

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED APRIL 30, 2017



CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-3
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH TAX INCREMENT FINANCING ACT	4-5
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
<u>EXHIBIT</u>	
A Statement of Net Position - Modified Cash Basis	6
B Statement of Activities - Modified Cash Basis	7-8
FUND FINANCIAL STATEMENTS:	
C Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis - Governmental Funds	9
D Reconciliation of the Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis - Governmental Funds to the Statement of Net Position - Modified Cash Basis	10
E Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Governmental Funds	11-12
F Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Governmental Funds to the Statement of Activities - Modified Cash Basis	13
G Statement of Net Position - Modified Cash Basis - Proprietary Funds	14
H Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis - Proprietary Funds	15-16

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
TABLE OF CONTENTS

PAGE

BASIC FINANCIAL STATEMENTS (CONT'D):

FUND FINANCIAL STATEMENTS (CONT'D):

EXHIBIT

I	Statement of Cash Flows - Modified Cash Basis - Proprietary Funds	17-18
---	---	-------

INDEX TO NOTES	19-20
----------------	-------

NOTES TO FINANCIAL STATEMENTS	21-52
-------------------------------	-------

SUPPLEMENTARY INFORMATION:

STATEMENT

1	Combining Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis - Nonmajor Governmental Funds	53
2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Nonmajor Governmental Funds	54

OTHER INFORMATION:

SCHEDULE

A	Schedule of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Budget (Modified Cash Basis) and Actual - General and Major Special Revenue Funds	55-58
B	Note to Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Modified Cash Basis) and Actual General and Major Special Revenue Funds	59
C	Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Major Capital Projects Fund - Capital Improvement Fund	60

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
TABLE OF CONTENTS

PAGE

OTHER INFORMATION (CONT'D):

SCHEDULE

D	Multiyear Schedule of Changes in Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund - Regular Plan	61
E	Multiyear Schedule of Changes in Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund - ECO Plan	62
F	Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund - Regular Plan	63
G	Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund - ECO Plan	64
H	Notes to the Schedule of Contributions - Illinois Municipal Retirement Fund	65-66

TABLE

1	Schedule of Assessed Valuations, Extensions and Collections - Last Two Fiscal Years	67
---	--	----



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSO

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Board of Aldermen
City of Trenton, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Trenton, Illinois as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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.

Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities and Each Major Proprietary Fund

The City has not disclosed the descriptive information about the other post-employment benefits commitments required by standards.

Qualified Opinions

In our opinion, except for the effects of not providing the disclosures related to the OPEB described in the "Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities and Each Major Proprietary Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, business-type activities and each major proprietary fund of the City of Trenton, Illinois as of April 30, 2017, and the respective changes in financial position - modified cash basis and, where applicable, cash flows, thereof, for the year then ended in conformity with the basis of accounting described in Note 1.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the aggregate discretely presented component unit, each major governmental fund and the aggregate remaining fund information of the City of Trenton, Illinois as of April 30, 2017, and the respective changes in modified cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from the City of Trenton's April 30, 2016 financial statements and, in our report dated September 16, 2016, expressed unmodified

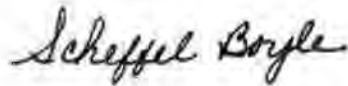
opinions on the respective financial statements of the aggregate discretely presented component unit, each major governmental fund and the aggregate remaining fund information. They expressed qualified opinions on the governmental activities, the business-type activities and each major proprietary fund for not disclosing the other post-employment benefit (OPEB) descriptive information about OPEB.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Trenton's basic financial statements. The accompanying supplementary information, other information and the List of City Officials, as 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 supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information, as listed in the table of contents, 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.



Belleville, Illinois

August 7, 2017



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSO

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH TAX INCREMENT FINANCING ACT

Honorable Mayor and
Board of Aldermen
City of Trenton, Illinois

We have audited the modified cash basis financial statements of the City of Trenton, Illinois, as listed in the table of contents, for the year ended April 30, 2017, and have issued our report thereon dated August 7, 2017, which was qualified for not providing the required disclosures for other post-employment benefit (OPEB) obligations. The financial statements are the responsibility of management of the City of Trenton, Illinois. Our responsibility is to express opinions on the financial statements based on our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The management of the City of Trenton, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the accounting provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced laws and regulations, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Aldermen and management of the City of Trenton, Illinois and the Office of the Illinois Comptroller, and is not intended to be and should not be used by anyone other than these specified parties.

Scheffel Boyle

Belleville, Illinois

August 7, 2017

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR APRIL 30, 2016)

	Primary Government				2017	2016
	Governmental	Business-Type	2017	2016	Component	Component
	Activities	Activities	Total	Total	Unit	Unit
ASSETS:						
Cash and Cash Equivalents	\$ 2,527,182	\$ 371,527	\$ 2,898,709	\$ 2,918,528	\$ 105,154	\$ 100,890
Investments	209,189	153,171	362,360	360,222	-	-
Restricted Assets						
Cash and Cash Equivalents	28,503	21,800	50,303	46,324	-	-
Notes Receivable	15,193	-	15,193	22,155	-	-
Total Assets	<u>2,780,067</u>	<u>546,498</u>	<u>3,326,565</u>	<u>3,347,229</u>	<u>105,154</u>	<u>100,890</u>
LIABILITIES:						
Subdivision Reimbursements	-	-	-	1,299	-	-
Payroll Withholdings	727	-	727	1,067	-	-
Property Taxes	-	-	-	1,413	-	-
Liabilities Payable from						
Restricted Assets						
Customer Deposits	-	21,800	21,800	20,825	-	-
Total Liabilities	<u>727</u>	<u>21,800</u>	<u>22,527</u>	<u>24,604</u>	<u>-</u>	<u>-</u>
NET POSITION:						
Restricted	1,219,591	-	1,219,591	1,253,534	-	-
Unrestricted	<u>1,559,749</u>	<u>524,698</u>	<u>2,084,447</u>	<u>2,069,091</u>	<u>105,154</u>	<u>100,890</u>
TOTAL NET POSITION	<u>\$ 2,779,340</u>	<u>\$ 524,698</u>	<u>\$ 3,304,038</u>	<u>\$ 3,322,625</u>	<u>\$ 105,154</u>	<u>\$ 100,890</u>

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
				Capital		Primary Government			2017	2016
	Expenses	Charges for Services	Operating Grants	Grants and Contributions	Governmental Activities	Business-Type Activities	2017 Total	2016 Total	Component Unit	Component Unit
FUNCTIONS/PROGRAMS										
PRIMARY GOVERNMENT:										
Governmental Activities										
General Government	\$ 502,906	\$ -	\$ 2,348	\$ -	\$ (500,558)	\$ -	\$ (500,558)	\$ (495,634)		
Public Safety	740,601	272,599	-	-	(468,002)	-	(468,002)	(441,983)		
Zoning	54,068	95,844	-	-	41,776	-	41,776	50,957		
Highways and Streets	346,775	-	-	-	(346,775)	-	(346,775)	(296,342)		
Culture and Recreation	135,915	80,996	-	-	(54,919)	-	(54,919)	(57,585)		
Tax Increment Financing	192,030	-	-	-	(192,030)	-	(192,030)	(249,651)		
Debt Service - Principal and Interest	92,707	-	-	-	(92,707)	-	(92,707)	(104,995)		
Total Governmental Activities	2,065,002	449,439	2,348	-	(1,613,215)	-	(1,613,215)	(1,595,233)		
Business-Type Activities										
Water	482,783	396,028	-	-	-	(86,755)	(86,755)	(132,853)		
Sewer	1,050,070	495,813	-	-	-	(554,257)	(554,257)	161,370		
Total Business-Type Activities	1,532,853	891,841	-	-	-	(641,012)	(641,012)	28,517		
TOTAL PRIMARY GOVERNMENT	3,597,855	1,341,280	2,348	-	(1,613,215)	(641,012)	(2,254,227)	(1,566,716)		
COMPONENT UNIT:										
Library Fund	69,401	1,430	2,093	-	-	-	-	-	\$ (65,878)	\$ (67,565)
General Revenues:										
Taxes										
Property					535,895	8,652	544,547	545,106	64,893	66,080
Replacement					14,218	-	14,218	12,114	-	-
Motor Fuel					69,050	-	69,050	69,582	-	-
Sales					477,505	-	477,505	524,223	-	-

