Illinois or Federally chartered credit unions provided such accounts are insured; and the Public Treasurers Investment Pool.

NOTE 4. PROPERTY TAXES – REVENUE RECOGNITION

The City's property tax is levied each year on all real property located in the City on or before the last Tuesday in December. The 2016 levy was passed by the board in 2016 and property taxes attached as an enforceable lien on property as of January 1st. Taxes are payable in two installments, usually in July and September. The City receives its first distributions of tax receipts approximately one month after the collection dates. Taxes recorded on these financial statements are from the 2015 and prior tax levies.

Property tax revenues are recognized as they are received since the City's General (municipal) Fund operates on the modified accrual basis of accounting. A schedule of assessed valuation, rates and extension is presented in the NOTE 17.

NOTE 5. BUDGET AND BUDGETARY ACCOUNTING

The City prepares its budget in accordance with the account basis of accounting as utilized by the City Funds. All annual appropriations lapse at the end of each fiscal year. The budget was not amended during the fiscal year. The budget lapses at the end of the fiscal year.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 6. TRANSFERS

The City will occasionally transfer funds from one fund to another in order to provide sufficient resources to meet the needs of that fund. These transfers usually come from the sales and income taxes collected within the City's General Fund, but intended to be used by any fund. Funds being transferred into debt service or reserve funds are mandated by debt covenants for future funding of debt payments or asset replacement.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$107,669	\$424,179
Street Fund	109,520	10,489
Parks & Recreation Fund	28,582	10,489
Police Protection	275,590	10,489
Tort Fund	41,954	
Retirement Fund		107,669
Sewer Bond Reserve Fund		65,000
Sewer Bond & Interest Fund	7,710	15,000
Water Funds	<u>85,000</u>	<u>7,710</u>
	<u>\$347,655</u>	<u>\$347,655</u>

NOTE 7. CAPITAL ASSETS

A summary of capital assets at April 30, 2018 follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Balance May 1, 2017	\$3,623,667	\$10,351,506
Additions	<u>93,864</u>	<u>0</u>
Balance April 30, 2018	\$3,717,531	\$10,351,506
Less Accumulated Depreciation	<u>(1,691,527)</u>	<u>(4,511,672)</u>
	<u>\$2,026,004</u>	<u>\$ 5,839,834</u>

Depreciation expense for the current year was \$101,255 for Governmental Activities and \$308,044 for Business-Type Activities.

NOTE 8. OTHER DISCLOSURES

The City has no material contingent liabilities.
No related party transactions occurred during the fiscal year.
All operations of the City are included in the City's financial statements.

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 9. LONG TERM DEBT

Bonds payable for Water Debt Service are dated July 22, 2008. Bonds totaling \$450,000 with interest beginning at 4.125% were issued. A special tax levy was approved to repay the bonds. The amortization for the next five years is as follows:

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>	<u>Annual</u> <u>Debt Service</u>
08/01/2018			7,063	7,063	34,561
02/01/2019	25,000	4.500%	7,063	32,063	
08/01/2019			6,500	6,500	38,563
02/01/2020	25,000	4.625%	6,500	31,500	
08/01/2020			5,922	5,922	37,422
02/01/2021	25,000	4.750%	5,922	30,922	
08/01/2021			5,334	5,334	36,256
02/01/2022	25,000	5.100%	5,334	30,334	
08/01/2022			4,741	4,741	35,075
02/01/2023	25,000		4,100	29,100	
Thereafter	160,000		21,268	181,268	

On December 4, 2009, the City issued General Obligation Bonds to finance the purchase of certain property to be used by the Street Department for a storage facility. The total issue was \$200,000 at interest with varying rates from 1.90% to 5.375%. The amortization schedule for the bonds is as follows. These bonds are to be repaid from the tax levy approved by the City.

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>	<u>Annual</u> <u>Debt Service</u>
08/01/2018			4,153	4,153	13,408
02/01/2019	5,000	4.25%	4,153	9,153	
08/01/2019			4,046	4,046	13,199
02/01/2020	5,000	4.40%	4,046	9,046	
08/01/2020			3,936	3,936	12,982
02/01/2021	5,000	4.50%	3,936	8,936	
08/01/2021			3,824	3,824	12,760
02/01/2022	5,000	5.25%	3,824	8,824	
08/01/2022			3,708	3,708	12,532
02/01/2023	5,000		3,708	8,708	
Thereafter	135,000		71,494	206,494	

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 9. LONG TERM DEBT (Continued)

Total interest paid by the City was \$9,214 for Governmental Fund Types and \$68,292 for Proprietary Fund Types.

