

VILLAGE OF FISHER, ILLINOIS

Fisher, Illinois

**Financial Statements
and Supplementary Information**

For the Year Ended

April 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Village Trustees
Village of Fisher, Illinois
Fisher, Illinois

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

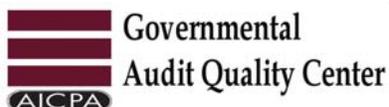
Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village of Fisher, Illinois, as of April 30, 2017, the respective changes in modified cash basis financial position; and, where applicable, cash flows, and the respective budgetary comparisons for the General Fund, Motor Fuel Tax Fund, and Police Fund for the year then ended in accordance with the modified cash 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Fisher, Illinois' basic financial statements. The supplementary information contained in Schedule 1 and Tables 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedule 1 and Table 1 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2017, and certain additional procedures, including comparing and reconciling such information directly to 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. Table 2 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
July 17, 2017

VILLAGE OF FISHER, ILLINOIS
Statement of Net Position - Modified Cash Basis
April 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 405,163	\$ 264,217	\$ 669,380
Investments	25,000	142,809	167,809
Internal Balances	99,953	(99,953)	-
Property and Equipment, Net of Accumulated Depreciation: Water and Sewer System and Equipment	-	1,614,278	1,614,278
Total Assets	<u>530,116</u>	<u>1,921,351</u>	<u>2,451,467</u>
Liabilities			
Non-Current Liabilities			
Due Within One Year	418,788	67,325	486,113
Due After One Year	4,702,942	701,946	5,404,888
Total Liabilities	<u>5,121,730</u>	<u>769,271</u>	<u>5,891,001</u>
Net Position			
Net Investment in Capital Assets	-	932,409	932,409
Restricted for:			
Streets and Alleys	102,440	-	102,440
TIF District Expenditures	265,869	-	265,869
Unrestricted	<u>(4,959,923)</u>	<u>219,671</u>	<u>(4,740,252)</u>
Total Net Position	<u>\$ (4,591,614)</u>	<u>\$ 1,152,080</u>	<u>\$ (3,439,534)</u>

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2017

	Program Revenues					Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Total
			Grants/Contributions	-			
Functions							
Governmental Activities:							
General Government	\$ 95,794	\$ 10,560	\$ -	\$ -	\$ (85,234)	\$ -	\$ (85,234)
Recreation	18,581	5,801	-	-	(12,780)	-	(12,780)
Public Safety	174,157	5,457	-	-	(168,700)	-	(168,700)
Redevelopment	256,124	-	-	-	(256,124)	-	(256,124)
Sanitation	10,944	-	-	-	(10,944)	-	(10,944)
Public Works/Transportation	456,166	1,425	-	-	(454,741)	-	(454,741)
Interest and Fees	243,203	-	52,373	-	(190,830)	-	(190,830)
Total Governmental Activities	<u>1,254,969</u>	<u>23,243</u>	<u>52,373</u>	<u>-</u>	<u>(1,179,353)</u>	<u>-</u>	<u>(1,179,353)</u>
Business-Type Activities:							
Water and Sewer	528,225	532,529	-	-	-	4,304	4,304
Interest and Fees	27,015	-	-	-	-	(27,015)	(27,015)
Total Business-Type Activities	<u>555,240</u>	<u>532,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,711)</u>	<u>(22,711)</u>
Total Functions	<u>\$ 1,810,209</u>	<u>\$ 555,772</u>	<u>\$ 52,373</u>	<u>\$ -</u>	<u>(1,179,353)</u>	<u>(22,711)</u>	<u>(1,202,064)</u>
General Revenues							
Taxes:							
Property Taxes					867,442	-	867,442
Income Tax					179,095	-	179,095
Municipal Utility Tax					87,719	-	87,719
Sales Tax					66,251	-	66,251
Motor Fuel Tax					47,839	-	47,839
Use Tax					45,958	-	45,958
Road and Bridge Allocation					20,479	-	20,479
Video Gaming Tax					6,804	-	6,804
Other Taxes					3,505	-	3,505
Sale of Asset					431	-	431
Gain (Loss) on Disposal of Asset					-	(3,849)	(3,849)
Interest Income					442	99	541
Other					6,362	7,542	13,904
Total General Revenues					<u>1,332,327</u>	<u>3,792</u>	<u>1,336,119</u>
Change in Net Position					152,974	(18,919)	134,055
Net Position, May 1, 2016					<u>(4,744,588)</u>	<u>1,170,999</u>	<u>(3,573,589)</u>
Net Position, April 30, 2017					<u>\$ (4,591,614)</u>	<u>\$ 1,152,080</u>	<u>\$ (3,439,534)</u>

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
 Balance Sheet - Modified Cash Basis
 Governmental Funds
 April 30, 2017

	General Fund	Police Fund	Motor Fuel Tax Fund	Tax Increment Financing District I Fund	Tax Increment Financing District II Fund	Tax Increment Financing District III Fund	Total
ASSETS							
Current Assets							
Cash	\$ 277,610	\$ 42,166	\$ 54,440	\$ 22,373	\$ 5,914	\$ 2,660	\$ 405,163
Investments	25,000	-	-	-	-	-	25,000
Total Current Assets	302,610	42,166	54,440	22,373	5,914	2,660	430,163
Other Assets							
Due from Other Funds	266,951	-	48,000	291,496	-	-	606,447
Total Assets	\$ 569,561	\$ 42,166	\$ 102,440	\$ 313,869	\$ 5,914	\$ 2,660	\$ 1,036,610
LIABILITIES AND FUND BALANCES							
Non-Current Liabilities							
Due to Other Funds	\$ 204,763	\$ 7,314	\$ -	\$ 48,000	\$ 122,630	\$ 123,787	\$ 506,494
Fund Balances							
<i>Non-Spendable</i>							
Non-Current Receivables	266,951	-	-	-	-	-	266,951
<i>Restricted</i>							
TIF District Expenditures	-	-	-	265,869	-	-	265,869
Streets and Alleys	-	-	102,440	-	-	-	102,440
<i>Assigned</i>	13,450	34,852	-	-	-	-	48,302
<i>Unassigned</i>	84,397	-	-	-	(116,716)	(121,127)	(153,446)
Total Fund Balances	364,798	34,852	102,440	265,869	(116,716)	(121,127)	530,116
Total Liabilities and Fund Balances	\$ 569,561	\$ 42,166	\$ 102,440	\$ 313,869	\$ 5,914	\$ 2,660	\$ 1,036,610
Reconciliation to the Statement of Net Position							
Total Fund Balances							\$ 530,116
The governmental funds are reported on the modified cash basis, which, as it applies to the governmental funds, as discussed in Note 1, does not include Long-Term Debt. However, the modified cash basis, as it applies to the governmental activities on Exhibit A, as discussed in Note 1, does include Long-Term Debt. This amount is the outstanding principal balances on the Long-Term Debt.							(5,121,730)
Net Position of Governmental Activities							\$ (4,591,614)