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position				2017 Component Unit	2016 Component Unit
	Charges for Services	Operating Grants	Capital Grants and Contributions	Primary Government					
				Governmental Activities	Business-Type Activities	2017 Total	2016 Total		
General Revenues (cont'd):									
Taxes (cont'd)									
Utility				73,571	-	73,571	71,976	-	-
Income				258,503	-	258,503	289,903	-	-
Use				66,334	-	66,334	62,481	-	-
Telecommunications				39,516	-	39,516	39,857	-	-
Gaming				38,258	-	38,258	29,522	-	-
Road and Bridge				18,531	-	18,531	18,044	-	-
Franchise Fees				36,838	-	36,838	35,660	-	-
Investment Income				7,378	1,540	8,918	4,861	149	150
Donations				10	-	10	197	903	2,256
Miscellaneous				32,141	-	32,141	31,016	4,197	3,172
Special Items:									
Loan Proceeds				49,500	508,200	557,700	40,955	-	-
Transfers				17,000	(17,000)	-	-	-	-
Total General Revenues, Special Items and Transfers				1,734,248	501,392	2,235,640	1,775,497	70,142	71,658
Change in Net Position				121,033	(139,620)	(18,587)	208,781	4,264	4,093
NET POSITION - BEGINNING				2,658,307	664,318	3,322,625	3,113,844	100,890	96,797
NET POSITION - ENDING				\$ 2,779,340	\$ 524,698	\$ 3,304,038	\$ 3,322,625	\$ 105,154	\$ 100,890

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

APRIL 30, 2017

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR APRIL 30, 2016)

	General Fund	Special Revenue Fund Tax Incremental Financing Fund	Capital Projects Fund Capital Improvement Fund	Other Governmental Funds	2017 Total Governmental Funds	2016 Total Governmental Funds
ASSETS:						
Cash and Cash Equivalents	\$ 461,934	\$ 804,007	\$ 624,140	\$ 637,101	\$ 2,527,182	\$ 2,405,347
Investments	179,446	-	-	29,743	209,189	207,786
Restricted Assets						
Cash and Cash Equivalents	28,503	-	-	-	28,503	25,499
Notes Receivable	-	-	-	15,193	15,193	22,155
Due from Other Funds	1,087	-	-	103	1,190	928
TOTAL ASSETS	\$ 670,970	\$ 804,007	\$ 624,140	\$ 682,140	\$ 2,781,257	\$ 2,661,715
LIABILITIES:						
Payroll Withholdings	\$ 727	\$ -	\$ -	\$ -	\$ 727	\$ 1,067
Property Taxes	-	-	-	-	-	1,413
Due to Water Fund	-	-	-	-	-	-
Due to Other Funds	-	1,087	-	103	1,190	928
Total Liabilities	727	1,087	-	103	1,917	3,408
FUND BALANCE:						
Nonspendable	-	-	-	15,193	15,193	22,155
Restricted	162,716	802,920	-	253,955	1,219,591	1,253,534
Committed	-	-	-	412,889	412,889	372,032
Assigned	-	-	624,140	-	624,140	500,790
Unassigned	507,527	-	-	-	507,527	509,796
Total Fund Balance	670,243	802,920	624,140	682,037	2,779,340	2,658,307
TOTAL LIABILITIES AND FUND BALANCE	\$ 670,970	\$ 804,007	\$ 624,140	\$ 682,140	\$ 2,781,257	\$ 2,661,715

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2017

TOTAL FUND BALANCE OF GOVERNMENTAL FUNDS (EXHIBIT "C")	\$ 2,779,340
Amounts reported for governmental activities in the statement of net position are different because:	
None	<u>-</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT "A")	<u><u>\$ 2,779,340</u></u>

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	General	Special Revenue Fund Tax Increment Financing	Capital Projects Fund Capital Improvement Fund	Other Governmental Funds	2017 Total Governmental Funds	2016 Total Governmental Funds
REVENUES:						
Property Taxes	\$ 186,462	\$ 215,592	\$ -	\$ 133,841	\$ 535,895	\$ 536,291
Intergovernmental						
Replacement Tax	14,218	-	-	-	14,218	12,114
State Sales Tax	412,289	-	-	65,216	477,505	524,223
State Income Tax	258,503	-	-	-	258,503	289,903
State Use Tax	66,334	-	-	-	66,334	62,481
Road and Bridge Tax	18,531	-	-	-	18,531	18,044
MFT Allotments	-	-	-	69,050	69,050	69,582
Grants	2,348	-	-	-	2,348	2,926
Interest Income	5,649	-	-	1,729	7,378	3,201
Miscellaneous Income	17,124	-	-	15,017	32,141	31,016
Licenses and Tags	59,896	-	-	-	59,896	49,133
Franchise Fees	36,838	-	-	-	36,838	35,660
Fines and Fees	35,375	-	-	-	35,375	48,493
Reimbursements	35,948	-	-	-	35,948	8,473
Charges for Services	237,224	-	-	-	237,224	215,769
Utility Taxes	52,178	-	-	21,393	73,571	71,976
Gaming Taxes	20,828	-	-	17,430	38,258	29,522
Donations	10	-	-	-	10	197
Telecommunications Taxes	-	-	39,516	-	39,516	39,857
Recreation Receipts	-	-	-	80,996	80,996	85,056
Total Revenues	1,459,755	215,592	39,516	404,672	2,119,535	2,133,917
EXPENDITURES:						
Current						
General Government	329,466	-	-	115,284	444,750	438,847
Public Safety	733,356	-	-	-	733,356	673,619
Zoning	28,290	-	-	-	28,290	6,649
Highways and Streets	204,746	-	-	62,136	266,882	222,548
Culture and Recreation	-	-	-	121,357	121,357	126,061
Tax Increment Financing	-	192,030	-	-	192,030	249,651
Debt Service						
Principal Retirement	86,976	-	-	-	86,976	99,462
Interest Expense	5,731	-	-	-	5,731	5,533
Capital Expenditures	130,000	-	-	55,630	185,630	182,713
Total Expenditures	1,518,565	192,030	-	354,407	2,065,002	2,005,083
Excess (Deficiency) of Revenues Over Expenditures	(58,810)	23,562	39,516	50,265	54,533	128,834

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	General	Special Revenue Fund Tax Increment Financing	Capital Projects Fund Capital Improvement Fund	Other Governmental Funds	2017 Total Governmental Funds	2016 Total Governmental Funds
OTHER FINANCING SOURCES (USES):						
Proceeds from Loan	49,500	-	-	-	49,500	40,955
Transfer In	27,384	-	83,834	-	111,218	332,960
Transfer (Out)	(83,834)	-	-	(10,384)	(94,218)	(316,478)
Total Other Financing Sources (Uses)	(6,950)	-	83,834	(10,384)	66,500	57,437
Net Change in Fund Balance	(65,760)	23,562	123,350	39,881	121,033	186,271
FUND BALANCE, BEGINNING OF YEAR	736,003	779,358	500,790	642,156	2,658,307	2,472,036
FUND BALANCE, END OF YEAR	\$ 670,243	\$ 802,920	\$ 624,140	\$ 682,037	\$ 2,779,340	\$ 2,658,307

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH
BASIS - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2017

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS (EXHIBIT "E")	\$ 121,033
Amounts reported for governmental activities in the statement of activities are different because:	
None	<u>-</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT "B")	<u>\$ 121,033</u>

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR APRIL 30, 2016)

	Water Fund	Sewer Fund	2017 Total Proprietary Funds	2016 Total Proprietary Funds
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 58,429	\$ 313,098	\$ 371,527	\$ 513,181
Investments	107,438	45,733	153,171	152,436
Total Current Assets	<u>165,867</u>	<u>358,831</u>	<u>524,698</u>	<u>665,617</u>
RESTRICTED ASSETS:				
Cash and Cash Equivalents	21,800	-	21,800	20,825
Total Assets	<u>187,667</u>	<u>358,831</u>	<u>546,498</u>	<u>686,442</u>
CURRENT LIABILITIES:				
Subdivision Reimbursements	-	-	-	1,299
Liabilities Payable from Restricted Assets				
Customer Deposits	21,800	-	21,800	20,825
Total Liabilities	<u>21,800</u>	<u>-</u>	<u>21,800</u>	<u>22,124</u>
NET POSITION:				
Unrestricted	<u>165,867</u>	<u>358,831</u>	<u>524,698</u>	<u>664,318</u>
TOTAL NET POSITION	<u>\$ 165,867</u>	<u>\$ 358,831</u>	<u>\$ 524,698</u>	<u>\$ 664,318</u>