On August 20, 2013 the City approved the issuance of \$2,500,000 of Sewerage Revenue Bonds Series 2013 with interest at 2.125%. These Bonds were to be used to pay for the cost of acquiring and constructing improvements to the existing sewer system of the City. The Bonds were issued through the United States of America Department of Agriculture, Rural Development. The Bonds were issued in two series, Series A (\$2,180,000) and Series B (\$320,000). The City paid interest only during the construction period, and then initial principal payments began in 2016 and continue until fully paid in 2053.

The Bond agreement required the establishment of a Bond and Interest Account. Payments were to be made into this account that equal one-sixth of the next semi-annual interest payment until May 1, 2016. Beginning May 1, 2016, an amount equal to one-sixth of the next semi-annual interest and one-twelfth of the next annual principal payments are to be made on the first day of each month.

Under the provisions of the Bond agreement, the City is required to establish two reserve accounts. The Debt Service Reserve Account is to be funded with \$805 the first of each month until the account balance reaches \$96,600. This fund is to be used only in the event that there are insufficient funds in the Bond and Interest Account to pay such principal or interest on the Outstanding Bonds as they become due. The City is also required to establish and maintain a Short-Lived Asset Reserve Account with monthly payments in the amount of \$2,574. Payments into these two reserve accounts were not required to begin until May 1, 2015.

	<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
Series A						
	05/01/2018	40,000	2.125%	22,313	62,313	
	11/01/2018			21,888	21,888	84,201
	05/01/2019	40,000	2.125%	21,888	61,888	
	11/01/2019			21,463	21,463	83,351
	05/01/2020	40,000	2.125%	21,463	61,463	
	11/01/2020			21,038	21,038	82,501
	05/01/2021	40,000	2.125%	21,038	61,038	
	11/01/2021			20,613	20,613	81,651
	05/01/2022	40,000		20,613	60,613	
	11/01/2022			20,188	20,188	80,801
	Thereafter	\$1,900,000		703,581	2,603,581	

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 9. LONG TERM DEBT (Continued)

	<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt</u> <u>Service</u>	<u>Annual</u> <u>Debt Service</u>
Series B						
	05/01/2018	6,000	2.125%	3,315	9,315	
	11/01/2018			3,251	3,251	12,566
	05/01/2019	6,000	2.125%	3,251	9,251	
	11/01/2019			3,188	3,188	12,439
	05/01/2020	6,000	2.125%	3,187	9,187	
	11/01/2020			3,124	3,124	12,311
	05/01/2021	6,000	2.125%	3,124	9,124	
	11/01/2021			3,060	3,060	12,184
	05/01/2022	6,000	2.125%	3,060	9,060	
	11/01/2022			2,996	2,996	12,056
	Thereafter	\$282,000		103,466	385,466	

In July 2014, the City purchased two new police cruisers. They were purchased through a down payment of \$10,000 and a loan from United Community Bank in the amount of \$44,648. The loan is repayable over a five year period with interest at 2.0%. Following is a schedule of the remaining principal and interest payments.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
04/30/2019	9,250	147	9,397
04/30/2020	<u>2,300</u>	<u>8</u>	<u>2,308</u>
Total	<u>\$11,550</u>	<u>\$155</u>	<u>\$11,705</u>

In December 2017, the City purchase a new police SUV. The vehicle was purchased through a loan from United Community Bank in the amount of \$45,139. The loan is repayable over 36 months with interest. Following is a schedule of the remaining principal and interest payments.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
04/30/2019	\$14,840	\$679	\$15,519
04/30/2020	15,139	379	15,518
04/30/2021	<u>9,035</u>	<u>84</u>	<u>9,119</u>
Total	<u>\$39,014</u>	<u>\$1,142</u>	<u>\$40,156</u>

Following are the changes in long-term debt:

	<u>Balance</u> <u>May 1, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>April 30, 2018</u>
Governmental Activities				
2009 General Obligation Bonds	\$165,000		\$5,000	\$160,000
United Community Bank Loan	20,618		9,068	11,550
United Community Bank Loan		45,138	6,125	39,014
Business-type Activities				
2008 Water Bonds	305,000		20,000	285,000
2013 Sewerage Revenue Bonds	2,456,000		44,000	2,412,000

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 10. ASSET VALUATIONS

Investments are valued at “market” and are all either cash or cash equivalents.