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended April 30, 2017

	General Fund	Police Fund	Motor Fuel Tax Fund	Tax Increment Financing District I Fund	Tax Increment Financing District II Fund	Tax Increment Financing District III Fund	Total
Revenues							
Local Receipts:							
Municipal Utility Tax	\$ 87,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,719
Property Tax	45,547	12,960	-	787,223	13,580	8,132	867,442
Road and Bridge Allocation	20,479	-	-	-	-	-	20,479
State Receipts:							
Income Tax	179,095	-	-	-	-	-	179,095
Sales Tax	66,251	-	-	-	-	-	66,251
Motor Fuel Tax	-	-	47,839	-	-	-	47,839
Use Tax	45,958	-	-	-	-	-	45,958
Video Gaming Tax	6,804	-	-	-	-	-	6,804
Other Taxes	3,505	-	-	-	-	-	3,505
Other Receipts:							
Interest	248	48	31	105	6	4	442
Building Permits	1,425	-	-	-	-	-	1,425
Fines	-	5,457	-	-	-	-	5,457
Parks and Recreation	5,801	-	-	-	-	-	5,801
Other Receipts	10,560	-	-	-	-	-	10,560
Grants	-	-	-	52,373	-	-	52,373
Miscellaneous	6,347	15	-	-	-	-	6,362
Total Revenues	<u>479,739</u>	<u>18,480</u>	<u>47,870</u>	<u>839,701</u>	<u>13,586</u>	<u>8,136</u>	<u>1,407,512</u>
Expenditures							
Current:							
General Government	95,794	-	-	-	-	-	95,794
Recreation	18,581	-	-	-	-	-	18,581
Public Safety	-	174,157	-	-	-	-	174,157
Redevelopment	-	-	-	154,041	17,130	84,953	256,124
Sanitation	10,944	-	-	-	-	-	10,944
Public Works/Transportation	296,700	-	64,776	-	-	-	361,476
Debt Service:							
Bond Repayment	-	-	-	340,000	-	-	340,000
Debt Certificate Repayment	-	-	-	52,841	-	-	52,841
Interest and Fees	-	-	-	243,203	-	-	243,203
Capital Outlay:	94,690	-	-	-	-	-	94,690
Total Expenditures	<u>516,709</u>	<u>174,157</u>	<u>64,776</u>	<u>790,085</u>	<u>17,130</u>	<u>84,953</u>	<u>1,647,810</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(36,970)</u>	<u>(155,677)</u>	<u>(16,906)</u>	<u>49,616</u>	<u>(3,544)</u>	<u>(76,817)</u>	<u>(240,298)</u>
Other Financing Sources (Uses)							
Transfers In	-	160,000	-	-	-	-	160,000
Transfers Out	(160,000)	-	-	-	-	-	(160,000)
Sale of Asset	431	-	-	-	-	-	431
Total Other Financing Sources (Uses)	<u>(159,569)</u>	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431</u>
Net Change in Fund Balances	<u>(196,539)</u>	<u>4,323</u>	<u>(16,906)</u>	<u>49,616</u>	<u>(3,544)</u>	<u>(76,817)</u>	<u>(239,867)</u>
Fund Balances, May 1, 2016	<u>561,337</u>	<u>30,529</u>	<u>119,346</u>	<u>216,253</u>	<u>(113,172)</u>	<u>(44,310)</u>	<u>769,983</u>
Fund Balance, April 30, 2017	<u>\$ 364,798</u>	<u>\$ 34,852</u>	<u>\$ 102,440</u>	<u>\$ 265,869</u>	<u>\$ (116,716)</u>	<u>\$ (121,127)</u>	<u>\$ 530,116</u>
Reconciliation to the Statement of Activities							
Net Change in Fund Balances							\$ (239,867)
Bond Repayment							340,000
Debt Certificate Repayment							52,841
Change in Net Position of Governmental Activities							<u>\$ 152,974</u>

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Statement of Revenues and Expenditures - Budget and Actual - Modified Cash Basis
Major Governmental Funds (Except the TIF District Funds)
For the Year Ended April 30, 2017

