

# Village of Wayne

Wayne, Illinois



ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED APRIL 30, 2019

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**VILLAGE OF WAYNE  
WAYNE, ILLINOIS**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED APRIL 30, 2019**

**Prepared by: Howard P. Levine  
Village Treasurer**

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**Village of Wayne, Wayne, Illinois  
Annual Financial Report  
For the Year Ended April 30, 2019**

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**PART I**

**INTRODUCTORY SECTION**

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**VILLAGE OF WAYNE  
WAYNE, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2019

**VILLAGE BOARD OF TRUSTEES**

Eileen Phipps, President  
Mike Anastasio, Trustee  
Peter Connolly, Trustee  
Edwin Hull, Trustee  
Kate O'Rourke, Trustee  
Robert Reed, Trustee  
Ann Tigges, Trustee

**OFFICERS**

Patricia Engstrom, Village Clerk  
Mickey, Wilson, Weiler, Renzi, & Anderson, P.C., Village Attorney  
Howard Levine, Village Treasurer

**ADMINISTRATIVE OFFICE**

5N430 Railroad Street  
Post Office Box 532  
Wayne, Illinois 60184  
Telephone (630) 584-3090

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**PART II**  
**FINANCIAL SECTION**

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# **INDEPENDENT AUDITOR'S REPORT**

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# Selden Fox

Accounting for your future

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Village of Wayne, Illinois

We have audited the accompanying financial statements of the governmental activities, fiduciary activities, each major fund, and the aggregate remaining fund information of the **Village of Wayne, Illinois** (Village), as of and for the year ended April 30, 2019, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General Fund 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the Village of Wayne, Illinois, as of April 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-9, and the multiyear schedule of changes in net pension liability and related ratios (pages 49-50), and the multiyear schedule of contributions – last 10 fiscal years (pages 51-52) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying financial information listed as supplementary information (the nonmajor governmental funds on pages 53-66, and the other financial schedules on pages 67-70), and the statistical information on pages 71-74 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical information 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.

*Selden Fox, Ltd.*

October 2, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Village of Wayne, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2019**

The Village of Wayne, Illinois (Village), Management's Discussion and Analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of major financial activities of the Village, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts; please read it in conjunction with the Village's financial statements (beginning on page 10).

**Financial Highlights**

- The Village's net position at April 30, 2019, was assets and deferred outflows in excess of liabilities of \$3,697,062 (\$3,817,238 at April 30, 2018). Net position decreased \$120,176 from the year ended April 30, 2018 (net position decreased \$15,116 for the year ended April 30, 2018).
- Governmental activities and general revenues for the fiscal year ended April 30, 2019, was \$1,836,214 (\$1,841,448 for the year ended April 30, 2018), a decrease of \$5,234 from the prior year.
- Governmental fund balances totaled \$2,561,638 at April 30, 2019 (\$2,472,348 at April 30, 2018), an increase of \$89,290, as compared with an increase of \$102,551 for the year ended April 30, 2018.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

## **Overview of the Financial Statements (cont'd)**

### **Government-wide Financial Statements (cont'd)**

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, retirement contributions and highways and streets. The Village has no business-type activities.

The government-wide financial statements include only the Village itself (known as the primary government), as the Village has no component units. The government-wide financial statements also exclude activity reported in fiduciary funds.

The government-wide financial statements can be found on pages 10 through 12 of this report.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds. The Village has no proprietary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund. Data from the other eleven governmental funds (Social Security, Audit, Road and Bridge, Motor Fuel Tax, Special Service Area #3, Special Service Area #4, School, Park, Special Service Area #5, Sanctuary, and Jensen Memorial Funds) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental section in this report.

## **Overview of the Financial Statements (cont'd)**

### **Fund Financial Statements (cont'd)**

#### ***Governmental Funds*** (cont'd)

The basic governmental fund financial statements can be found on pages 13 through 20 of this report.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's agency funds consist of the Police Pension Trust Fund and an Agency Fund.

The basic fiduciary fund financial statements can be found on pages 21 and 22 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 48 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the Village's change in its net pension liability and historical data on employer contributions to its single employer Police Pension Fund. This information can be found on pages 49 through 52 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, of revenue, expenditures and changes in fund balance – budget and actual for the nonmajor funds, and capital asset and long-term debt schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 50 through 63 of this report. Some historical statistical information on general governmental revenues and expenditures, property tax levies and collections, and assessed and actual values of taxable properties are included on pages 71 through 74.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$3,697,062 at the close of the most recent fiscal year.