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2017

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	Water Fund	Sewer Fund	2017 Total Proprietary Funds	2016 Total Proprietary Funds
OPERATING REVENUES:				
Sales to Customers	\$ 388,733	\$ 489,237	\$ 877,970	\$ 889,607
Water Meters	422	-	422	-
Water/Sewer Permits	4,200	2,400	6,600	-
Miscellaneous Income	2,673	4,176	6,849	5,860
Total Operating Revenues	<u>396,028</u>	<u>495,813</u>	<u>891,841</u>	<u>895,467</u>
OPERATING EXPENSES:				
Personal Services	187,156	186,248	373,404	338,293
Contractual Services	26,456	218,068	244,524	91,978
Materials and Supplies	193,072	74,819	267,891	313,434
Miscellaneous	519	769	1,288	1,300
Capital Outlay	-	414,300	414,300	9,911
Total Operating Expenses	<u>407,203</u>	<u>894,204</u>	<u>1,301,407</u>	<u>754,916</u>
Operating Income (Loss)	<u>(11,175)</u>	<u>(398,391)</u>	<u>(409,566)</u>	<u>140,551</u>
NONOPERATING REVENUES (EXPENSES):				
Property Taxes	-	8,652	8,652	8,815
Interest Income	1,235	305	1,540	1,660
Loan Proceeds	-	508,200	508,200	-
Debt Service	<u>(75,580)</u>	<u>(155,866)</u>	<u>(231,446)</u>	<u>(112,034)</u>
Total Nonoperating Revenues (Expenses)	<u>(74,345)</u>	<u>361,291</u>	<u>286,946</u>	<u>(101,559)</u>
Income (Loss) Before Transfers	<u>(85,520)</u>	<u>(37,100)</u>	<u>(122,620)</u>	<u>38,992</u>
TRANSFERS:				
Transfers (Out)	<u>(5,000)</u>	<u>(12,000)</u>	<u>(17,000)</u>	<u>(16,482)</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2017 Total Proprietary Funds</u>	<u>2016 Total Proprietary Funds</u>
Change in Net Position	(90,520)	(49,100)	(139,620)	22,510
TOTAL NET POSITION, BEGINNING	<u>256,387</u>	<u>407,931</u>	<u>664,318</u>	<u>641,808</u>
TOTAL NET POSITION, ENDING	<u>\$ 165,867</u>	<u>\$ 358,831</u>	<u>\$ 524,698</u>	<u>\$ 664,318</u>

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2017

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	Water Fund	Sewer Fund	2017 Total Proprietary Funds	2016 Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers and Users	\$ 389,049	\$ 488,597	\$ 877,646	\$ 890,657
Receipts from Miscellaneous Revenues	7,295	6,576	13,871	5,860
Payments to Suppliers	(220,047)	(707,956)	(928,003)	(416,623)
Payments to and for Employees	(187,156)	(186,248)	(373,404)	(338,293)
Net Cash Provided (Used) by Operating Activities	(10,859)	(399,031)	(409,890)	141,601
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Proceeds from Property Tax	-	8,652	8,652	8,815
Payment of Interfund Loans and Transfers	(5,000)	(12,000)	(17,000)	(16,482)
Proceeds from Loan	-	508,200	508,200	-
Net Cash Provided (Used) by Noncapital Financing Activities	(5,000)	504,852	499,852	(7,667)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal Payments on Notes	(62,504)	(153,222)	(215,726)	(92,849)
Interest Paid on Notes	(13,076)	(2,644)	(15,720)	(19,185)
Net Cash (Used) by Capital and Related Financing Activities	(75,580)	(155,866)	(231,446)	(112,034)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	(556)	(179)	(735)	(447)
Interest Received	1,235	305	1,540	1,660
Net Cash Provided by Investing Activities	679	126	805	1,213
Net Increase (Decrease) in Cash and Cash Equivalents	(90,760)	(49,919)	(140,679)	23,113

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2017

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2017 Total Proprietary Funds</u>	<u>2016 Total Proprietary Funds</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	170,989	363,017	534,006	510,893
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 80,229</u>	<u>\$ 313,098</u>	<u>\$ 393,327</u>	<u>\$ 534,006</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (11,175)	\$ (398,391)	\$ (409,566)	\$ 140,551
Increase (Decrease) in Liabilities Payable from Restricted Assets				
Subdivision Reimbursements	(659)	(640)	(1,299)	-
Customer Deposits	975	-	975	1,050
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (10,859)</u>	<u>\$ (399,031)</u>	<u>\$ (409,890)</u>	<u>\$ 141,601</u>
CASH AND CASH EQUIVALENTS, ACCOUNTED FOR AS FOLLOWS:				
Unrestricted Cash and Cash Equivalents			\$ 371,527	\$ 513,181
Restricted Cash and Cash Equivalents			21,800	20,825
TOTAL AS ABOVE			<u>\$ 393,327</u>	<u>\$ 534,006</u>

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
INDEX TO NOTES

<u>NOTE</u>	<u>PAGE</u>
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. The Financial Reporting Entity	21
B. Government-Wide and Fund Financial Statements	21-22
C. Fund Accounting	23
D. Measurement Focus, Basis of Accounting and Financial Statement Presentation	23-24
E. Budgetary Data	24
F. Cash and Cash Equivalents	24
G. Receivables and Payables	24
H. Property Taxes	25
I. Net Position/Fund Balance	25
J. Other Obligations	25-26
K. Comparative Data	26
L. New GASB Pronouncements	26
2 LEGAL COMPLIANCE AND ACCOUNTABILITY	
A. Budgetary Data	27
B. Budget Basis of Accounting	27
3 DEPOSITS AND INVESTMENTS	27-29
4 FUND BALANCES - GOVERNMENTAL FUNDS	29-31
5 OTHER NOTE DISCLOSURES	
A. Note Receivable	31
B. Legal Debt Margin	31-32
C. Risk Management	32
D. Retirement Commitments	
Illinois Municipal Retirement Fund	32-43
E. Tax Increment Financing District	44
F. Annuity	44
G. Interfund Receivables and Payables	44-45
6 COMMITMENTS	45-50
7 TORT IMMUNITY	50
8 INTERFUND TRANSFERS	50-51

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
INDEX TO NOTES

<u>NOTE</u>	<u>PAGE</u>
9 DATE OF MANAGEMENT EVALUATION	51
10 GRANT CONTINGENCIES	51
11 TAX ABATEMENTS	52

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Trenton (the "City") operates on a Mayor-Board form of government and provides the following services as authorized by its charter: public safety (police, health, and emergency and disaster service), streets, culture-recreation, public improvements and general administrative services. Other services include utilities (water and sewer). The financial statements are prepared under the modified cash basis of accounting as described in Note 1D. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City is a municipal corporation governed by an elected Mayor and a six member Board of Aldermen. The Mayor heads the administration of the City and, with the consent of the Board of Aldermen, appoints the various department heads.

As required by standards, these financial statements present the City and its component unit. The component unit is included in the City's reporting entity because of the City's financial accountability; the appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or the component unit is fiscally dependent on the primary government and there are potential financial benefits or burdens on the primary government. The component unit is discretely presented in the financial statements and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The component unit has the same fiscal year end as the City.

Discretely Presented Component Unit - Trenton Public Library

The Trenton Public Library (the Library) is governed by a Board of Directors. The Library submits its property tax levy to the Board for approval and the taxes are levied under the City's authority and included as part of the City's total tax levy.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information for the City as a whole.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Government-Wide and Fund Financial Statements (cont'd)

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 to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program 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) operating grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Tax Increment Financing (TIF) Fund is one of the City's special revenue funds. It accounts for real estate tax money collected and reimbursed to businesses within the TIF District who have a tax increment financing agreement with the City and are making building improvements.

The Capital Improvements Capital Projects Fund is used to account for the acquisition of major capital purchases not associated with enterprise funds.

The City reports the following major proprietary funds:

The Water and Sewer Enterprise Funds are used to account for the activities of the water and sewerage operations.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Fund Accounting

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into two categories: governmental and proprietary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting as are the proprietary fund financial statements. The cash basis of accounting is modified to include investments at fair value, notes receivable created by cash transactions and payroll liabilities, and subdivision reimbursements, which are current liabilities, created by cash transactions. Revenues are recorded when they are collected and expenses are generally reported when the liability is paid. Revenue from property taxes, grants and donations are recognized when received consistent with the cash basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized when they are collected. Expenditures are generally recorded when paid. The cash basis is modified as noted above.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (cont'd)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and acquisition of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The cash basis is modified as noted above.

Under the modified cash basis of accounting, the City does not report capital assets as an asset or long-term debt as a liability. Cash paid to acquire capital assets is recorded as an expenditure (expense) under capital outlay. Cash received from the sale of capital assets is recorded as an other financing source or nonoperating revenue. Cash received from the proceeds of long-term debt are considered other financing sources or nonoperating revenues and cash disbursed to pay long-term debt is shown as an expenditure for debt service.