General Fund	Budget		Actual	Variance
	Original	Final		(Actual - Final Budget)
Revenues:				
<i>Local Receipts</i>				
Municipal Utility Tax	\$ 95,000	\$ 95,000	\$ 87,719	\$ (7,281)
Property Tax	68,450	68,450	45,547	(22,903)
Road and Bridge Allocation	-	-	20,479	20,479
<i>State Receipts</i>				
Income Tax	170,000	170,000	179,095	9,095
Sales Tax	59,000	59,000	66,251	7,251
Use Tax	33,000	33,000	45,958	12,958
Video Gaming Tax	5,000	5,000	6,804	1,804
Other Taxes	3,000	3,000	3,505	505
<i>Other Receipts</i>				
Cablevision	6,900	6,900	-	(6,900)
Interest	400	400	248	(152)
Building Permits	3,500	3,500	1,425	(2,075)
Parks and Recreation	4,200	4,200	5,801	1,601
Other Receipts	9,600	9,600	10,560	960
Miscellaneous	4,650	4,650	6,347	1,697
Total Revenues	<u>\$ 462,700</u>	<u>\$ 462,700</u>	<u>\$ 479,739</u>	<u>\$ 17,039</u>
Expenditures:				
<i>Current</i>				
General Government Administration:				
Salaries	\$ 33,000	\$ 33,000	\$ 16,192	\$ (16,808)
Professional Fees	28,000	28,000	30,592	2,592
Board Fees	20,000	20,000	18,790	(1,210)
Insurance	19,500	19,500	19,500	-
Office Expense	6,000	6,000	5,953	(47)
Benefits	11,000	11,000	2,686	(8,314)
Miscellaneous	9,500	9,500	2,081	(7,419)
Total General Government Administration	<u>127,000</u>	<u>127,000</u>	<u>95,794</u>	<u>(31,206)</u>
Recreation:				
Parks and Recreation	12,200	12,200	18,581	6,381
Sanitation:				
Recycling	-	-	10,944	10,944
Public Works/Transportation:				
Salaries	87,000	87,000	111,103	24,103
Benefits	30,000	30,000	42,011	12,011
Maintenance	5,000	5,000	3,208	(1,792)
Street Lighting	25,000	25,000	28,268	3,268
Utilities	5,500	5,500	5,109	(391)
Vehicle Replacement	6,000	6,000	-	(6,000)
Equipment	10,000	10,000	7,579	(2,421)
Tree Maintenance	1,000	1,000	-	(1,000)
Sidewalk and Drainage	20,340	20,340	11,333	(9,007)
Fuel	10,000	10,000	6,318	(3,682)
Building Rental	3,000	3,000	2,400	(600)
Pond Expenses	1,500	1,500	-	(1,500)
Drainage Improvement	-	-	79,371	79,371
Total Public Works/Transportation	<u>204,340</u>	<u>204,340</u>	<u>296,700</u>	<u>92,360</u>
<i>Capital Outlays</i>				
Public Works/Transportation:				
Equipment	-	-	94,690	94,690
Total Expenditures	<u>\$ 343,540</u>	<u>\$ 343,540</u>	<u>\$ 516,709</u>	<u>\$ 173,169</u>

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Statement of Revenues and Expenditures - Budget and Actual - Modified Cash Basis
Major Governmental Funds (Except the TIF District Funds)
For the Year Ended April 30, 2017

	Budget		Actual	Variance (Actual - Final Budget)
	Original	Final		
Motor Fuel Tax Fund				
Revenues:				
<i>State Receipts</i>				
Motor Fuel Tax	\$ 60,000	\$ 60,000	\$ 47,839	\$ (12,161)
<i>Other Receipts</i>				
Interest	-	-	31	31
Total Revenues	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 47,870</u>	<u>\$ (12,130)</u>
Expenditures:				
<i>Current</i>				
Public Works/Transportation:				
Sidewalk and Drainage and Tree Maintenance	\$ 60,000	\$ 60,000	\$ 64,776	\$ 4,776
Police Fund				
Revenues:				
<i>Local Receipts</i>				
Property Tax	\$ 13,500	\$ 13,500	\$ 12,960	\$ (540)
<i>Other Receipts</i>				
Interest	-	-	48	48
Fines	7,500	7,500	5,472	(2,028)
Total Revenues	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 18,480</u>	<u>\$ (2,520)</u>
Expenditures:				
<i>Current</i>				
Public Safety:				
Salaries	\$ 107,500	\$ 107,500	\$ 103,618	\$ (3,882)
Benefits	34,000	34,000	31,792	(2,208)
Operating	14,250	14,250	7,106	(7,144)
Equipment	3,000	3,000	4,049	1,049
Dispatch	16,710	16,710	16,709	(1)
Vehicle Replacement	6,000	6,000	-	(6,000)
Professional Fees	2,000	2,000	990	(1,010)
Training	2,500	2,500	1,633	(867)
Miscellaneous	4,200	4,200	8,260	4,060
Total Expenditures	<u>\$ 190,160</u>	<u>\$ 190,160</u>	<u>\$ 174,157</u>	<u>\$ (16,003)</u>

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
 Balance Sheet - Modified Cash Basis
Proprietary Fund
 April 30, 2017

	Enterprise Fund
	Water and Sewer Fund
Assets	
Current Assets:	
Cash	\$ 264,217
Investments	142,809
Total Current Assets	407,026
Non-Current Assets:	
Property and Equipment, Net	1,614,278
Total Assets	\$ 2,021,304
Liabilities	
Current Liabilities:	
Due to Other Fund	\$ 99,953
Loan Payable	19,513
Debt Certificate Payable	47,812
Total Current Liabilities	167,278
Non-Current Liabilities:	
Loan Payable, Net of Current Portion	67,889
Debt Certificate Payable, Net of Current	634,057
Total Non-Current Liabilities	701,946
Total Liabilities	869,224
Net Position	
Net Investment in Capital Assets	932,409
Unrestricted	219,671
Total Net Position	1,152,080
Total Liabilities and Net Position	\$ 2,021,304

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Statement of Revenues, Expenses, and
Changes in Net Position - Modified Cash Basis
Proprietary Fund
For the Year Ended April 30, 2017

	Enterprise Fund
	Water and Sewer Fund
Operating Revenues	
Service Fees	\$ 410,028
Sanitation	122,501
Miscellaneous	7,542
Total Operating Revenues	540,071
Operating Expenses	
General Operating Expenses	443,721
Depreciation	84,504
Total Operating Expenses	528,225
Operating Income (Loss)	11,846
Non-Operating Revenues (Expenses)	
Interest Income	99
Interest Expense	(27,015)
Gain (Loss) on Disposal of Assets	(3,849)
Total Non-Operating Revenues (Expenses)	(30,765)
Change in Net Position	(18,919)
Net Position, May 1, 2016	1,170,999
Net Position, April 30, 2017	\$ 1,152,080

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Statement of Cash Flows - Modified Cash Basis
Proprietary Fund
For the Year Ended April 30, 2017