The largest portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and vehicles), less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors.

**Village of Wayne, Illinois**  
**Condensed Statement of Net Position**  
**April 30,**

	2019	2018
Current and other assets	\$ 3,665,629	\$ 3,591,942
Capital assets	3,485,371	3,520,256
Deferred outflows	247,814	236,373
<b>Total assets and deferred outflows</b>	<b>7,398,814</b>	<b>7,348,571</b>
Current liabilities	282,659	318,708
Noncurrent liabilities	3,402,690	3,212,625
Deferred inflows	16,403	-
<b>Total liabilities and deferred inflows</b>	<b>3,701,752</b>	<b>3,531,333</b>
Net position:		
Net investment in capital assets	3,485,371	3,520,256
Restricted	594,693	574,450
Unrestricted	(383,002)	(277,468)
<b>Total net position</b>	<b>\$ 3,697,062</b>	<b>\$ 3,817,238</b>

**Governmental Activities and General Revenues** – Governmental activities and general revenues decreased the Village’s net position by \$120,176 (\$15,116 increase in the prior year). For the year ended April 30, 2019, there was an overall decrease in governmental and general revenues of \$5,234 and an overall increase in expenses of \$99,826 that resulted in the difference in the year-over-year changes in net position. For the year ended April 30, 2018, an overall increase in revenues of \$148,479 was outpaced by an overall increase in expenses of \$203,102.

Detail on current year activity is on the following page.

**Village of Wayne, Illinois  
Changes in Net Position  
For the Years Ended April 30,**

	<b>2019</b>	<b>2018</b>
Program revenues:		
Charges for services	\$ 227,977	\$ 219,254
Operating grants and contributions	7,075	45,389
General revenues:		
Property taxes	843,269	822,708
Other taxes	276,551	266,905
Intergovernmental:		
State income tax	251,343	269,191
Municipal retailers' tax	98,044	87,418
Other	61,867	62,293
Investment income	55,335	25,957
Miscellaneous	14,753	42,333
	<b>1,836,214</b>	<b>1,841,448</b>
<b>Total revenues</b>		
Expenses:		
General government	429,332	332,485
Public safety	757,124	812,394
Retirement contributions, net of change in net pension obligation/asset	420,027	331,358
Highways and streets	349,907	380,327
	<b>1,956,390</b>	<b>1,856,564</b>
<b>Total expenses</b>		
<b>Changes in net position</b>	<b>(120,176)</b>	<b>(15,116)</b>
Net position:		
Beginning of the year	3,817,238	3,832,354
End of the year	\$ 3,697,062	\$ 3,817,238

Revenues decreased in the current year by \$5,234, which was due to increases in charges for services, property taxes, and other taxes being offset by decreases in operating grants and contributions, state income taxes, and miscellaneous revenues. General government expenses increased \$96,847 primarily due to the Village's Park Fund making a \$114,470 contribution to School District U-46 for playground equipment from past developers' contributions. Public safety expenses, including retirement contributions and the change in the net pension obligation, increased \$33,399 primarily due to an approximate decrease in wages and benefits of \$85,000 being offset by an approximate \$16,000 increase in the retirement fund contribution, a \$72,000 increase in the actuarially calculated change in the net pension obligation, and an approximate increase of \$36,000 in professional fees. The maintenance of highways and streets decreased expenses by \$30,420 due primarily to the decrease in expense in the road maintenance program for the year ended April 30, 2019.



## Governmental Fund Financial Highlights

The Village reported the General Fund as a major fund. The General Fund in the current year included two internal funds, the Police Protection Fund and the Street and Bridge (Public Works) Fund, which at one time was reported as, but no longer meeting the definition of, a special revenue fund. Budgets were adopted for all governmental funds. Budgeted expenditures, which are presented in this annual financial report, are less than the appropriated amounts, such that actual expenditures could exceed budgeted amounts but still fall within the legal spending limit. The Village did not amend its budget during the year.

**General Fund** – General Fund revenues of \$1,648,931 were over budgeted expectations by \$97,967. State income tax, municipal retailer’s tax, amusement tax, building permits, traffic fines and interest income all saw actual revenues that outpaced budgeted revenues. Expenditures in the General Fund of \$1,474,945 were under the budget of \$1,610,828 by \$135,883. The positive variance between budget versus actual was attributable to general government contractual expense, highway and streets capital expense, and police department personnel service expenses being under budget by \$264,700, which was offset by public safety and highways and streets contractual services being over budget by \$146,198. Other departmental expenses approximated budgeted amounts.