Capital assets for proprietary and governmental funds are valued at cost less depreciation. Depreciation is calculated on straight-line basis over a period of ten to forty years.

NOTE 11. SCHEDULE OF LEGAL DEBT MARGIN

<u>Assessed Valuation</u>	<u>\$17,351,046</u>
<u>Legal Debt Margin:</u>	
8.625% of \$17,351,046	\$1,496,528
General obligation debt outstanding	<u>(171,550)</u>
Total Debt Margin	<u>\$1,324,708</u>

NOTE 12. DEFICIT FUND BALANCES

The following funds had a deficit fund balance at April 30, 2017:

Special Revenue:	
Street Fund	\$ (73,435)
Police Protection Fund	(108,760)

NOTE 13. SUBSEQUENT EVENTS

The effects of subsequent events on the financial statements have been evaluated through the date of this report, which is the date the financial statements were available to be issued. Management does not feel any events or transactions occurred that would require disclosure.

NOTE 14. CONTINGENCIES

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

CITY OF BUNKER HILL, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018

NOTE 15. SCHEDULE OF EQUALIZED VALUATIONS, TAX RATE EXTENSIONS AND COLLECTIONS

	2017 Taxes To Be Collected In 2018	2016 Taxes Collected In 2017	2015 Taxes Collected In 2016
Equalized Valuations	<u>\$17,351,046</u>	<u>\$16,735,378</u>	<u>\$17,087,356</u>
<u>Tax Rates:</u>			
General Corporate	.19226	.17829	.17829
Police Protection	.23053	.17795	.17795
Streets	.06000	.05701	.05701
Tort	.14985	.13346	.13346
IMRF	.23630	.18352	.18352
Audit	.04265	.02057	.02057
Social Security	.05763	.05005	.05005
Unemployment Taxes	.01066	.00556	.00556
ESDA	.00576	.00556	.00556
Bond & Interest	<u>.30217</u>	<u>.30171</u>	<u>.30171</u>
	<u>1.28781</u>	<u>1.11368</u>	<u>1.11368</u>
<u>Tax Extensions:</u>			
General Corporate	\$29,951	\$29,838	\$30,465
Police Protection	35,913	29,781	30,407
Streets	9,347	9,541	9,742
Tort	23,344	22,335	22,805
IMRF	36,812	30,713	31,359
Audit	6,644	3,442	3,515
Social Security	8,978	8,376	8,552
Unemployment Taxes	1,661	930	950
ESDA	897	930	950
Bond & Interest	<u>47,073</u>	<u>50,492</u>	<u>51,554</u>
	<u>\$200,620*</u>	<u>\$186,378</u>	<u>\$190,299</u>

<u>Levy Date</u>	September 1
<u>Assessment Date</u>	December 31
<u>Due Dates</u>	Usually July and September
<u>Lien Date</u>	January 1
<u>Collection Dates</u>	September, October, November, and December

* The City is subject to Truth in Taxation. This law limits the amount of tax increase that the City may impose without a public referendum. The City's increase exceeded this amount for tax year 2017. Therefore, the actual amounts levied by the City was less than the Final Rate determined by the County.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BUNKER HILL, ILLINOIS
 MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 APRIL 30, 2018