	Enterprise Fund
	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from Customers	\$ 540,071
Payments to Vendors	(358,695)
Payments to Employees	(85,026)
Net Cash Provided by (Used in) Operating Activities	96,350
Cash Flows from Capital and Related Financing Activities	
Payment of Debt Certificate Principal	(46,859)
Payment of Debt Certificate Interest	(25,649)
Payment of Loan Principal	(12,598)
Payment of Loan Interest	(1,366)
Purchase of Property and Equipment	(162,061)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(248,533)
Cash Flows from Investing Activities	
Receipts of Interest	99
Maturities (Purchases) of Investments, Net	(428)
Net Cash Provided by (Used in) Investing Activities	(329)
Net Increase (Decrease) in Cash	(152,512)
Cash, May 1, 2016	416,729
Cash, April 30, 2017	\$ 264,217
Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 11,846
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	84,504
Net Cash Provided by (Used in) Operating Activities	\$ 96,350
Noncash Capital and Related Financing Activity	
Purchase of Property and Equipment through Loan Advances	\$ 100,000

See Accompanying Notes

VILLAGE OF FISHER, ILLINOIS
Notes to Basic Financial Statements
April 30, 2017

1. Summary of Significant Accounting Policies

As discussed further in Note 1.C, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

A. Financial Reporting Entity

The Village of Fisher, Illinois' (the Village) financial reporting entity is composed of the following:

Primary Government	Village of Fisher, Illinois
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. Based on the operational and financial criteria of those statements, the Village does not have a component unit that should be reported as part of the reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made within the governmental activities to prevent double counting of internal balances.

Fund Financial Statements

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

1. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

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

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds, which are major funds:

Fund	Brief Description
Police Fund	Accounts for the operation of the Village's Police Department, which is supported by funds transferred from the General Fund and significantly funded by levied property taxes and fines

Fund	Brief Description
Motor Fuel Tax Fund	Accounts for the restricted motor fuel tax provided by the State of Illinois and expenditures paid for road repair and replacement
Tax Increment Financing District Funds	Account for property taxes received from the incremental increase in the assessed value of real property in the Village's TIF Districts and expenditures paid for redevelopment projects in the TIF Districts, debt service on TIF District bonds, and administration of the TIF Districts

The Motor Fuel Tax Fund does not meet the requirements of a major fund, however, for the purpose of comparability, management of the Village has elected to include this fund as a major fund of the reporting entity.

Proprietary Funds

Enterprise Fund – An Enterprise fund is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:

Fund	Brief Description
Water and Sewer Fund	Accounts for the operations of the Village's water and sewer systems. This fund is financed through fees charged to residents and businesses that use water and sewer

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available, spendable financial resources during a given period. These funds use fund balance as their measure of available, spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in equity (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or non-financial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for investments, interfund receivables, and long-term debt in the governmental activities, a provision for investments and inter-fund receivables and payables in the governmental funds, and a provision for investments, property and equipment, long-term debt, and inter-fund payables in the business-type activities and proprietary fund. This basis measures and reports cash and changes in cash resulting from cash receipts and disbursements. This basis is a comprehensive basis of accounting other than GAAP.

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

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

D. Investments

The Village's investments consist of non-negotiable certificates of deposit with original maturities in excess of three months.

E. Property and Equipment

Proprietary fund property and equipment is valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property and equipment is valued at estimated fair value at the date of donation. The Village utilizes a capitalization threshold of \$500 for proprietary fund property and equipment. Depreciation is computed using the straight-line method over estimated useful lives of five to ten years for equipment and a range of 26 to 30 years for the water and sewer systems.

The governmental activities do not capitalize or depreciate property and equipment including infrastructure.

F. Restricted Net Position

Assets that are not available to finance general operations of the Village are reported as restricted on the statement of net position. The Village's policy is to apply restricted resources first when an expense is incurred for a purpose for which restricted and unrestricted net position is available.

G. Fund Balance

Fund balances are classified as follows:

Non-Spendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact

Restricted – Amounts that can be spent only for specific purposes because of the Village charter, state or federal laws, or externally imposed conditions by grantors or creditors

Committed – Amounts that can be used only for specific purposes determined by a formal resolution by the Board of Village Trustees

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

Unassigned – All amounts not included in other spendable classifications

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Village Trustees has provided otherwise in its commitment or assignment actions.

H. Program Revenues

Program Revenues on the Statement of Activities include the following:

Governmental Activities	Brief Description
Charges for Services:	
Rental Fees	Fees paid by the public for the rental of the Fisher Community Center and other Village property. These fees are reported in the Recreation function.
Fines	Amounts remitted to the Village by violators of Village ordinances
Licenses and Permits	Amounts remitted to the Village by entities and persons making use of legal privileges issued by the Village
Operating Grants and Contributions	Grants and contributions used for debt
Business-Type Activities	Brief Description
Charges for Services:	
User Fees	Fees paid by the public for water and sewer usage
Garbage Fees	Fees paid by the public for garbage collection services provided by a third party. These fees are entirely remitted to the third party and are reported in the Water function.

I. Operating and Non-Operating Revenues and Expenses of Proprietary Funds

Operating revenues and expenses for proprietary funds are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

J. Estimates

These financial statements include estimates and assumptions made by the Village's management that affect certain reported amounts and disclosures. Management's assessment of the useful lives of capital assets involves extensive reliance on management's estimates. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that actual results could differ from management's estimates.

2. Legal Budgets

Legal budgets are prepared in the form of an appropriations ordinance for Village funds using the same accounting basis and practices as are used to account for and prepare financial reports. Unexpended appropriations lapse at the end of the fiscal year. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Board of Village Trustees after a public notice and hearing. Appropriations transfers between budget line items may be presented to the board at their regular meetings. Each transfer must have board approval. Such transfers are made before the fact and are reflected in the official minutes of the board meeting. The appropriations ordinance for the year ended April 30, 2017, was approved by the Board of Village Trustees on April 14, 2016.

A comparison of budget to actual expenditures is provided for the major governmental funds at Exhibit E. The Tax Increment Financing District Funds do not have appropriated budgets and their expenditure activity is not presented on Exhibit E.

3. Budget Over Expenditure

The Village overspent the General Fund appropriation budget for fiscal year 2017 by \$173,169. The General Fund over expenditure was due to a drainage improvement project and an equipment purchase that were approved by the Board of Village Trustees, but not included in the appropriation budget for the fiscal year.