## Capital Asset and Debt Administration

**Capital Assets** – The Village’s investment in capital assets (net of accumulated depreciation) as of April 30, 2019 and 2018, was \$3,485,371 and \$3,520,256, respectively. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, and vehicles. The Village, as a phase-three government under GASB 34, has elected to capitalize infrastructure assets (i.e., streets, sidewalks and curbs, land beneath the streets, and bridges) on the statement of net position on a prospective basis. The total change in the Village’s investment in capital assets between the current fiscal year and the prior year’s annual report was due primarily to the purchase and improvement of public safety vehicles. Depreciation outpaced these additions to capital assets by approximately \$27,000 in the current year.

The following table presents capital assets at April 30, 2019 and 2018, at net book value.

### Village of Wayne, Illinois Capital Assets at Year End, Net of Accumulated Depreciation For the Years Ended April 30,

	<u>2019</u>	<u>2018</u>
Land	\$ 3,014,502	\$ 3,014,502
Buildings and improvements	237,801	247,096
Infrastructure	22,454	24,471
Machinery and equipment	13,714	15,074
Vehicles	196,900	219,113
	<u>\$ 3,485,371</u>	<u>\$ 3,520,256</u>

Additional information on the Village’s capital assets can be found in Note III.B. on page 39 of this report.

## **Capital Asset and Debt Administration (cont'd)**

**Long-term Debt** – The Village has no long-term debt. The Village has a fiduciary obligation to levy and collect special purpose property taxes for the long-term debt payable by residents of Special Service Area #5, and makes payments to the bondholders with the taxes collected. The debt is not an obligation of the Village and is secured only by special purpose property taxes and, therefore, is not included in the financial statements of the Village.

The Village does record a long-term liability in the governmental activities for its net pension liability for the police pension plan. Additional information on the Village's net pension liability can be found in Note IV.C. beginning on page 41.

## **Summary and Future Considerations**

The Village intends to continue to closely monitor expenditures, and allocate resources to areas that best meet the needs of its citizenry. The Village will continue to actively seek out grants and all other available revenue sources.

## **Request for Information**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Village Treasurer's Office at 5N430 Railroad Street, Wayne, Illinois 60184.

## **BASIC FINANCIAL STATEMENTS**

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**Village of Wayne, Illinois**  
**Statement of Net Position**  
**April 30, 2019**

<b>Assets</b>	
Cash and investments	\$ 2,715,386
Receivables:	
Property taxes	841,288
State income taxes	64,064
Municipal retailers' tax	15,250
Motor fuel taxes	5,381
Utility taxes	21,886
Due from Police Pension Trust Fund	1,374
Prepaid items	1,000
Capital assets not depreciated	3,014,502
Capital assets being depreciated, net of accumulated depreciation	470,869
<b>Total assets</b>	<b>7,151,000</b>
<b>Deferred Outflows of Resources</b>	
Pension-related	246,698
<b>Total assets and deferred outflows of resources</b>	<b>7,397,698</b>
<b>Liabilities</b>	
Accounts payable	32,984
Accrued salaries	18,619
Payroll taxes withheld and accrued	746
Compensated absences payable	19,956
Developers' deposits	14,924
Construction deposits	174,194
Unearned revenue	21,236
Noncurrent liabilities - net pension liability	3,395,695
<b>Total liabilities</b>	<b>3,678,354</b>
<b>Deferred Inflows of Resources</b>	
Pension-related	16,403
<b>Total liabilities and deferred inflows of resources</b>	<b>3,694,757</b>
<b>Net Position</b>	
Net investment in capital assets	3,485,371
Restricted for:	
Village portion of Social Security tax	84,800
Audit	12,569
Highways and streets	130,519
Special service areas	159,795
Donor purposes:	
Nonexpendable	100,000
Expendable	107,010
Unrestricted	(377,123)
<b>Total net position</b>	<b>\$ 3,702,941</b>

See accompanying notes.

**Village of Wayne, Illinois**  
**Statement of Activities**  
**For the Year Ended April 30, 2019**

Functions/Programs	Expenses	Charges for Services and Fees
Primary government:		
Governmental activities:		
General government	\$ 429,332	\$ 89,629
Public safety	1,171,272	74,176
Highways and streets	349,907	64,172
<b>Total governmental activities</b>	<b>\$ 1,950,511</b>	<b>\$ 227,977</b>

See accompanying notes.