Calendar Year Ended December 31, Total Pension Liability	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Service Cost	\$ 31,979	\$ 31,870	\$ 40,883							
Interest on the Total Pension Liability	219,395	214,600	176,920							
Benefit Changes										
Difference between Expected and Actual Experience	34,501	8,931	483,460							
Assumption Changes	(84,504)	(11,228)	7,381							
Benefit Payments and Refunds	(193,232)	(190,339)	(196,432)							
Net Change in Total Pension Liability	\$ 8,139	\$ 53,834	\$ 512,212							
Total Pension Liability - Beginning	3,005,897	2,952,063	2,439,851							
Total Pension Liability - Ending (A)	<u>\$ 3,014,036</u>	<u>\$ 3,005,897</u>	<u>\$ 2,952,063</u>							
Plan Fiduciary Net Position										
Employer Contributions	\$ 92,038	\$ 45,453	\$ 40,858							
Employee Contributions	16,041	15,567	62,351							
Pension Plan Net Investment Income	414,988	147,115	10,327							
Benefit Payments and Refunds	(193,232)	(190,339)	(196,432)							
Other	(54,983)	15,318	101,376							
Net Change in Plan Fiduciary Net Position	\$ 274,852	\$ 33,114	\$ 18,480							
Plan Fiduciary Net Position - Beginning	2,163,531	2,130,417	2,111,937							
Plan Fiduciary Net Position - Ending (B)	<u>\$ 2,438,383</u>	<u>\$ 2,163,531</u>	<u>\$ 2,130,417</u>							
Net Pension Liability/(Asset) - Ending (A) - (B)	\$ 575,653	\$ 842,366	\$ 821,646							
Plan Fiduciary Net Position as a Percentage of										
Total Pension Liability	80.90%	71.98%	72.17%							
Covered Valuation Payroll	\$ 345,916	\$ 345,916	\$ 331,903							
Net Pension Liability as a Percentage of										
Covered Valuation Payroll	166.41%	243.52%	247.56%							

CITY OF BUNKER HILL, ILLINOIS
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2018

<u>CALENDAR</u> <u>YEAR ENDING</u> <u>DECEMBER 31,</u>	<u>ACTUARIALLY</u> <u>DETERMINED</u> <u>CONTRIBUTION</u>	<u>ACTUAL</u> <u>CONTRIBUTION</u>	<u>CONTRIBUTION</u> <u>DEFICIENCY</u> <u>(EXCESS)</u>	<u>COVERED</u> <u>PAYROLL</u>	<u>ACUTAL</u> <u>CONTRIBUTION</u> <u>AS A % OF</u> <u>COVERED</u> <u>PAYROLL</u>
2017	\$ 92,038	\$ 92,038	\$ -	\$ 331,903	12.31%
2016	45,453	45,453	-	345,916	13.14%
2015	46,732	40,858	5,874	331,903	12.31%

Notes to Schedule:

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

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

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP, and ECO groups): 26-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
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% - 14.50% including inflation
Investment Rate of Return	7.50%
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 - 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 adjustment 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:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

CITY OF BUNKER HILL, ILLINOIS
BALANCE SHEET
GENERAL CORPORATE FUND
APRIL 30, 2018
(COMPARED TO APRIL 30, 2017)

	<u>GENERAL CORPORATE FUND</u>	
	<u>2018</u>	<u>2017</u>
ASSETS:		
Cash	\$ 185,917	\$ 81,851
Cash Investments	105,155	140,881
Property Tax Receivable	29,780	37,147
State Income and Use Tax Receivable	28,401	55,178
Sales and Telecom Tax Receivable	31,338	31,245
Total Assets	<u>\$ 380,591</u>	<u>\$ 346,302</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable		
Accrued Expenses		
Due To Other Funds	\$ 14,562	\$ 14,562
Accrued Payroll	581	445
Accrued Payroll Taxes and Retirement	127	97
Deferred Tax Revenue	29,780	37,147
Total Liabilities	<u>\$ 45,050</u>	<u>\$ 52,251</u>
FUND BALANCE:		
Unassigned	\$ 335,541	\$ 294,051
Total Liabilities and Fund Balance	<u>\$ 380,591</u>	<u>\$ 346,302</u>

CITY OF BUNKER HILL, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL CORPORATE FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2018
(COMPARED TO THE FISCAL YEAR ENDED APRIL 30, 2017)

	<u>GENERAL CORPORATE FUND</u>	
	<u>2018</u>	<u>2017</u>
REVENUES:		
Property Taxes	\$ 39,868	\$ 37,297
State Income Taxes	206,963	231,231
Sales and Use Tax	149,021	148,580
Replacement Taxes	3,489	2,515
Telecommunication Taxes	37,420	37,898
Video Gaming Taxes	13,145	13,289
Licenses and Permits	15,106	14,026
Rental Income	10,920	13,355
Service, Reimbursements and Other Income	11,000	27,627
Total Revenues	<u>\$ 486,932</u>	<u>\$ 525,818</u>
EXPENDITURES:		
Salaries and Wages	\$ 49,329	\$ 59,082
Payroll Taxes and Fringe Benefits	32,565	32,612
Insurance	1,150	750
Repairs and Maintenance	10,714	14,604
Professional Fees	14,238	14,148
Supplies	6,039	3,871
Telephone and Utilities	7,126	9,981
Other Expenditures	7,771	4,290
Total Expenditures	<u>\$ 128,932</u>	<u>\$ 139,338</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	\$ 358,000	\$ 386,480
OTHER FINANCING SOURCES (USES):		
Operating Transfers In / (Out)	<u>(316,510)</u>	<u>(254,945)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 41,490	\$ 131,535
FUND BALANCE - MAY 1	<u>294,051</u>	<u>162,516</u>
FUND BALANCE - APRIL 30	<u>\$ 335,541</u>	<u>\$ 294,051</u>