The Village overspent the Motor Fuel Tax Fund appropriation budget for fiscal year 2017 by \$4,776. The over expenditure was due to greater than planned expenditures for the summer 2016 motor fuel tax project.

4. Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Village Trustees on November 10, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The Village receives significant distributions of tax receipts approximately one month after these due dates. Property tax receipts in these financial statements are from the 2015 tax levy.

5. Cash and Investments

Authorized Investments

The Village is authorized to invest excess funds in instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes. Such instruments include obligations of the U.S. Treasury, savings accounts, certificates of deposit, and money market mutual funds.

Investments are carried at cost, which equals the bank deposit value at April 30, 2017.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits, including amounts in checking, savings, and certificate of deposit accounts may not be returned to it. The Village addresses custodial credit risk by requiring collateral pledges from financial institutions holding deposits in excess of Federal Depository Insurance Corporation limits. At April 30, 2017, \$578,506 of the Village's bank deposits of \$829,730, reconciled to a book balance of \$837,189 (cash and investments), was exposed to custodial credit risk. The entire balance exposed to custodial credit risk was collateralized by securities pledged by the Village's financial institution. The pledged securities, which had a fair value of \$1,060,269 at April 30, 2017, are held by a third party, but are not held in the Village's name.

Credit Risk and Interest Rate Risk – External Investment Pool

Credit risk is the risk that the issuer of a bond or note security will not repay the principal or pay the interest due on the debt. The credit risk of investments is addressed by the Village's investment policy by limiting investments to instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes as noted above.

Interest rate risk is the risk that a change in the market rate of interest for a category of debt securities will negatively impact the market value of a debt security. Interest rate risk is addressed by the Village's investment policy by requiring the maintenance of sufficient liquidity in investments to meet operating needs.

At April 30, 2017, the Village held \$1,150 in the Illinois Funds Money Market Fund, reconciled to a book balance of \$1,150. The value of the Village's position in the fund is equal to the value of the Village's fund shares, which maintain a \$1 net asset value. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in debt securities issued by the United States government or agencies related to the United States and valued at amortized cost. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The Village has no restrictions on withdrawing funds from this external investment pool.

6. Property and Equipment, Net

The following is a summary of the changes in the property and equipment of the Proprietary Fund and Business-Type Activities for the year ended April 30, 2017:

	For the Years Ended April 30			2017
	2016	Additions	Retirements	
Depreciable Property and Equipment:				
Waterworks System and Equipment	\$ 2,122,068	\$ 237,204	\$ (10,687)	\$ 2,348,585
Sewer System and Equipment	1,704,034	24,857	-	1,728,891
Less: Accumulated Depreciation	(2,385,532)	(84,504)	6,838	(2,463,198)
Depreciable Property and Equipment, Net	<u>\$ 1,440,570</u>	<u>\$ 177,557</u>	<u>\$ (3,849)</u>	<u>\$ 1,614,278</u>

Depreciation expense for 2017 was charged to the water and sewer activity in the amount of \$84,504.

7. Long-Term Debt

Tax Increment Financing General Obligation Bonds (Alternative Revenue Source)

On November 2, 2010, the Village issued \$6,000,000 of general obligation bonds (alternative revenue source) to refund bonds issued in 2006 and to defray the costs associated with the redevelopment of the Fisher Tax Increment Financing District Area I in the Village of Fisher and, consequently, these bonds have been accounted for in the Tax Increment Financing District I Fund. Heartland Bank of Bloomington, Illinois is the paying agent and registrar for the issue known as the General Obligation Bond (Alternate Revenue Source), Series 2010A and Taxable General Obligation Bond (Alternate Revenue Source – Build America Bonds), Series 2010B. These bonds mature serially on

December 1 of each of the calendar years 2011 – 2025 in amounts ranging from \$215,000 to \$610,000 and bearing interest ranging from 3.00 percent to 5.30 percent payable June 1 and December 1, annually. At the Village’s discretion, these bonds are subject to early redemption any time as of and after December 1, 2020.

The Village has pledged future TIF District I Fund incremental property taxes to repay these bonds. Principal and interest on the bonds are payable through 2025 from the TIF District I Fund’s incremental property taxes. Annual principal and interest on the bonds are expected to require approximately a maximum of 78 percent of such revenues. Debt service payments for fiscal year 2017 were \$340,000 and \$157,255 for principal and interest, respectively. The TIF District I Fund’s incremental property tax revenues totaled \$787,223 for fiscal year 2017. At April 30, 2017, pledged future revenues totaled \$5,138,347, which was the amount of the remaining principal and interest on the bonds.

Aggregate future principal maturities and net interest payments required on these bonds are as follows for the fiscal years ending April 30:

	Principal	Interest	Total
2018	\$ 365,000	\$ 146,205	\$ 511,205
2019	395,000	133,430	528,430
2020	425,000	118,618	543,618
2021	455,000	102,370	557,370
2022	480,000	89,061	569,061
2023-2026	2,235,000	193,663	2,428,663
Total	\$ 4,355,000	\$ 783,347	\$ 5,138,347

Interest presented above is net of \$392,394 of interest subsidized by the federal government through the Build America Bonds program. The average annual subsidy is approximately \$44,000.

The 2010 bond ordinance calls for two funded reserves. The Bond Fund Reserve requires one half of the next principal and interest payment amounts to be set aside from each of the two property tax installments paid by the TIF District taxpayers. At April 30, 2017, the required balance in this reserve was \$0 because the Village has not received property tax payments for 2017 as of April 30, 2017. The Project Fund Reserve requires the Village to hold the net proceeds from the bond issuance in reserve for payment of costs related to the capital projects. At April 30, 2017, all of the net proceeds from the bond issuance had been spent.