E. Budgetary Data

Annual budgets for all funds of the City are adopted on the modified cash basis of accounting, which is not consistent with generally accepted accounting principles. Budgeted revenue is not included in these financial statements because it is not separately identified for each fund. The budget was not amended.

The City did not adopt a budget for the Community Development Fund nor the Police Equipment Fund.

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date within three months of the date acquired by the government.

G. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to and due from other funds.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Property Taxes

Property tax revenues are recorded when received.

The City's property taxes are levied each calendar year on all taxable real property located in the City. Property taxes attach as an enforceable lien on property as of January 1 of the levy year. A certified copy of the tax levy has to be filed annually with the County Clerk by the last Tuesday in December. The City levied its property taxes on December 12, 2016. Installment due dates for collections of property taxes are approximately the months of July and September of the year subsequent to the tax levy. The City receives the bulk of its property taxes during July through September. The property tax revenue presented in these financial statements is from the 2015 and prior levies.

I. Net Position/Fund Balance

Net Position

Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. In the current year the City does not have any deferred outflows or inflows of resources. Net position is reported as restricted when there are limitations on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties or enabling legislation for use for a specific purpose. Commitments and assignments of fund balance represent tentative board and management plans, respectively, that are subject to change.

J. Other Obligations

Sick leave is earned by City employees at the rate of 3 days per year (30 days maximum). Employees are compensated for sick leave, upon retirement, at 50% of the accumulated

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Other Obligations (cont'd)

amount. Terminated employees are not paid for accumulated sick leave. Personal days and vacation days are earned and eligible for use each January 1. The City requires employees to take their vacation annually on a calendar year basis. An estimate of the liability for personal days and vacation at 100% of the accumulation on April 30, 2017 is \$43,474. Under the modified cash basis this liability is not reported in the financial statements of the City.

K. Comparative Data

Comparative data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) has not been presented since this inclusion would make the statements unduly complex and difficult to read.

L. New GASB Pronouncements

The Governmental Accounting Standards Board has issued several new pronouncements that the City has reviewed for application to their accounting and reporting.

For the year ended April 30, 2017, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015, which addresses accounting and financial reporting issues related to fair value measurements for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

For the year ended April 30, 2017, the City adopted GASB Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. The statement requires disclosures about tax abatement agreements (i.e. an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens). The statement requires disclosures about not only the reporting government's own tax abatement agreements but those that are entered into by other governments and reduce the reporting government's tax revenues as well.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 2. LEGAL COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

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

1. By July 1, the Mayor submits to the Board a proposed operating budget for all funds of the City, except for the Community Development Fund and Police Equipment Fund, for the fiscal year commencing the prior May 1. The operating budget includes proposed expenditures. This budget is made available for inspection by the public.
2. During July, the budget is legally enacted through passage of an ordinance. An annual tax levy is then calculated based on the budgeted expenditures. The City Board adopts an appropriation ordinance for all funds of the City. During the year the Board approves supplemental appropriation ordinances.
3. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Board.
4. The Mayor shall establish and maintain such procedures as shall insure that no expenditures are made by the City, its department, commissions or Board except as authorized by budget.
5. All annual appropriations lapse at fiscal year-end.

B. Budget Basis of Accounting

Annual budgets for all funds of the City are adopted on the modified cash basis of accounting. The City does not budget for the Community Development Fund nor the Police Equipment Fund.

NOTE 3. DEPOSITS AND INVESTMENTS

The City is authorized by state statute to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations,

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 3. DEPOSITS AND INVESTMENTS (CONT'D)

repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The City does not enter into any reverse repurchase agreements.

Deposits

At April 30, 2017 the carrying amount of the City's deposits totaled \$2,698,371. The carrying amount of the City's component unit's deposits totaled \$105,154. These amounts include cash on hand of \$600.

The bank balances of the City's deposits totaled \$2,813,325. The bank balance of the City's component unit's deposits totaled \$104,757.

Of the City's bank balances, \$880,553 was insured by the Federal Deposit Insurance Corporation (FDIC), \$2,932,772 was covered by pledged collateral held in the City's name. Of the City's component unit bank balances, \$104,757 was insured by the Federal Deposit Insurance Corporation (FDIC).

At all times the City Board requires that deposits in excess of 10% of the capital and surplus of a financial institution be collateralized.

Investments

Investments made by the City of Trenton, in addition to certificates of deposit, which are collateralized above, consist of participation in the "Illinois Fund," a local government public treasurers' investment pool. This is an investment that is not subject to risk categorization. Investments are stated at fair value. The Illinois Fund is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool is not registered with the SEC as an investment company. The carrying amount and fair value of this investment at April 30, 2017 is as follows:

<u>Primary Government</u> <u>Investment Type</u>	<u>Carrying and</u> <u>Fair Value</u>	<u>Maturity</u> <u>Less than 1 Year</u>
External Investment Pool - Illinois Funds	<u>\$ 613,001</u>	<u>\$ 613,001</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 3. DEPOSITS AND INVESTMENTS (CONT'D)

Reconciliation to financial statements:

	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Exhibit A			
Cash	\$ 2,285,708	\$ 613,001	\$ 2,898,709
Investments	362,360	-	362,360
Restricted Assets			
Cash and Cash Equivalents	50,303	-	50,303
Above Carrying Amounts	<u>\$ 2,698,371</u>	<u>\$ 613,001</u>	<u>\$ 3,311,372</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The City does have a formal investment policy but it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper, corporate bonds and money market mutual funds to the top two ratings, issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of April 30, 2017 the City's investment in the external investment pool was rated AAA by Standard & Poor's.

Concentration of Credit Risk

In the current year more than 5% of the City's investments are in the external investment pool. At April 30, 2017 this investment is 100% of the City's total investments.

NOTE 4. FUND BALANCES - GOVERNMENTAL FUNDS

As of April 30, 2017, fund balances of the governmental funds are classified as follows:

Nonspendable - 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 TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 4. FUND BALANCES - GOVERNMENTAL FUNDS (CONT'D)

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - consists of fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's Board of Aldermen, the City's highest level of decision-making authority.

Assigned - consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the City's Board of Aldermen or the Department Heads or their designee.

Unassigned - fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

As of April 30, 2017, fund balances are comprised of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
General	\$ -	\$ 162,716	\$ -	\$ -	\$ 507,527
TIF	-	802,920	-	-	-
Capital Improvement	-	-	-	624,140	-
Other Governmental Funds	15,193	253,955	412,889	-	-
	<u>\$ 15,193</u>	<u>\$ 1,219,591</u>	<u>\$ 412,889</u>	<u>\$ 624,140</u>	<u>\$ 507,527</u>

The General Fund restricted consists of:

DARE Fund Program	\$ 28,503
Safety Grant	2,179
Tort	132,034
	<u>\$ 162,716</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 4. FUND BALANCES - GOVERNMENTAL FUNDS (CONT'D)

Other fund restrictions consist of:

Social Security	\$ 47,169
Retirement	82,216
Road Maintenance and Improvement	124,570
	<u>\$ 253,955</u>

The City has committed \$121,178 for business development for new construction, \$88,181 for bringing new business to the City, \$8,556 for new equipment purchases, primarily for the public works department, \$133,185 for improving infrastructure, \$25,603 for maintenance of park and programs offered, and \$36,186 for new equipment purchases for the police department.

The City has a nonspendable fund balance of \$15,193 in the Community Development Fund which represents the notes receivable which are nonspendable.

NOTE 5. OTHER NOTE DISCLOSURES

A. Note Receivable

During a prior year the City of Trenton Community Development Fund extended a loan to a local business in the amount of \$65,000 to be repaid at 3% interest with monthly payments of \$627.64 for 10 years with the final payment due on May 1, 2019. The City holds collateral to land, buildings, fixtures, machinery and equipment.

The balance at April 30, 2017 is:

Original Loan	Balance at 4/30/17
<u>\$ 65,000</u>	<u>\$ 15,193</u>

B. Legal Debt Margin

ASSESSED VALUATION - 2015 TAX YEAR (Latest Year Available)	<u>\$ 43,292,153</u>
---	----------------------

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

B. Legal Debt Margin (cont'd)

STATUTORY DEBT LIMITATION

(8.625% of Assessed Valuation

Per the Illinois Compiled Statutes

65 ILCS 5/8-5-1)

\$ 3,733,948

Debt

1,102,005

LEGAL DEBT MARGIN

\$ 2,631,943

C. Risk Management

The City purchases commercial general liability, auto, accident and sickness, and property insurance through the Illinois Counties Risk Management Trust. The City purchases workers' compensation insurance through Illinois Public Risk Fund. The City, therefore, retains no significant amount of risk. The City is liable for any claims in excess of its coverage amount. Claims have not exceeded coverage during the past three years. There has not been a significant reduction in coverage during the past year.