Program Revenues		Net (Expense) Revenue and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	
\$ -	\$ -	\$ (339,703)
7,075	-	(1,090,021)
-	-	(285,735)
<u>\$ 7,075</u>	<u>\$ -</u>	<u>(1,715,459)</u>

General revenues:

Taxes:

Property	843,269
State income taxes	251,343
Municipal retailers' tax	98,044
Amusement tax	26,550
Motor fuel tax allotments	61,710
Utilities tax	250,001
Road and bridge taxes	157
Investment income	55,335
Miscellaneous	14,753

**Total** 1,601,162

**Changes in net position** (114,297)

Net position, beginning of the year 3,817,238

Net position, end of the year \$ 3,702,941

**Village of Wayne, Illinois**  
**Balance Sheet - Governmental Funds**  
**April 30, 2019**

<b>Assets</b>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 2,094,905	\$ 620,481	\$ 2,715,386
Receivables:			
Property taxes, net of allowance for uncollectible amounts	756,163	85,125	841,288
State income tax	64,064	-	64,064
Municipal retailers' tax	15,250	-	15,250
Motor fuel taxes	-	5,381	5,381
Utilities and excise tax	21,886	-	21,886
Due from police pension fund	1,374	-	1,374
Prepaid items	1,000	-	1,000
<b>Total assets</b>	<b>\$ 2,954,642</b>	<b>\$ 710,987</b>	<b>\$ 3,665,629</b>
<b>Liabilities</b>			
Accounts payable	\$ 32,984	\$ -	\$ 32,984
Accrued salaries	18,619	-	18,619
Accrued payroll taxes	-	746	746
Developers' deposits	14,924	-	14,924
Construction deposits	174,194	-	174,194
Unearned revenue	21,236	-	21,236
<b>Total liabilities</b>	<b>261,957</b>	<b>746</b>	<b>262,703</b>
<b>Deferred Inflows of Resources</b>			
Property taxes	756,163	85,125	841,288
<b>Total liabilities and deferred inflows of resources</b>	<b>1,018,120</b>	<b>85,871</b>	<b>1,103,991</b>
Fund balances:			
Nonspendable	1,000	100,000	101,000
Restricted for:			
Retirement	-	36,158	36,158
Audit	-	2,200	2,200
Road and bridge maintenance	-	130,519	130,519
Special service areas	-	133,682	133,682
Donor purposes	27,291	79,719	107,010
Committed for capital outlay	-	142,838	142,838
Unassigned, reported in:			
General fund	1,908,231	-	1,908,231
<b>Total fund balances</b>	<b>1,936,522</b>	<b>625,116</b>	<b>2,561,638</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,954,642</b>	<b>\$ 710,987</b>	<b>\$ 3,665,629</b>

See accompanying notes.



**Village of Wayne, Illinois**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**April 30, 2019**

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Total fund balance - governmental funds (page 13)	\$ 2,561,638
Amounts reported for governmental activities in the statement of net position (page 10) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds' balance sheet.	3,485,371
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position.	841,288
Certain liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in the governmental funds. These liabilities consist of:	
Compensated absences payable	(19,956)
Net pension liability	(3,395,695)
Differences between expected and actual experience, assumption changes, and net differences between projected and actual earnings for the Police Pension Trust Fund are recognized as deferred outflows or deferred inflows in the statement of net position.	<u>230,295</u>
Net position of governmental activities (page 10)	<u>\$ 3,702,941</u>

See accompanying notes.

**Village of Wayne, Illinois**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds**  
**For the Year Ended April 30, 2019**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 565,155	\$ 92,536	\$ 657,691
Property taxes - police pension	166,498	-	166,498
Road and bridge taxes	-	157	157
State income taxes	247,694	3,649	251,343
Municipal retailers' tax	98,044	-	98,044
Amusement tax	26,550	-	26,550
Motor fuel tax allotments	-	61,710	61,710
Permits and licenses	89,629	-	89,629
Vehicle stickers	64,172	-	64,172
Utilities tax	250,001	-	250,001
Traffic fines	74,176	-	74,176
Grants and contributions	7,075	-	7,075
Interest	45,184	10,151	55,335
Miscellaneous	14,753	-	14,753
<b>Total revenues</b>	<b>1,648,931</b>	<b>168,203</b>	<b>1,817,134</b>
<b>Expenditures:</b>			
Current expenditures:			
General government:			
Administration	185,839	-	185,839
Building	79,683	-	79,683
Audit	-	14,150	14,150
Payroll taxes	-	48,330	48,330
Public safety	916,203	-	916,203
Highways and streets	250,752	63,124	313,876
Engineering services	-	15,500	15,500
Other	-	2,213	2,213
Capital outlay and grant related expenditures	42,468	114,470	156,938
<b>Total expenditures</b>	<b>1,474,945</b>	<b>257,787</b>	<b>1,732,732</b>
<b>Revenues over (under) expenditures before other financing sources</b>	<b>173,986</b>	<b>(89,584)</b>	<b>84,402</b>