General Obligation (Limited Tax) Debt Certificates

On December 19, 2013, the Village issued \$1,746,000 of general obligation (limited debt) debt certificates to finance the Village water plant additions and Tax Increment Financing District I fund expenditures. Consequently, these certificates have been accounted for in the Water and Sewer Fund (\$821,647 of the issuance) and TIF District I Fund (\$924,353 of the issuance). Dewey Bank of Dewey, Illinois is the paying agent and registrar for the

issue known as the General Obligation (Limited Tax) Debt Certificates, Series 2013. These certificates mature serially on December 1 of each of the calendar years 2014 – 2028 in amounts ranging from \$99,600 to \$147,500 and bear interest ranging from 1.35 percent to 4.6 percent payable June 1 and December 1, annually. At the Village’s discretion, these certificates are subject to early redemption any time as of and after December 1, 2020.

Aggregate future principal maturities and interest payments required on these debt certificates are as follows for the fiscal years ending April 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 101,600	\$ 52,628	\$ 154,228
2019	103,800	50,444	154,244
2020	106,200	48,004	154,204
2021	109,100	45,137	154,237
2022	112,400	41,864	154,264
2023-2027	626,800	144,534	771,334
2028-2029	288,699	19,853	308,552
Total	<u>\$ 1,448,599</u>	<u>\$ 402,464</u>	<u>\$ 1,851,063</u>

Total interest paid in fiscal year 2017 on the debt certificates was \$54,572. Of this amount, \$28,923 was paid by the Tax Increment Financing District I Fund and \$25,649 was paid by the Water and Sewer Fund.

Note Payable

On July 15, 2016, the Village entered into a loan agreement with a bank for \$100,000. This loan has an interest rate of 2.0 percent. The loan matures September 30, 2021 and requires monthly payments of principal and interest of \$1,760 starting October 30, 2016. The loan was used to fund the purchase of water meters and will be repaid by the Water and Sewer Fund. The Village has no specific collateral, but has a general obligation.

Aggregate future principal and interest payments required on this loan agreement are as follows for the fiscal years ending April 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 19,513	\$ 1,609	\$ 21,122
2019	19,909	1,212	21,121
2020	20,311	810	21,121
2021	20,721	400	21,121
2022	6,948	44	6,992
Total	<u>\$ 87,402</u>	<u>\$ 4,075</u>	<u>\$ 91,477</u>

Interest paid in fiscal year 2017 on the loan agreement was \$1,366.

A member of the Board of Village Trustees has an ownership interest in the bank that holds this loan. Additionally, a relative of that member of the Board of Village Trustees holds an executive management position with the bank.

8. Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the governmental activities for the year ended April 30, 2017:

	April 30, 2016	Issued	Retired	April 30, 2017	Due Within One Year
General Obligation Bond	\$ 4,695,000	\$ -	\$ 340,000	\$ 4,355,000	\$ 365,000
General Obligation Debt Certificates	819,571	-	52,841	766,730	53,788
Total	<u>\$ 5,514,571</u>	<u>\$ -</u>	<u>\$ 392,841</u>	<u>\$ 5,121,730</u>	<u>\$ 418,788</u>

The Tax Increment Financing District I Fund is expected to make all future payments on the governmental long-term debts.

The following is a summary of changes in long-term debt of the business-type activities and Water and Sewer Fund for the year ended April 30, 2017:

	April 30, 2016	Issued	Retired	April 30, 2017	Due Within One Year
General Obligation Debt Certificate	\$ 728,728	\$ -	\$ 46,859	\$ 681,869	\$ 47,812
Note Payable	-	100,000	12,598	87,402	19,513
Total	<u>\$ 728,728</u>	<u>\$ 100,000</u>	<u>\$ 59,457</u>	<u>\$ 769,271</u>	<u>\$ 67,325</u>

9. Legal Debt Margin

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

Assessed Valuation (Tax Year 2016)	<u>\$ 27,610,000</u>
Statutory Debt Limitation (8.625 Percent of Assessed Valuation)	\$ 2,381,363
Total General Obligation Indebtedness at April 30, 2017	<u>1,536,001</u>
Legal Debt Margin	<u>\$ 845,362</u>

Note: By Illinois statute, the legal debt margin excludes alternative revenue source debt. The Village's general obligation bond is an alternative revenue source debt and is therefore excluded.

10. Restricted Net Position and Fund Balances

As of April 30, 2017, the Village's governmental activities and Motor Fuel Tax Fund had \$102,440 restricted for future street and alley maintenance expenditures. The restricted net position and fund balance for street and alley expenditures are from the Motor Fuel taxes provided by the State of Illinois and are restricted for that purpose by state statutes.

As of April 30, 2017, the Village's Tax Increment Financing District I Fund had \$265,869 restricted for future TIF District I expenditures. The restricted net position and fund balance are from the incremental increase in the assessed value of real property in the Village's TIF District I and are restricted by state statute to redevelopment expenditures for that TIF District.

11. Designated Net Position and Assigned Fund Balances

Designated net position of the governmental activities and assigned fund balances of the governmental funds consist of the following at April 30, 2017:

Police Expenditures	\$ 34,852
Vehicle Replacement	<u>13,450</u>
Total Designated Net Position/Assigned Fund Balances	48,302
Undesignated Net Position	<u>(5,008,225)</u>
Total Unrestricted Net Position	<u>\$ (4,959,923)</u>

Unrestricted net position of the Business-Type Activities (and Proprietary Fund) consists of the following at April 30, 2017:

Board Designated:		
Meter Deposits	\$	16,735
Undesignated		202,936
Total Unrestricted Net Position	\$	<u>219,671</u>

12. Interfund Transfers

The following is a schedule of interfund transfers made during the fiscal year ended April 30, 2017:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$ -	\$ 160,000
Police Fund	160,000	-
Total All Funds	<u>\$ 160,000</u>	<u>\$ 160,000</u>

The purpose of the transfer from the General Fund to the Police Fund was to cover necessary operating expenditures in that fund as deemed appropriate by the Village Board.