The City joined the Intergovernmental Personnel Benefit Cooperative (the Cooperative) during the current year. The Cooperative administers some of the personnel benefit programs offered by its members to their employees. The benefits include medical expense claim payments, dental and life insurance. All members participating in the cooperative pool their risks and funds and share in the cost of losses and surpluses.

As of April 30, 2017, we are not aware of any additional assessments that may be billed to the City.

D. Retirement Commitments

Illinois Municipal Retirement Fund

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Plan Description (cont'd)

(IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefit 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 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Benefits Provided (cont'd)

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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	Regular Plan	ECO
Retirees and Beneficiaries Currently Receiving Benefits	11	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10	-
Active Plan Members	19	-
Total	<u>40</u>	<u>-</u>

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. ECO members are required to contribute 7.5% of their annual covered payroll. 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 was 10.65% for regular members and 0% for ECO members. For the fiscal year ended April 30, 2017, the City contributed \$92,337 to the regular plan and \$-0- to the ECO plan. The City also contributes for disability benefits, death benefits, and supplemental retirement

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Contributions (cont'd)

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, 2016. 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, 2016:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	3.00%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.49% for Regular Plan; 7.50% for ECO Plan
Retirement Age	Experience-based table 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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Actuarial Assumptions (cont'd)

Mortality (cont'd)

Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections 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:

Notes

There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation report.

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 as of December 31, 2016:

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Actuarial Assumptions (cont'd)

Asset Class	Target Allocation	Return 12/31/16	Projected Returns Risk	
			One Year Arithmetic	Ten Year Arithmetic
Equities	38.00%	7.77%	8.30%	6.85%
International Equities	17.00%	3.54%	8.45%	6.75%
Fixed Income	27.00%	4.85%	3.05%	3.00%
Real Estate	8.00%	8.97%	6.90%	5.75%
Alternatives	9.00%			
Private Equity		N/A	12.45%	7.35%
Hedge Funds		N/A	5.35%	5.25%
Commodities		N/A	4.25%	2.65%
Cash Equivalents	1.00%	N/A	2.25%	2.25%

Single Discount Rate

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

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

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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Single Discount Rate (cont'd)

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 the ECO Plan.

Changes in the Net Pension Liability

Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at December 31, 2015	\$ 4,368,270	\$ 3,955,832	\$ 412,438
Changes for the Year:			
Service Cost	83,512	-	83,512
Interest on the Total Pension Liability	322,559	-	322,559
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(234,941)	-	(234,941)
Changes in Assumptions	(4,836)	-	(4,836)
Contributions - Employer	-	89,112	(89,112)
Contributions - Employees	-	37,653	(37,653)
Net Investment Income	-	276,203	(276,203)
Benefit Payments, Including Refunds of Employee Contributions	(206,985)	(206,985)	-
Other (Net Transfers)	-	(213,903)	213,903
Net Changes	(40,691)	(17,920)	(22,771)
Balance at December 31, 2016	\$ 4,327,579	\$ 3,937,912	\$ 389,667

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Changes in the Net Pension Liability (cont'd)

ECO Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at December 31, 2015	\$ 2,361	\$ 2,361	\$ -
Changes for the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	177	-	177
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(2,538)	-	(2,538)
Changes in Assumptions	-	-	-
Contributions - Employer	-	-	-
Contributions - Employees	-	-	-
Net Investment Income	-	177	(177)
Benefit Payments, Including Refunds of Employee Contributions	-	-	-
Other (Net Transfers)	-	(2,538)	2,538
Net Changes	(2,361)	(2,361)	-
Balance at December 31, 2016	-	-	-
Total of All Plans	\$ 4,327,579	\$ 3,937,912	\$ 389,667

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

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% for the Regular Plan and 7.50% for the ECO Plan 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% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Regular Plan			
Net Pension Liability (Asset)	\$ 909,699	\$ 389,667	\$ (41,717)
ECO Plan			
Net Pension Liability (Asset)	-	-	-

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 \$92,337 for the regular plan and \$-0- for the ECO plan. At April 30, 2017 the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Regular Plan

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference Between Expected and Actual Experience	\$ 64,427	\$ 182,924

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
Related to Pensions (cont'd)

Regular Plan (cont'd)

Deferred Amounts Related to Pensions (cont'd)	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods (cont'd)		
Changes in Assumptions	2,745	3,765
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>174,553</u>	<u>-</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	241,725	186,689
Pension Contributions Made Subsequent to the Measurement Date	<u>29,067</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 270,792</u>	<u>\$ 186,689</u>

ECO Plan

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	-	-

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
Related to Pensions (cont'd)

ECO Plan (cont'd)

Deferred Amounts Related to Pensions (cont'd)	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods (cont'd)		
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	106	76
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	106	76
Pension Contributions Made Subsequent to the Measurement Date	-	-
Total Deferred Amounts Related to Pensions	<u>\$ 106</u>	<u>\$ 76</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:

Regular Plan

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2017	\$ 61,168	\$ -
2018	32,101	-
2019	16,368	-

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

D. Retirement Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources
Related to Pensions (cont'd)

Regular Plan (cont'd)

<u>Year Ending</u> <u>December 31,</u>	<u>Net Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Net Deferred</u> <u>Inflows</u> <u>of Resources</u>
2020	(25,534)	-
2021	-	-
Thereafter	-	-
Total	<u>\$ 84,103</u>	<u>\$ -</u>

ECO Plan

<u>Year Ending</u> <u>December 31,</u>	<u>Net Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Net Deferred</u> <u>Inflows</u> <u>of Resources</u>
2017	\$ 17	\$ -
2018	17	-
2019	15	-
2020	(19)	-
2021	-	-
Thereafter	-	-
Total	<u>\$ 30</u>	<u>\$ -</u>

Payables to the Pension Plan

As of April 30, 2017, the City reported a payable of \$-0- and \$-0- for the Regular Plan and ECO Plan, respectively, for a total of \$-0- outstanding required contributions to IMRF for the month of April 2017.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

E. Tax Increment Financing District

In 2002 the City established a Tax Increment Financing (TIF) District. Provisions for the establishment and operation of a TIF District are prescribed in the Illinois Compiled Statutes (2002), Chapter 65, Act 5, Article 11-74.4. The objectives of the District are defined in a redevelopment plan adopted by the City and dated February 11, 2002.

Objectives

1. To reduce or eliminate those conditions which qualify the redevelopment area as eligible for tax increment financing.
2. To prevent the recurrence of blighting conditions and those conditions prevalent to blight.
3. To enhance the real estate tax base for the City of Trenton and all other taxing districts, which extend into the redevelopment project area.
4. To encourage and assist private investment, redevelopment and rehabilitation.

The redevelopment project costs of the District are financed through the real estate property taxes derived from any increment in property tax valuation.

Funds from property taxes are to be deposited in a Special Tax Allocation Fund and redevelopment project costs are to be paid from the Fund.

F. Annuity

The City adopted an annuity plan for the employees during a prior year. All full-time employees hired prior to May 6, 2014 have the option to be covered by this plan. The City contributes 3% of an employee's salary contingent upon the employee's contribution of 3% or more individually. This plan was adopted January 1, 2002.

G. Interfund Receivables and Payables

At April 30, 2017 the City had the following interfund balances within its various funds:

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 5. OTHER NOTE DISCLOSURES (CONT'D)

G. Interfund Receivables and Payables (cont'd)

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Tax Increment Financing	\$ 1,087	\$ -
Major Special Revenue Fund:		
Tax Increment Financing		
General Fund	-	1,087
Other Governmental Funds:		
IMRF Fund		
Motor Fuel Tax	103	-
Motor Fuel Tax		
IMRF Fund	-	103
	<u>103</u>	<u>103</u>
Totals	<u>\$ 1,190</u>	<u>\$ 1,190</u>

The purpose of the majority of the interfund loans is cash collected in one fund near year end but not moved to the correct fund until after year end.

NOTE 6. COMMITMENTS

The following is a summary of changes in long-term debt for the year ended April 30, 2017. Under the modified cash basis of accounting debt is not recorded in the financial statements.