(cont'd)

**Village of Wayne, Illinois**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds (cont'd)**  
**For the Year Ended April 30, 2019**

	General	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources:			
Proceeds from sale of capital assets	\$ 4,888	\$ -	\$ 4,888
<b>Total other financing sources</b>	<u>4,888</u>	<u>-</u>	<u>4,888</u>
<b>Net changes in fund balances</b>	<u>178,874</u>	<u>(89,584)</u>	<u>89,290</u>
Fund balances, beginning of the year	<u>1,757,648</u>	<u>714,700</u>	<u>2,472,348</u>
Fund balances, end of the year	<u>\$ 1,936,522</u>	<u>\$ 625,116</u>	<u>\$ 2,561,638</u>

See accompanying notes.

**Village of Wayne, Illinois**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended April 30, 2019**

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Net change in fund balances - total governmental funds (page 16)	\$	89,290
Amounts reported for governmental activities in the statement of activities (pages 11 and 12) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay in the governmental funds.		38,819
Depreciation on capital assets is reported as an expense in the statement of activities.		(66,160)
Governmental funds report proceeds from the sale of capital assets as an other financing source. However, in the statement of activities the difference between amounts previously depreciated and the proceeds received are recorded as revenues or expenses accordingly.		(7,544)
Revenues in the statement of activities do not provide current financial resources, and are not reported as revenues in the individual funds.		19,080
The net effect of changes in the net pension liability is reported as an expense in the statement of activities.		(189,148)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds:		
Change in compensated absence payable		1,366
Change in net position of governmental activities (page 12)	\$	(114,297)

See accompanying notes.

**Village of Wayne, Illinois**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>			
Property taxes	\$ 529,881	\$ 565,155	\$ 35,274
Property taxes - police pension	206,328	166,498	(39,830)
State income tax	229,140	247,694	18,554
Municipal retailers' tax	85,120	98,044	12,924
Amusement tax	10,000	26,550	16,550
Building permits	69,172	86,674	17,502
Truck permits	5,940	1,680	(4,260)
Liquor licenses	300	1,275	975
Vehicle stickers	75,000	64,172	(10,828)
Utilities tax	243,031	250,001	6,970
Traffic fines	56,473	74,176	17,703
Grants and contributions	11,500	7,075	(4,425)
Interest	22,408	45,184	22,776
Miscellaneous	6,671	14,753	8,082
<b>Total revenues</b>	<b>1,550,964</b>	<b>1,648,931</b>	<b>97,967</b>
<b>Current expenditures - general government:</b>			
<b>Administrative department:</b>			
Personnel services	58,486	58,190	296
Contractual services	155,846	98,848	56,998
Commodities	8,758	6,577	2,181
Insurance	17,114	16,581	533
Other expenditures	7,965	5,643	2,322
<b>Total administrative department</b>	<b>248,169</b>	<b>185,839</b>	<b>62,330</b>
<b>Building department:</b>			
Personnel services	59,277	60,493	(1,216)
Contractual services	15,042	17,387	(2,345)
Commodities	2,626	1,519	1,107
Other expenditures	26	284	(258)
<b>Total building department</b>	<b>76,971</b>	<b>79,683</b>	<b>(2,712)</b>

(cont'd)