CITY OF BUNKER HILL, ILLINOIS
COMBINING BALANCE SHEETS
SPECIAL REVENUE FUNDS
APRIL 30, 2018
(COMPARED TO APRIL 30, 2017)

ASSETS:	STREET FUND	MOTOR FUEL TAX FUND	ROAD AND BRIDGES FUND	PARKS AND RECREATION FUND	POLICE PROTECTION FUND	TORT	RETIREMENT	TAX INCREMENT FINANCING FUND	TOTALS
									2018 2017
Current Assets:									
Cash		\$ 47,053	\$ 51,627	\$ 632	\$ 16,227	\$ 24,380		\$ 17,148	\$ 140,840 \$ 175,052
Cash Investments					\$ 39,999				16,227 1,152
Property Taxes Receivable	\$ 11,410					26,001	\$ 41,001		118,411 115,517
Due From Other Funds				14,562					14,562
Accounts Receivable		7,800							7,800 8,047
Total Assets	\$ 11,410	\$ 54,853	\$ 51,627	\$ 15,194	\$ 56,226	\$ 50,381	\$ 41,001	\$ 17,148	\$ 297,840 \$ 314,330
LIABILITIES AND FUND BALANCES:									
Liabilities									
Cash Overdraft	\$ 71,135				\$ 120,862				\$ 191,997 \$ 174,809
Accounts Payable	1,420					\$ 21,218			22,638 23,543
Due to Other Funds			\$ 10,900						10,900 10,900
Accrued Payroll	722			\$ 285	3,384				4,391 3,664
Accrued Payroll Taxes and Retirement	158			62	740				960 801
Deferred Tax Revenue	11,410				39,999	26,001	\$ 41,001		118,411 115,517
Total Current Liabilities	\$ 84,845	\$ -	\$ 10,900	\$ 347	\$ 164,985	\$ 47,219	\$ 41,001	\$ -	\$ 349,297 \$ 329,234
FUND BALANCES:									
Restricted		\$ 54,853							\$ 54,853 \$ 56,963
Assigned	\$ (73,435)		\$ 40,727	\$ 14,847	\$ (108,759)	\$ 3,162	\$ -	\$ 17,148	(106,310) (71,867)
Total Fund Balances	\$ (73,435)	\$ 54,853	\$ 40,727	\$ 14,847	\$ (108,759)	\$ 3,162	\$ -	\$ 17,148	\$ (51,457) \$ (14,904)
Total Liabilities and Fund Balances	\$ 11,410	\$ 54,853	\$ 51,627	\$ 15,194	\$ 56,226	\$ 50,381	\$ 41,001	\$ 17,148	\$ 297,840 \$ 314,330

CITY OF BUNKER HILL, ILLINOIS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2018
(COMPARED TO THE FISCAL YEAR ENDED APRIL 30, 2017)