<u>Description and Purpose</u>	<u>Balance May 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2017</u>	<u>Due Within One Year</u>
Primary Government					
GOVERNMENTAL ACTIVITIES					
General Fund					
Bank Loan	\$ 177,774	\$ -	\$ 24,601	\$ 153,173	\$ 25,298
Bank Loan	12,875	49,500	62,375	-	-
TOTAL GOVERNMENTAL FUNDS	<u>\$ 190,649</u>	<u>\$ 49,500</u>	<u>\$ 86,976</u>	<u>\$ 153,173</u>	<u>\$ 25,298</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 6. COMMITMENTS (CONT'D)

Description and Purpose	Balance May 1, 2016	Additions	Deletions	Balance April 30, 2017	Due Within One Year
Primary Government (cont'd)					
BUSINESS-TYPE ACTIVITIES					
Water Funds					
IEPA Loan #1	\$ 169,395	\$ -	\$ 26,237	\$ 143,158	\$ 27,004
IEPA Loan #4	333,739	-	36,267	297,472	37,203
Total Water Funds	<u>503,134</u>	<u>-</u>	<u>62,504</u>	<u>440,630</u>	<u>64,207</u>
Sewer Funds					
IEPA Loan #3	39,116	-	39,116	-	-
IEPA Loan #5	41,375	-	41,375	-	-
IEPA Loan #6	70,658	-	70,658	-	-
IEPA Loan #7	-	508,200	-	508,200	-
Total Sewer Funds	<u>151,149</u>	<u>508,200</u>	<u>151,149</u>	<u>508,200</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 654,283</u>	<u>\$ 508,200</u>	<u>\$ 213,653</u>	<u>\$ 948,830</u>	<u>\$ 64,207</u>
TOTAL PRIMARY GOVERNMENT DEBT COMMITMENTS	<u>\$ 844,932</u>	<u>\$ 557,700</u>	<u>\$ 300,629</u>	<u>\$ 1,102,003</u>	<u>\$ 89,505</u>

Governmental Activities

Bank Loan

During a prior fiscal year, the City purchased a building with proceeds from a bank loan. The loan was in the amount of \$255,000 and bears an interest rate of 2.800%. Monthly payments of \$2,439, including interest, began on January 19, 2013 and the loan matures on December 19, 2022.

Fiscal Year Ended	Principal	Interest	Total
2018	\$ 25,298	\$ 3,967	\$ 29,265
2019	25,986	3,279	29,265

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 6. COMMITMENTS (CONT'D)

Governmental Activities (cont'd)

Bank Loan (cont'd)

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	26,748	2,517	29,265
2021	27,512	1,753	29,265
2022	28,293	972	29,265
2023	19,336	174	19,510
Total	<u>\$ 153,173</u>	<u>\$ 12,662</u>	<u>\$ 165,835</u>

During a prior fiscal year, the City purchased equipment with proceeds from a bank loan. The loan was in the amount of \$12,875 and bears an interest rate of 2.125%. Additional amounts of \$49,500 were borrowed during the current fiscal year. The loan was paid in full during the current fiscal year.

Business-Type Activities

The annual debt service requirements to maturity for business-type activities debt as of April 30, 2017 are as follows:

<u>Year</u> <u>Ending</u> <u>April 30,</u>	<u>Business-Type Activities *</u>	
	<u>IEPA Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 64,207	\$ 11,372
2019	65,961	9,619
2020	67,761	7,818
2021	69,611	5,969
2022	71,510	4,052
2023	42,269	2,341
2024	43,363	1,248
2025	15,948	205
Total	<u>\$ 440,630</u>	<u>\$ 42,624</u>

* - Excluding IEPA Loan #7; No amortization schedule available.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 6. COMMITMENTS (CONT'D)

Business-Type Activities (cont'd)

IEPA #1

During a prior year the City borrowed \$458,568, including accrued interest, from the Illinois Environmental Protection Agency for an elevated tank and watermain project. This note bears interest of 2.905%. Semi-annual payments of \$15,484, including interest, began December 18, 2002 and the loan matures December 18, 2021.

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 27,004	\$ 3,964	\$ 30,968
2019	27,795	3,174	30,969
2020	28,608	2,360	30,968
2021	29,445	1,524	30,969
2022	30,306	645	30,951
2023	-	-	-
Total	<u>\$ 143,158</u>	<u>\$ 11,667</u>	<u>\$ 154,825</u>

IEPA #3

During a prior year the City borrowed \$157,498, including accrued interest, from the Illinois Environmental Protection Agency for a wastewater project. This note bears interest of 2.535%. Semi-annual payments of \$5,172, including interest, are due from March 3, 2001 through March 3, 2020. During the current year the City repaid the loan in full.

IEPA #4

During a prior year the City borrowed \$694,229, including accrued interest, from the Illinois Environmental Protection Agency for a drinking water project and to complete the wastewater project. This note bears interest of 2.57%. Semi-annual payments of \$22,305, including interest, are due from December 15, 2004 through June 15, 2024.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 6. COMMITMENTS (CONT'D)

Business-Type Activities (cont'd)

IEPA #4 (cont'd)

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 37,203	\$ 7,408	\$ 44,611
2019	38,166	6,445	44,611
2020	39,153	5,458	44,611
2021	40,166	4,445	44,611
2022	41,204	3,407	44,611
2023	42,269	2,341	44,610
2024	43,363	1,248	44,611
2025	15,948	205	16,153
2026	-	-	-
Total	<u>\$ 297,472</u>	<u>\$ 30,957</u>	<u>\$ 328,429</u>

IEPA #5

During a prior year the City borrowed \$89,136, including accrued interest, from the Illinois Environmental Protection Agency for a wastewater project. This note bears interest of 2.50%. Semi-annual payments of \$2,902, including interest, are due from December 15, 2004 through December 15, 2023. During the current year, the City repaid the loan in full.

IEPA #6

During a prior year the City borrowed \$183,786 from the Illinois Environmental Protection Agency for sewerline construction. This note bears interest of 2.50%. Semi-annual payments of \$5,983, including interest, are due from October 26, 2006 through October 26, 2025. The City has made additional principal payments on this loan which have been applied to principal at the end of the loan. During the current year, the City repaid the loan in full.

IEPA #7

During the current year the City entered into an agreement with the Illinois Environmental Protection Agency to borrow funds for the construction of a new sewer plant. As of April 30, 2017, the City had an initial drawdown from the loan of \$508,200. The final amount of the loan is dependent upon the final total cost of the project. This will not be known until the project has been completed. Upon completion of the project, the Illinois Environmental Protection Agency will submit an amortization schedule to the City.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 6. COMMITMENTS (CONT'D)

Other

The City previously entered into a five (5) year refuse collection contract. The City will be billed monthly. The contract runs from July 1, 2015 through June 30, 2020. The projected monthly billings based on 1,095 residents will be:

July 1, 2016 Through June 30, 2017	\$ 20,225	Per Month
July 1, 2017 Through June 30, 2018	\$ 20,958	Per Month
July 1, 2018 Through June 30, 2019	\$ 21,714	Per Month
July 1, 2019 Through June 30, 2020	\$ 22,491	Per Month

NOTE 7. TORT IMMUNITY

The following is a list of receipts, expenditures and restricted fund balance for tort immunity:

Beginning Restricted Fund Balance, May 1, 2016	\$ 200,708
Receipts	
Property Taxes	10,034
Total Available	<u>210,742</u>
Expenditures	
Insurance	<u>78,708</u>
Ending Restricted Fund Balance, April 30, 2017	<u>\$ 132,034</u>

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended April 30, 2017 consisted of the following amounts:

	<u>Transfers From</u>	<u>Transfers To</u>
GOVERNMENTAL FUNDS		
MAJOR FUNDS:		
General Fund		
Water Fund	\$ 5,000	\$ -
Sewer Fund	12,000	-
Capital Improvement Fund	-	83,834
Equipment Fund	10,384	-
Total Major Funds	<u>27,384</u>	<u>83,834</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 8. INTERFUND TRANSFERS (CONT'D)

	<u>Transfers From</u>	<u>Transfers To</u>
GOVERNMENTAL FUNDS (CONT'D)		
NONMAJOR FUND:		
Capital Improvement Fund		
General Fund	83,834	-
Equipment Fund		
General Fund	-	10,384
Total Nonmajor Fund	<u>83,834</u>	<u>10,384</u>
 TOTAL GOVERNMENTAL FUNDS	 <u>\$ 111,218</u>	 <u>\$ 94,218</u>
 PROPRIETARY FUNDS		
MAJOR FUNDS:		
Water Fund		
General Fund	\$ -	\$ 5,000
Sewer Fund		
General Fund	<u>-</u>	<u>12,000</u>
 TOTAL PROPRIETARY FUNDS	 <u>\$ -</u>	 <u>\$ 17,000</u>
 TOTAL ALL FUNDS	 <u>\$ 111,218</u>	 <u>\$ 111,218</u>

The purpose of the transfer from the Water Fund to the General Fund was to assist in the monthly loan payments on the K&D property.

NOTE 9. DATE OF MANAGEMENT EVALUATION

Management has evaluated subsequent events through the date of this report, the date on which the financial statements were available to be issued.