**Village of Wayne, Illinois**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund (cont'd)**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Current expenditures - public safety:			
Personnel services	\$ 557,588	\$ 497,491	\$ 60,097
Police pension contribution	225,000	225,000	-
Contractual services	81,325	120,417	(39,092)
Commodities	33,683	30,004	3,679
Insurance	44,291	42,451	1,840
Other expenditures	1,059	840	219
<b>Total public safety</b>	<b>942,946</b>	<b>916,203</b>	<b>26,743</b>
Current expenditures - highways and streets:			
Personnel services	48,088	56,383	(8,295)
Contractual services	80,917	188,023	(107,106)
Commodities	6,091	5,722	369
Other expenditures	970	624	346
<b>Total highways and streets</b>	<b>136,066</b>	<b>250,752</b>	<b>(114,686)</b>
<b>Total current expenditures</b>	<b>1,404,152</b>	<b>1,432,477</b>	<b>(28,325)</b>
Capital expenditures:			
Administrative department	7,725	2,134	5,591
Public safety	46,560	35,548	11,012
Highways and streets	152,391	4,786	147,605
<b>Total capital expenditures</b>	<b>206,676</b>	<b>42,468</b>	<b>164,208</b>
<b>Total expenditures</b>	<b>1,610,828</b>	<b>1,474,945</b>	<b>135,883</b>
<b>Revenues over (under) expenditures before other financing sources</b>	<b>(59,864)</b>	<b>173,986</b>	<b>233,850</b>

(cont'd)

**Village of Wayne, Illinois**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund (cont'd)**  
**For the Year Ended April 30, 2019**

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	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Other financing sources:			
Proceeds from sale of capital assets	\$ -	\$ 4,888	\$ 4,888
<b>Total other financing sources</b>	-	<b>4,888</b>	4,888
<b>Net changes in fund balance</b>	<b>\$ (59,864)</b>	<b>178,874</b>	<b>\$ 238,738</b>
Fund balance, beginning of the year		<b>1,757,648</b>	
Fund balance, end of the year		<b>\$ 1,936,522</b>	

See accompanying notes.

**Village of Wayne, Illinois**  
**Statement of Fiduciary Net Position -**  
**Fiduciary Funds - Trust and Agency Funds**  
**April 30, 2019**

<b>Assets</b>	Police Pension Trust Fund	Special Service Area #5 Agency Fund
Cash and cash equivalents	\$ 333,541	\$ 137,020
Investments:		
Certificates of deposit	689,384	-
U.S. government and agency securities	699,173	-
Corporate bonds	94,289	-
Municipal bonds	25,807	-
Equity mutual funds	184,145	-
Receivables:		
Property taxes	-	109,720
Accrued interest	12,197	-
<b>Total assets</b>	<b>\$ 2,038,536</b>	<b>\$ 246,740</b>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ 5,202	\$ -
Due to bondholders	-	137,020
Due to other funds	1,374	-
Deferred property taxes	-	109,720
<b>Total liabilities</b>	<b>6,576</b>	<b>246,740</b>
<b>Net Position</b>		
Restricted for pension	2,031,960	-
<b>Total liabilities and net position</b>	<b>\$ 2,038,536</b>	<b>\$ 246,740</b>

See accompanying notes.



**Village of Wayne, Illinois**  
**Statement of Changes in Net Position -**  
**Fiduciary Funds - Police Pension Trust Fund**  
**For the Year Ended April 30, 2019**

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Additions:	
Contributions:	
Employer	\$ 225,000
Plan members (employees)	8,108
	233,108
<b>Total contributions</b>	
	233,108
Investment income:	
Interest	35,553
Net increase in fair value of investments	11,608
	47,161
<b>Total investment income</b>	
	47,161
<b>Total additions</b>	
	280,269
Deductions:	
Pension benefit payments	225,472
Dues	1,198
Professional fees	32,625
Training	2,761
Other	3,341
	265,397
<b>Total deductions</b>	
	265,397
<b>Net changes in net position</b>	
	14,872
Net position restricted for pension:	
Beginning of the year	2,017,088
	2,017,088
End of the year	\$ 2,031,960
	2,031,960

See accompanying notes.

## **Village of Wayne, Illinois Notes to the Financial Statements**

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### **I. Summary of Significant Accounting Policies**

The Village of Wayne, Illinois (Village), was incorporated on September 19, 1958. The Village operates under a Board of Trustees form of government and provides the following services: police protection, streets and roads, planning and zoning, public improvements, and general administration.

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

#### **A. The Reporting Entity**

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either: (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government including a financial benefit or burden relationship.

Several other governmental entities have operations within or serve the residents of the Village but are separate legal entities. The Village is not financially accountable for these entities, and they are not included in the Village's reporting entity. In addition, the Village does not believe that any of these is a component unit of any other entity.

#### **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 information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Village has no business-type activities.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

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

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) grants and contributions 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 fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, and expenditures related to compensated absences payable and claims and judgments, are recorded only when payment is due.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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I. **Summary of Significant Accounting Policies (cont'd)**

C. **Measurement Focus, Basis of Accounting (cont'd)**

Property taxes, utility taxes, grants and contributions and interest are susceptible to accrual. Replacement income tax, state income tax, amusement tax and municipal retailers' tax collected and held by the state at year end on behalf of the Village are also recognized as revenue. Other receipts become measurable and available when cash is received by the Village, and are recognized as revenue at that time.