	MOTOR FUEL TAX FUND	ROAD AND BRIDGES FUND	PARKS AND RECREATION FUND	POLICE PROTECTION FUND	TOTAL
REVENUES:					
Property Taxes	\$ 11,421				\$ 11,421
Motor Fuel Taxes	\$ 44,872	\$ 11,670		\$ 37,044	\$ 93,586
Rental Income					
Grant Income					
Interest Income					
Fines and Fees					
Service, Reimbursements and Other Income					
Total Revenues	\$ 18,608	\$ 11,727	\$ 2,033	\$ 78,020	\$ 100,388
EXPENDITURES:					
Salaries and Wages	\$ 31,985		\$ 3,438	\$ 181,282	\$ 216,705
Payroll Taxes and Fringe Benefits	29,096		929	87,769	117,794
Insurance					
Professional Fees	96			19,368	42,437
Repairs and Maintenance	9,813		6,929	8,958	25,700
Supplies	5,823		2,516	5,840	14,179
Telephone and Utilities	6,933		3,284	7,097	17,314
Training and Conferences				1,995	1,995
Street Lighting	14,607				14,607
Travel and Auto	10,972		452	12,283	23,707
Capital Outlay					
Debt Payment	5,000			15,193	47,013
Other Expenditures	4,029		2,994	49,078	20,193
Total Expenditures	\$ 118,354	\$ 47,013	\$ 20,542	\$ 388,863	\$ 574,772
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	\$ (99,746)	\$ (2,110)	\$ (18,509)	\$ (310,843)	\$ (344,707)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ 109,520		\$ 28,582	\$ 275,590	\$ 414,692
Operating Transfers Out	(10,489)		(10,489)	(10,489)	(31,467)
Long-Term Borrowings				45,139	45,139
Total Other Financing Sources (Uses)	\$ 99,031	\$ -	\$ 18,093	\$ 310,240	\$ 367,373
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (715)	\$ (2,110)	\$ (416)	\$ (603)	\$ (89,762)
FUND BALANCE - MAY 1	(72,720)	56,963	15,263	(108,156)	79,151
FUND BALANCE - APRIL 30	\$ (73,435)	\$ 54,853	\$ 14,847	\$ (108,759)	\$ (10,611)

CITY OF BUNKER HILL, ILLINOIS
COMBINING BALANCE SHEETS
ENTERPRISE FUNDS
APRIL 30, 2018
(COMPARED TO APRIL 30, 2017)

	WATER FUND	SEWER FUND	BOND AND INTEREST FUND	SEWER DEPRECIATION FUND	SEWER BOND RESERVE FUND	TOTALS 2018	TOTALS 2017
ASSETS:							
Current Assets:							
Cash	\$ 220,170	\$ 608,984	\$ 67,481	\$ 18,800	\$ 2,075	\$ 917,510	\$ 707,011
Cash Investments						-	18,710
Restricted Cash	98,425	198,690				297,115	141,066
Accounts Receivable (net of allowance)	89,893	48,467	78,007			216,367	172,819
Due From Other Funds		10,900				10,900	10,900
Inventory	6,000	6,000				12,000	12,000
Total Current Assets	\$ 414,488	\$ 873,041	\$ 145,488	\$ 18,800	\$ 2,075	\$ 1,453,892	\$ 1,062,506
Capital Assets:							
Property, Plant, and Equipment	\$4,171,525	\$6,179,981				\$10,351,506	\$ 10,351,510
Less: Accumulated Depreciation	(2,412,943)	(2,098,729)				(4,511,672)	(4,203,629)
Net Capital Assets	\$1,758,582	\$4,081,252	\$ -	\$ -	\$ -	\$ 5,839,834	\$ 6,147,881
Deferred Outflows of Resources							
Deferred Outflow Related to Pension Liability	\$ 28,918	\$ 28,492				\$ 57,410	\$ 101,654
Total Assets	\$2,201,988	\$4,982,785	\$ 145,488	\$ 18,800	\$ 2,075	\$ 7,351,136	\$ 7,312,041
LIABILITIES AND FUND NET ASSETS:							
Liabilities							
Accounts Payable	\$ 8,322	\$ 8,676				\$ 16,998	\$ 13,867
Customer Deposits	56,311					56,311	56,311
Accrued Payroll	1,065	1,120				2,185	1,630
Accrued Payroll Taxes and Retirement	233	178				411	356
Interest Payable	3,531					3,531	3,749
Bonds Payable - Current Portion	25,000	46,000				71,000	64,000
Total Current Liabilities	\$ 94,462	\$ 55,974	\$ -	\$ -	\$ -	\$ 150,436	\$ 139,913
Long-Term Liabilities							
Pension Liability	\$ 78,312	\$ 82,251				\$ 160,563	\$ 246,998
Bonds and Notes Payable - Net of Current Portion	260,000	2,366,000				2,626,000	2,697,000
Total Long Term Liabilities	\$ 338,312	\$2,448,251	\$ -	\$ -	\$ -	\$ 2,786,563	\$ 2,943,998
Deferred Inflows of Resources							
Deferred Inflow Related to Pension Liability	\$ 45,526	\$ 42,090				\$ 87,616	\$ 2,276
Total Liabilities	\$ 478,300	\$2,546,315	\$ -	\$ -	\$ -	\$ 3,024,615	\$ 3,086,187
FUND NET ASSETS:							
Investment in Capital Assets, Net of Related Debt	\$1,473,582	\$1,669,252				\$ 3,142,834	\$ 3,386,881
Restricted for:			\$ 145,488			145,488	105,116
Current Bond Maturities				\$ 18,800	\$ 2,075	2,075	115,450
Future Bond Maturities						18,800	18,800
Sewer Reserves, Replacement, and Maintenance						1,017,324	599,607
Unrestricted	250,106	767,218					
Total Fund Net Assets	\$1,723,688	\$2,436,470	\$ 145,488	\$ 18,800	\$ 2,075	\$ 4,326,521	\$ 4,225,854
Total Liabilities and Fund Net Assets	\$2,201,988	\$4,982,785	\$ 145,488	\$ 18,800	\$ 2,075	\$ 7,351,136	\$ 7,312,041