NOTE 10. GRANT CONTINGENCIES

The City has received funding from various state grants in the current and prior years, which are subject to audits by the granting agencies. The City believes any adjustments that may arise from the audits will be insignificant to the City's operations.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 11. TAX ABATEMENTS

The City has entered into several property tax abatement agreements with local businesses as part of Tax Increment Financing redevelopment agreements. For the fiscal year ended April 30, 2017, the City abated property taxes totaling \$13,207 under these agreements, including the following tax abatement agreements that each exceeded 10 percent of the total abated:

A 50 percent property tax abatement to a day care center for renovations. The abatement amounted to \$6,167.

A 50 percent tax abatement to a retail establishment for an addition to their building. The abatement amounted to \$3,664.

A 25 percent property tax reduction to a bank for rehab and expansion of its facility. The abatement amounted to \$3,376.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
COMBINING STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

APRIL 30, 2017

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	Special Revenue Funds								Capital Projects Fund		
	Recreation Fund	Social Security Fund	Retirement Fund	Motor Fuel Tax Fund	Industrial Commission Fund	Community Development	Equipment Fund	Police Equipment Fund	Infrastructure Fund	2017 Totals	2016 Totals
ASSETS:											
Cash	\$ 25,603	\$ 47,169	\$ 82,113	\$ 124,673	\$ 58,438	\$ 121,178	\$ 8,556	\$ 36,186	\$ 133,185	\$ 637,101	\$ 589,654
Investments	-	-	-	-	29,743	-	-	-	-	29,743	29,623
Notes Receivable	-	-	-	-	-	15,193	-	-	-	15,193	22,155
Due from Other Funds	-	-	103	-	-	-	-	-	-	103	827
TOTAL ASSETS	\$ 25,603	\$ 47,169	\$ 82,216	\$ 124,673	\$ 88,181	\$ 136,371	\$ 8,556	\$ 36,186	\$ 133,185	\$ 682,140	\$ 642,259
LIABILITIES:											
Due to Other Funds	\$ -	\$ -	\$ -	\$ 103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103	\$ 103
MUNICIPAL EQUITY:											
Fund Balance											
Nonspendable	-	-	-	-	-	15,193	-	-	-	15,193	22,155
Restricted	-	47,169	82,216	124,570	-	-	-	-	-	253,955	247,969
Committed	25,603	-	-	-	88,181	121,178	8,556	36,186	133,185	412,889	372,032
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	25,603	47,169	82,216	124,570	88,181	136,371	8,556	36,186	133,185	682,037	642,156
TOTAL LIABILITIES AND MUNICIPAL EQUITY	\$ 25,603	\$ 47,169	\$ 82,216	\$ 124,673	\$ 88,181	\$ 136,371	\$ 8,556	\$ 36,186	\$ 133,185	\$ 682,140	\$ 642,259

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2017

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED APRIL 30, 2016)

	Special Revenue Funds								Capital Projects Fund	2017 Totals	2016 Totals
	Recreation Fund	Social Security Fund	Retirement Fund	Motor Fuel Tax Fund	Industrial Commission Fund	Community Development	Equipment Fund	Police Equipment Fund	Infrastructure Fund		
REVENUES:											
Property Taxes	\$ 38,935	\$ 44,956	\$ 49,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,841	\$ 127,093
MFT Allotments	-	-	-	69,050	-	-	-	-	-	69,050	69,582
Miscellaneous	-	-	-	-	-	-	-	15,017	-	15,017	12,517
Gaming Taxes	-	-	-	-	-	-	17,430	-	-	17,430	14,064
Utility Taxes	18,393	-	-	-	3,000	-	-	-	-	21,393	20,994
Sales Taxes	-	-	-	-	-	-	-	-	65,216	65,216	67,477
Interest Income	-	-	-	585	178	881	-	85	-	1,729	1,544
Grant Income	-	-	-	-	-	-	-	-	-	-	-
Recreation Receipts	80,996	-	-	-	-	-	-	-	-	80,996	85,339
Total Revenues	138,324	44,956	49,950	69,635	3,178	881	17,430	15,102	65,216	404,672	398,610
EXPENDITURES:											
Culture and Recreation	121,357	-	-	-	-	-	-	-	-	121,357	126,061
Employer's FICA Expense	-	44,324	-	-	-	-	-	-	-	44,324	39,569
IMRF Expense	-	-	52,095	-	-	-	-	-	-	52,095	45,991
Highways and Streets	-	-	-	62,136	-	-	-	-	-	62,136	25,150
Development	-	-	-	-	2,268	-	-	-	3,615	5,883	1,727
Miscellaneous	-	-	-	-	-	-	15	12,967	-	12,982	2,262
Capital Outlay	14,558	-	-	-	-	41,072	-	-	-	55,630	16,580
Total Expenditures	135,915	44,324	52,095	62,136	2,268	41,072	15	12,967	3,615	354,407	257,340
Excess (Deficiency) of Revenues Over Expenditures	2,409	632	(2,145)	7,499	910	(40,191)	17,415	2,135	61,601	50,265	141,270
OTHER FINANCING SOURCES (USES)											
Transfer In	-	-	-	-	-	-	-	-	-	-	22,914
Transfer Out	-	-	-	-	-	-	(10,384)	-	-	(10,384)	(25,004)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(10,384)	-	-	(10,384)	(2,090)
Net Change in Fund Balance	2,409	632	(2,145)	7,499	910	(40,191)	7,031	2,135	61,601	39,881	139,180
Fund Balance, Beginning of Year	23,194	46,537	84,361	117,071	87,271	176,562	1,525	34,051	71,584	642,156	502,976
FUND BALANCE, END OF YEAR	\$ 25,603	\$ 47,169	\$ 82,216	\$ 124,570	\$ 88,181	\$ 136,371	\$ 8,556	\$ 36,186	\$ 133,185	\$ 682,037	\$ 642,156

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED APRIL 30, 2017

	<u>General Fund</u>		<u>Tax Increment Financing</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES:				
Property Taxes	\$ -	\$ 186,462	\$ -	\$ 215,592
Intergovernmental				
Replacement Tax	-	14,218	-	-
State Sales Tax	-	412,289	-	-
State Income Tax	-	258,503	-	-
State Use Tax	-	66,334	-	-
Road and Bridge Tax	-	18,531	-	-
Grants	-	2,348	-	-
Interest Income	-	5,649	-	-
Miscellaneous Income	-	17,124	-	-
Licenses and Tags	-	59,896	-	-
Franchise Fees	-	36,838	-	-
Fines	-	35,375	-	-
Reimbursements	-	35,948	-	-
Charges for Services	-	237,224	-	-
Utility Taxes	-	52,178	-	-
Dare Fundraisers and Donations	-	20,828	-	-
Donation	-	10	-	-
Total Revenues	-	1,459,755	-	215,592
EXPENDITURES:				
Administration				
Personnel				
Salaries	140,000	119,859	-	-
Group Insurance	42,000	39,477	-	-
Employer Annuity	3,500	2,710	-	-
Travel, Training and Dues	7,000	6,089	-	-
Professional Services	55,000	9,936	-	-
Court Cases	75,000	-	-	-
Insurance	105,500	72,239	-	-
Supplies	10,500	7,083	-	-

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED APRIL 30, 2017

	<u>General Fund</u>		<u>Tax Increment Financing</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
EXPENDITURES (CONT'D):				
Administration (cont'd):				
Utilities	12,500	6,412	-	-
Maintenance and Repairs	2,500	1,812	-	-
Miscellaneous	39,000	18,527	-	-
Capital Outlay	50,000	-	-	-
Debt Service				
Principal Retirement	18,500	62,375	-	-
Interest and Fiscal Charges	-	1,066	-	-
Planning and Zoning				
Personnel				
Salaries	1,000	695	-	-
Professional Services	10,500	23,858	-	-
Supplies	750	3,737	-	-
Capital Outlay	5,000	25,778	-	-
Emergency Service and Disaster Service				
Travel, Training and Dues	1,000	382	-	-
Supplies	2,300	245	-	-
Maintenance and Repairs	4,000	293	-	-
Utilities	1,500	918	-	-
Miscellaneous	9,000	800	-	-
Capital Outlay	6,000	-	-	-
Health Department				
Salaries	3,000	2,349	-	-
Professional Services	306,000	241,405	-	-
Supplies	3,500	2,712	-	-
Maintenance and Repairs	10,000	-	-	-
Miscellaneous	8,000	-	-	-
Police Department				
Personnel				
Salaries	376,500	387,214	-	-
Group Insurance	40,000	32,673	-	-