The Village reports the following major governmental fund:

**General Fund** – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The major departments of the General Fund are administration, building, public safety, and highways and streets.

Additionally, the Village administers fiduciary funds for assets held by the Village in a fiduciary capacity. The Village reports the following fiduciary funds:

**Police Pension Trust Fund** – The Village has a pension trust fund which is used to account for the activities of the Police Pension Plan. The Police Pension Plan accumulates resources for pension benefit payments to qualified employees.

**Special Service Area #5 Agency Fund** – The Village acts as agent for the individual homeowners in the special service area, collecting taxes levied for and making payments on bonds issued for the construction of a private road. The Agency Fund is custodial in nature and does not involve measurement of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Unearned revenue is reported on the statement of net position and the governmental funds' balance sheet. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria. Unearned revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both the recognition criteria are met, or when the government has a legal claim to the resources, the liability is removed and the revenue is recognized.

Differences occur from the manner in which the governmental fund and the Village-wide financial statements are prepared. The government-wide financial statements report capital asset activity, compensated absences payable, and a net pension liability and related deferred outflows. Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity**

**1. Deposits and Investments**

**Use of Estimates** – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

**Cash** – The Village considers cash on hand and cash in banks to be cash. Highly liquid investments with an original maturity of three months or less when purchased would be considered cash equivalents, but the Village does not have any such investments at April 30, 2019.

**Investments** – Investments are reported at fair value. Fair value is based on quoted market prices. Non-negotiable certificates of deposit and other short-term investments are reported at cost, which approximates fair value. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value, as well as the general classification of such investments pursuant to the valuation hierarchy.

Actively traded mutual funds are valued using quoted market prices. Accordingly, these assets are categorized in Level 1 of the fair value hierarchy.

Corporate and municipal bonds, and U.S. government securities and agency securities are valued using pricing models based on standard inputs. These standard inputs typically include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data, including market research publications. Accordingly, these types of investments are categorized in Level 2 of the fair value hierarchy.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity (cont'd)**

**1. Deposits and Investments (cont'd)**

Under Illinois law, the Village is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States, its agencies and its instrumentalities.
- Interest-bearing savings accounts, certificates of deposit, and time deposits for banks and savings and loans insured up to \$250,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Investment Pool.
- Repurchase agreements that meet instrument transaction requirements of Illinois law.

In addition, Pension Trust Funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, limited to 10% of the fund's investments.
- Interest-bearing bonds of the State of Illinois, and bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
- Mutual funds which meet the following requirements: (1) managed by an investment company as defined under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, (2) mutual fund has been in operation for 5 years, (3) mutual fund has assets of \$250 million or more, (4) mutual fund is comprised of stocks, bonds, or money market instruments, and (5) limited to 35% of net present assets.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity (cont'd)**

**1. Deposits and Investments (cont'd)**

- Common and preferred stocks which meet the following requirements: (1) investments must be made through an investment advisor, (2) stocks of U.S. corporations that have been in existence for five years, (3) corporations not in arrears in payment of dividends in last five years, (4) market value of stock in any one corporation does not exceed 5% of cash and invested assets of pension fund, (5) stock in any one corporation does not exceed 5% of total outstanding stock in the corporation, (6) stock listed on national securities exchange or quoted in NASDAQNMS, and (7) limited to 35% of net present assets.

The Village's and the Police Pension Trust Fund's investment policies do not further restrict the types of investments in which the Village may invest.

**2. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Village's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk not later than the last Tuesday in December of each year. Taxes are due and collectible one-half on June 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are based on the assessed valuation of the Village's real property as equalized by the state of Illinois. The rate-setting equalized assessed valuation of real property totaled \$154,019,107 for the calendar year 2018.

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the county collector, the property taxes are not "available" to finance current year expenditures. For those funds on the modified accrual basis of accounting, the current year tax levy is recorded as property taxes receivable and deferred inflows of resources.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity (cont'd)**

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Capital Assets**

Capital assets, which include property, buildings, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, storm sewers, streetlights, sidewalks, and similar items), are reported in the government-wide financial statements. The Village defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year.