13. Interfund Balances

The following is a schedule of interfund balances at April 30, 2017:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ 266,951	\$ 204,763
Motor Fuel Tax Fund	48,000	-
Police Fund	-	7,314
Tax Increment Financing District I Fund	291,496	48,000
Tax Increment Financing District II Fund	-	122,630
Tax Increment Financing District III Fund	-	123,787
Proprietary Fund:		
Water and Sewer Fund	-	99,953
Total All Funds	<u>\$ 606,447</u>	<u>\$ 606,447</u>

The purpose of the balances due to the General Fund (\$88,148) and the Motor Fuel Tax Fund (\$48,000) from the TIF I Fund (\$48,000) and TIF II Fund (\$88,148) was to cover necessary expenditures in the TIF Funds during their initial operation periods and to cover the cost of certain capital projects within the TIF District I. The purpose

of the balance due to the General Fund (\$80,000) from the TIF III Fund was to cover necessary expenditures during the initial operation period and to cover certain projects within the TIF District III. The purpose of the balance due to the General Fund (\$1,803) from the Police Fund was to cover operating expenditures for the Police Fund. The purpose of the balances due to the TIF I Fund (\$78,269) from the TIF II Fund (\$34,482) and TIF III Fund (\$43,787) was the same purpose as the amounts due to the General Fund and Motor Fuel Tax Fund from the TIF Funds. The purpose of the balances due to the TIF I Fund (\$5,511) from the Police Fund (\$5,511) was to cover capital expenditures for that fund. The purpose of the balances due to the TIF I Fund (\$204,763) from the General Fund is for the Build America Bond Rebates that have been received by the General Fund, but that relate to the debt held by the TIF I Fund. The purpose of the balances due to the TIF I Fund (\$2,953) from the Water and Sewer Fund was to cover debt service payments. The purpose of the balance due to the General Fund (\$97,000) from the Water and Sewer Fund was to cover capital expenditures for the Water and Sewer Fund. The repayment of these interfund balances is not expected within the next fiscal year.

14. Risk of Loss

Significant losses are covered by commercial insurance for property, liability, and workers' compensation. During the year ended April 30, 2017, there were no significant reductions in coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years.

15. Tax Increment Financing District

In May 2000, the Village established Tax Increment Financing (TIF) District I. In September 2009, the Village established TIF District II. In January 2013, the Village established TIF District III. These Districts are areas within the Village designated as redevelopment project areas. The Village redevelops, improves, and maintains the designated areas in order to increase the assessed value, which drives up property values and generates more property tax receipts from those Districts. The activities of the TIF Districts are accounted for in the TIF District Funds, which are special revenue funds. For the year ended April 30, 2017, property tax receipts of \$787,223 were received from TIF District I.

For the year ended April 30, 2017, property tax receipts of \$13,580 were received from TIF District II. The General Fund and TIF District I Fund maintain the right to reimbursement from TIF District II Fund once sufficient funds are accumulated by the TIF District II Fund. The total due the General Fund and TIF District I Fund at April 30, 2017, was \$88,148 and \$34,482, respectively.

For the year ended April 30, 2017, property tax receipts of \$8,132 were received from TIF District III. The General Fund and TIF District I Fund maintain the right to reimbursement from TIF District III Fund once sufficient funds are accumulated by TIF District III Fund. The total due the General Fund and TIF District I Fund at April 30, 2017 was \$80,000 and \$43,787, respectively.

Additionally, the Motor Fuel Tax Fund has incurred expenditures for which it maintains the right to reimbursement from the TIF District I Fund once sufficient funds are accumulated by the TIF District I Fund. The total due to the Motor Fuel Tax Fund at April 30, 2017, was \$ 48,000. The Village's management does not expect the General Fund, TIF District I Fund, or Motor Fuel Tax Fund to be fully repaid within the next fiscal year.

16. Redevelopment Commitments

The Village has entered into an agreement to terminate a redevelopment contract for the Village's TIF District I zone. Concurrent with the termination agreement, the Village committed to pay a third party \$70,000 owed by the terminated developer. This amount is to be paid in 14 annual installments of \$5,000, which began July 1, 2004, and will be paid from the TIF District I Fund. These financial statements do not include a liability for this commitment; however, the redevelopment function for the TIF District I Fund includes a disbursement of \$5,000 for fiscal year 2017 related to this commitment. The remaining amount to be paid in the next fiscal year is \$5,000.

The Village has entered into a number of redevelopment agreements with outside parties to encourage residential development within the Village's TIF Districts. As an incentive to developers, the Village has committed to reimburse certain project expenses to developers from the TIF Districts' receipts over periods ranging from five years to the life of respective TIF District. As of April 30, 2017, the maximum amount committed to developers was \$2,752,000 and the total paid to developers against these commitments (through the end of fiscal year 2017) was \$431,000. One of these commitments requires an annual payment of \$117,000 beginning in fiscal year 2015 and running through fiscal year 2020. Other than those scheduled payments, the timing of other future payments for these commitments and the amounts of those payments cannot be estimated as they are dependent on the actual costs incurred by the developers and the attainment of agreed upon development milestones. These financial statements do not include a liability related to these redevelopment commitments.

17. Employee Separation Pay Commitment

At separation, employees are eligible to receive compensation for all unused vacation days. At April 30, 2017, the Village's potential liability for employee separation pay was \$12,073. These financial statements do not include a liability or expenditure/expense for this amount.

18. Other Commitments

Through the date of the independent auditor’s report, the Village has entered into contracts for the following:

<u>Purpose</u>	<u>Responsible Fund</u>	<u>Total Remaining Commitment</u>	<u>Fiscal Year of Expenditure</u>
Summer Oil and Chip Program	MFT	\$ 26,000	2018
Annual Water Tower Maintenance	Water and Sewer	18,365	2018
TBFI, LLC	TIF #1	5,000	2018
Total Other Commitments		<u>\$ 49,365</u>	

19. Retirement Plan

The Village sponsors a defined contribution retirement plan known as the Village of Fisher Section 457 Deferred Compensation Plan. The plan was authorized by the Village’s Board of Trustees and is administered by Benefit Planning Consultants, Inc. The plan covers all employees. Participants may receive a matching contribution up to \$1,000 per year. All employees will receive a non-discretionary contribution from the Village of \$2,500 per year. The plan’s requirements may be amended by the Village’s Board of Trustees. All plan assets are held in trust by the third-party administrator only for the purpose of paying plan benefits. The Village had retirement plan expenses during the year ended April 30, 2017 of \$7,500.