CITY OF BUNKER HILL, ILLINOIS
COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2018
(COMPARED TO FISCAL YEAR ENDED APRIL 30, 2017)

	WATER FUND	SEWER FUND	BOND AND INTEREST FUND	SEWER DEPRECIATION FUND	SEWER BOND RESERVE	TOTAL
						2018 2017
OPERATING REVENUES:						
Water and Sewer Collections	\$ 766,304	\$ 471,405				\$ 1,237,709 \$ 1,028,470
Connection Fees	12,747					12,747 6,855
Penalties	12,164	7,366				19,530 16,572
Refunds and Reimbursements	10,130	290				10,420 43,567
Total Operating Revenues	\$ 801,345	\$ 479,061	\$ -	\$ -	\$ -	\$ 1,280,406 \$ 1,095,464
OPERATING EXPENSES:						
Cost of Water	\$ 358,241					\$ 358,241 \$ 298,552
Salaries and Wages	66,440	\$ 61,111				127,551 113,056
Payroll Taxes and Fringe Benefits	75,695	70,807				146,502 135,018
Repairs and Maintenance	14,902	13,671				28,573 96,582
Professional Fees	38,769	10,432				49,201 23,755
Equipment Rental	4,503	4,632				9,135 2,696
Supplies	11,550	19,378				30,928 23,796
Telephone and Utilities	20,192	24,119				44,311 25,449
Insurance	10,609	10,609				21,218 20,736
Travel and Auto	5,008	2,671				7,679 5,911
Depreciation	142,723	165,321				308,044 297,725
Other Expenses	13,934	10,150				24,084 10,677
Total Operating Expenses	\$ 762,566	\$ 392,901	\$ -	\$ -	\$ -	\$ 1,155,467 \$ 1,053,953
NET INCOME (LOSS) FROM OPERATIONS	\$ 38,779	\$ 86,160	\$ -	\$ -	\$ -	\$ 124,939 \$ 41,511
NON-OPERATING REVENUES (EXPENSES):						
Interest Income	\$ 207	\$ 1,650				\$ 1,857 \$ 1,079
Property Taxes			\$ 40,372			40,372 35,881
Grant Revenue						- 377,351
Interest Expense	(14,778)	(51,723)				(66,501) (68,292)
Total Non-Operating Revenues (Expenses)	\$ (14,571)	\$ (50,073)	\$ 40,372	\$ -	\$ -	\$ (24,272) \$ 346,019
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ 24,208	\$ 36,087	\$ 40,372	\$ -	\$ -	\$ 100,667 \$ 387,530
TOTAL OPERATING TRANSFERS (TO) FROM OTHER FUNDS						\$ - \$ -
INCREASE (DECREASE) IN FUND NET ASSETS	\$ 24,208	\$ 36,087	\$ 40,372	\$ -	\$ -	\$ 100,667 \$ 387,530
FUND NET ASSETS - MAY 1	1,699,480	2,400,383	105,116	\$ 18,800	\$ 2,075	4,225,854 3,838,324
FUND NET ASSETS - APRIL 30	\$ 1,723,688	\$ 2,436,470	\$ 145,488	\$ 18,800	\$ 2,075	\$ 4,326,521 \$ 4,225,854