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED APRIL 30, 2017

	<u>General Fund</u>		<u>Tax Increment Financing</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
EXPENDITURES (CONT'D):				
Police Department (cont'd):				
Personnel (cont'd):				
Employer Annuity	10,000	7,028	-	-
Travel, Training and Dues	7,500	5,259	-	-
Professional Services	6,500	582	-	-
Supplies	29,250	30,923	-	-
Maintenance and Repairs	18,000	13,069	-	-
Utilities	8,500	7,504	-	-
Miscellaneous	29,250	-	-	-
Capital Outlay	37,500	7,245	-	-
Public Buildings				
Salaries	5,000	4,140	-	-
Professional Services	5,000	-	-	-
Insurance	250	-	-	-
Supplies	4,000	2,887	-	-
Maintenance and Repairs	15,000	10,574	-	-
Utilities	20,000	19,236	-	-
Miscellaneous	12,000	70	-	-
Capital Outlay	30,000	17,084	-	-
Debt Service				
Principal Retirement	32,000	24,601	-	-
Interest and Fiscal Charges	-	4,665	-	-
Street and Alley Department				
Personnel				
Salaries	112,000	101,747	-	-
Group Insurance	20,000	16,286	-	-
Employer Annuity	3,000	1,475	-	-
Travel, Training and Dues	500	186	-	-
Professional Services	22,500	9,891	-	-
Supplies	42,750	22,361	-	-
Maintenance and Repairs	70,000	12,929	-	-

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED APRIL 30, 2017

	General Fund		Tax Increment Financing	
	Original and Final Budget	Actual	Original and Final Budget	Actual
EXPENDITURES (CONT'D):				
Street and Alley Department (cont'd):				
Utilities	1,200	840	-	-
Miscellaneous	51,750	2,051	-	-
Capital Outlay	113,000	79,893	-	-
Street Lighting	65,000	36,980	-	-
Audit	10,000	8,415	-	-
Tax Increment Financing				
Tax Reimbursements and Incentives	-	-	80,000	135,290
Professional Services	-	-	152,000	54,066
Miscellaneous	-	-	250	-
Capital Outlay	-	-	500,000	2,674
Total Expenditures	<u>2,130,500</u>	<u>1,518,565</u>	<u>732,250</u>	<u>192,030</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,130,500)</u>	<u>(58,810)</u>	<u>(732,250)</u>	<u>23,562</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from Loan	-	49,500	-	-
Transfer from Other Funds	-	27,384	-	-
Transfer to Other Funds	(45,000)	(83,834)	-	-
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>(6,950)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,175,500)</u>	<u>(65,760)</u>	<u>\$ (732,250)</u>	<u>23,562</u>
Fund Balance, Beginning of Year		<u>736,003</u>		<u>779,358</u>
FUND BALANCE, END OF YEAR		<u>\$ 670,243</u>		<u>\$ 802,920</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
APRIL 30, 2017

NOTE 1. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a majority City Board action.

Appropriations lapse at year end. Budgets are adopted at the fund level of expenditure.

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
MAJOR CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENT FUND
YEAR ENDED APRIL 30, 2017
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR APRIL 30, 2016)

	<u>Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES:			
Telecommunications Income		\$ 39,516	\$ 39,857
Grant Income		-	-
Interest Income		-	-
Total Revenues		<u>39,516</u>	<u>39,857</u>
EXPENDITURES:			
Miscellaneous	\$ -	-	-
Capital Outlay	585,000	-	32,558
Total Expenditures	<u>\$ 585,000</u>	<u>-</u>	<u>32,558</u>
Excess of Revenues Over Expenditures		39,516	7,299
OTHER FINANCING SOURCES:			
Transfer In		<u>83,834</u>	<u>268,560</u>
Net Change in Fund Balance		123,350	275,859
Fund Balance, Beginning of Year		<u>500,790</u>	<u>224,931</u>
FUND BALANCE, END OF YEAR		<u>\$ 624,140</u>	<u>\$ 500,790</u>

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN
APRIL 30, 2017

MOST RECENT CALENDAR YEAR

<u>Calendar Year Ending December 31,</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ 83,512	\$ 78,943
Interest on the Total Pension Liability	322,559	300,707
Benefit Changes	-	-
Difference Between Expected and Actual Experience	(234,941)	117,439
Assumption Changes	(4,836)	5,003
Benefit Payments and Refunds	(206,985)	(207,544)
Net Change in Total Pension Liability	(40,691)	294,548
Total Pension Liability - Beginning	4,368,270	4,073,722
Total Pension Liability - Ending (a)	\$ 4,327,579	\$ 4,368,270
Plan Fiduciary Net Position		
Employer Contributions	\$ 89,112	\$ 84,669
Employee Contributions	37,653	34,637
Pension Plan Net Investment Income	276,203	19,856
Benefits Payments and Refunds	(206,985)	(207,544)
Other	(213,903)	8,959
Net Change in Plan Fiduciary Net Position	(17,920)	(59,423)
Plan Fiduciary Net Position - Beginning	3,955,832	4,015,255
Plan Fiduciary Net Position - Ending (b)	\$ 3,937,912	\$ 3,955,832
Net Position Liability/(Asset) - Ending (a)-(b)	\$ 389,667	\$ 412,438
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.00%	90.56%
Covered Valuation Payroll	\$ 836,738	\$ 769,717
Net Pension Liability as a Percentage of Covered Valuation Payroll	46.57%	53.58%

Notes to Schedule:

This schedule is presented to illustrate the requirements 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 TRENTON
CLINTON COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - ECO PLAN
APRIL 30, 2017

MOST RECENT CALENDAR YEAR

<u>Calendar Year Ending December 31,</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	177	222
Benefit Changes	-	-
Difference Between Expected and Actual Experience	(2,538)	(826)
Assumption Changes	-	-
Benefit Payments and Refunds	-	-
Net Change in Total Pension Liability	<u>(2,361)</u>	<u>(604)</u>
Total Pension Liability - Beginning	<u>2,361</u>	<u>2,965</u>
Total Pension Liability - Ending (a)	<u>\$ -</u>	<u>\$ 2,361</u>
Plan Fiduciary Net Position		
Employer Contributions	\$ -	\$ -
Employee Contributions	-	-
Pension Plan Net Investment Income	177	14
Benefits Payments and Refunds	-	-
Other	(2,538)	(432)
Net Change in Plan Fiduciary Net Position	<u>(2,361)</u>	<u>(418)</u>
Plan Fiduciary Net Position - Beginning	<u>2,361</u>	<u>2,779</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ 2,361</u>
Net Position Liability/(Asset) - Ending (a)-(b)	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	0.00%
Covered Valuation Payroll	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Valuation Payroll	0.00%	0.00%

Notes to Schedule:

This schedule is presented to illustrate the requirements 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 TRENTON
CLINTON COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN
LAST 10 CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2015)
APRIL 30, 2017

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 84,669	\$ 84,669	\$ -	\$ 769,717	11.00%
2016	89,113	89,112	1	836,738	10.65%

Notes to Schedule:

This schedule is presented to illustrate the requirements 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 TRENTON
CLINTON COUNTY, ILLINOIS
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - ECO PLAN
LAST 10 CALENDAR YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2015)
APRIL 30, 2017

<u>Calendar Year</u> <u>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>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	-	-	-	-	0.00%

Notes to Schedule:

This schedule is presented to illustrate the requirements 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 TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2016 CONTRIBUTION RATE*
APRIL 30, 2017

Valuation Date:

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 2016 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): 27-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% to 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

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2016 CONTRIBUTION RATE*
APRIL 30, 2017

Mortality (cont'd)

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:

Notes

There were no benefit changes during the year.

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

TABLE "1"

CITY OF TRENTON
CLINTON COUNTY, ILLINOIS
SCHEDULE OF ASSESSED VALUATIONS,
EXTENSIONS AND COLLECTIONS
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
ASSESSED VALUATIONS	<u>\$ 43,598,321</u>	<u>\$ 43,292,153</u>
TAX EXTENSIONS:		
General Corporate	\$ 107,701	\$ 108,230
Police Protection	32,311	32,469
Audit	8,502	8,100
Civil Defense	1,077	1,100
Liability Insurance	10,001	10,000
Street Lighting	21,542	21,646
Library	64,621	64,938
Park Maintenance	38,772	38,963
Social Security and IMRF	79,999	94,996
Crossing Guard	6,501	5,000
Sewerage	8,615	8,658
	<u>\$ 379,642</u>	<u>\$ 394,100</u>
TAX COLLECTIONS *		<u>\$ 393,659</u>
PERCENT COLLECTED		<u>99.89%</u>

* Includes mobile home and back taxes.