20. Water and Sewer Assets

The Village has intent to sell the assets related to its water and sewer activities to a private entity. This would potentially change the active funds of the Village and would impact the Village’s operations in a material way. As of the date of the independent auditor’s report, the Board has not formally approved the sale of such assets. If the sale occurs, it is expected to close in fiscal year 2019 at the earliest. The Village is continuing to use the water and sewer system capital assets as originally intended until the sale occurs, therefore these capital assets are not considered to exhibit a change in manner or expected duration of use and are not considered impaired.

VILLAGE OF FISHER, ILLINOIS
 Schedule of Cash Receipts and Disbursements - Modified Cash Basis
Water and Sewer Fund
 For the Year Ended April 30, 2017

	<u>Water</u>	<u>Sewer</u>	<u>Meter</u>	<u>Total</u>
Receipts				
Service Fees	\$ 203,096	\$ 206,932	\$ -	\$ 410,028
Sanitation	122,501	-	-	122,501
Interest	67	24	8	99
Miscellaneous	4,642	1,500	1,400	7,542
Total Receipts	<u>330,306</u>	<u>208,456</u>	<u>1,408</u>	<u>540,170</u>
Disbursements				
Capitalized Expenditures	137,204	24,857	-	162,061
Sanitation	124,663	-	-	124,663
Salaries	42,513	42,513	-	85,026
Chemicals	33,409	19,944	-	53,353
Utilities	15,724	32,095	-	47,819
Debt Certificate Payment	46,859	-	-	46,859
System Improvement	16,402	18,190	-	34,592
Debt Certificate Interest	25,649	-	-	25,649
Insurance	11,809	11,809	-	23,618
Equipment	10,747	9,981	-	20,728
Benefits	7,687	7,687	-	15,374
Loan Payment	12,598	-	-	12,598
Professional Services	4,801	4,247	-	9,048
Sludge Removal	-	8,007	-	8,007
Office Expense	4,702	2,721	31	7,454
NPDES Permit	-	5,000	-	5,000
Lab Fees	1,926	2,780	-	4,706
Fuel	1,231	1,231	-	2,462
Deposit Refunds	-	-	1,514	1,514
Loan Interest	1,366	-	-	1,366
Contingency	357	-	-	357
Total Disbursements	<u>499,647</u>	<u>191,062</u>	<u>1,545</u>	<u>692,254</u>
Net Increase (Decrease)				
in Cash and Investments	<u>\$ (169,341)</u>	<u>\$ 17,394</u>	<u>\$ (137)</u>	(152,084)
Cash and Investments, May 1, 2016				<u>559,110</u>
Cash and Investments, April 30, 2017				<u>\$ 407,026</u>

VILLAGE OF FISHER, ILLINOIS
Property Tax Levies, Rates, Extensions, and Collections
For the Four Years Ended April 30

Fiscal Year Received	2018	2017	2016	2015
Levy Year	2016	2015	2014	2013
Assessed Valuations	\$ 17,261,474	\$ 16,996,502	\$ 16,679,897	\$ 16,841,008
Tax Levies				
General	\$ 39,850	\$ 39,275	\$ 38,950	\$ 39,279
Police	13,240	13,115	13,000	13,100
Audit	2,025	2,000	2,000	2,000
Insurance	4,450	4,395	4,360	4,400
ESDA	420	415	410	419
Total Tax Levies	\$ 59,985	\$ 59,200	\$ 58,720	\$ 59,198
Tax Rates				
General	0.2296	0.2311	0.2335	0.2278
Police	0.0763	0.0772	0.0779	0.0760
Audit	0.0116	0.0118	0.0120	0.0116
Insurance	0.0257	0.0259	0.0261	0.0255
ESDA	0.0024	0.0024	0.0025	0.0024
Total Tax Rates	0.3456	0.3484	0.3520	0.3433
Tax Extensions				
General	\$ 39,632	\$ 39,279	\$ 38,948	\$ 38,364
Police	13,171	13,121	12,994	12,799
Audit	2,002	2,006	2,002	1,954
Insurance	4,436	4,402	4,353	4,294
ESDA	414	408	417	404
Total Tax Extensions	\$ 59,656	\$ 59,216	\$ 58,714	\$ 57,815
Tax Collections				
General		\$ 38,815	\$ 39,010	\$ 38,177
Police		12,960	13,010	12,743
Audit		1,983	2,005	1,945
Insurance		4,345	4,356	4,274
ESDA		404	417	397
Total Tax Collections		\$ 58,507	\$ 58,798	\$ 57,536
Percentage of Extension Collected		98.80%	100.14%	99.52%

VILLAGE OF FISHER, ILLINOIS
 Unaudited Schedule of Insurance Coverage
 April 30, 2017

Type of Coverage	Name of Insurer	Amount of Coverage	Policy Expiration Date
Property, Inland Marine and Auto Physical Damage	IMLRMA	\$ 250,000,000	1/1/2018
Workers' Compensation	IMLRMA	Statutory	1/1/2018
Employer's Liability	IMLRMA	\$ 3,000,000	1/1/2018
General and Automobile Liability	IMLRMA	\$ 8,000,000	1/1/2018

The above summary of insurance protection is presented on the basis of unaudited information obtained from policies on file in the Village's office. The amount and adequacy of the coverage were not investigated by the auditors.

INDEPENDENT AUDITOR'S REPORT
ON TAX INCREMENT FINANCING

Board of Village Trustees
Village of Fisher, Illinois
Fisher, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements and related notes of the Village of Fisher, Illinois as of and for the year ended April 30, 2017, as listed in the table of contents, and have issued our report thereon dated April 30, 2017.

In connection with our audit, we tested expenditures of the Village of Fisher, Illinois' Tax Increment Financing districts. The results of our tests indicate that for the items tested, the Village of Fisher, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing." Additionally, nothing came to our attention that caused us to believe that the Village of Fisher, Illinois was not in compliance with the statutory requirements of 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 Village of Fisher, Illinois' noncompliance with the above-referenced statutory requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Village Trustees, management, and others within the Village of Fisher, Illinois, and the Comptroller of the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
July 17, 2017