All purchased capital assets are recorded at cost where historical records are available or at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets except land, site improvements, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. The following estimated useful lives are used to compute depreciation on a straight-line basis:

Buildings and improvements	10 – 35 years
Infrastructure	25 years
Machinery and equipment	5 – 10 years
Vehicles	7 years



**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity (cont'd)**

**5. Compensated Absences**

Full-time and regular part-time employees are permanent employees and are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Village. Generally, after one year of service, permanent employees are entitled to all accrued vacation leave upon termination. Sick leave accrues to permanent employees to specified maximums and may be carried over indefinitely but is not paid out to an employee upon separation of service from the Village. Certain employees are eligible for a 50% payout of accumulated sick days at retirement, in accordance with a previous sick pay policy.

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation, and vested sick leave balances for Village employees that are carried over from the previous policy. Compensated absences will be paid as they come due and will be paid from the fund where the employee's salary is paid (typically the General Fund).

**6. Long-term Obligations**

The Village has no long-term obligations. The Village has a fiduciary obligation to levy and collect special purpose property taxes for the long-term debt payable by residents of Special Service Area #5 and makes payments to the bondholders with the taxes collected. The debt is not an obligation of the Village and is secured only by special purpose property taxes and, therefore, is not included in the financial statements of the Village.

**7. Fund Equity/Net Position**

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances for any borrowing used for the acquisition, construction, or improvement of those assets. The Village had no such borrowings. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restriction imposed by creditors, grantors, laws, or regulations of other governments.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity (cont'd)**

**7. Fund Equity/Net Position (cont'd)**

The statement of net position presents the Village's nonfiduciary assets and liabilities with the difference reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** results when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** consists of net position that does not meet the criteria of the two preceding categories.

In the fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent. The Village's fund balances have the following restrictions and commitments. There are no assigned fund balances at April 30, 2019.

**Individual Fund Restrictions, Commitments and Assignments:**

The fund balances for the special revenue funds are considered restricted, as the source of these fund balances are dedicated property tax levies, except for the Motor Fuel Tax Fund, which is funded by a legislatively mandated tax, and the Sanctuary Fund, which was initially funded by a private donation to be used for the preservation and maintenance of property conveyed to the Village as a wildlife sanctuary and nature preserve. Also, within the Jensen Memorial Fund, nonmajor permanent funds are considered nonspendable to the extent the source of the funds' fund balances is a permanently restricted donation. Income earned in the permanent funds is also restricted for the purpose of the funds.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Equity (cont'd)**

**7. Fund Equity/Net Position (cont'd)**

**Individual Fund Restrictions, Commitments and Assignments (cont'd):**

All nonmajor Capital Projects Funds are considered to be committed for capital projects as decreed by the passage of ordinances by the Board of Trustees.

The Village has a portion of the fund balance (\$1,000) in the General Fund that is considered nonspendable, and is intended to offset the prepaid items, and another portion (\$27,291) that represents the remaining balance on a grant received for police equipment that is considered restricted. The remaining fund balance in the General Fund is considered to be unassigned, as those funds are available for the general use of the Village, including funding other fund deficits.

When an expenditure is incurred for purposes for which both restricted and unrestricted 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.

**8. Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until then.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**II. Budgetary Information**

**A. Budget Process**

Annual budgets are adopted on a basis consistent with the modified accrual basis for all governmental funds. All annual budgeted amounts lapse at year end. Expenditures may not legally exceed appropriations at the fund level. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The budget is prepared in tentative form by the Village Treasurer, reviewed and approved by the Board of Trustees. The appropriations are prepared by the Village Treasurer and are made available for public inspection 30 days prior to final Board action. A public hearing is held on the tentative appropriations to obtain taxpayer comments.
- Prior to August 1, the appropriations are legally adopted by the Board of Trustees. All actual expenditures contained herein have been compared to the annual operating budget.
- The Board of Trustees may:
  - Amend the approved budget in the same manner as its original enactment.
  - Transfer up to ten percent of the total appropriated in a fund between budgeted items within that fund.
  - After six months and by two-thirds vote, amend the budget or transfer amounts between departments and funds. No amendment or transfer shall be made increasing the budget, in the event funds are not available to effectuate the purpose of the amendment or transfer.
  - Adopt a supplemental budget in an amount not to exceed any additional revenue available, including unbudgeted fund balances, or amounts estimated to be received after adoption of the annual budget.
- The Village does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system in accordance with various legal requirements which govern the Village.

**B. Expenditures in Excess of Budget**

The budget for expenditures presented in this report is as adopted by the Village Board of Trustees, and is less than the amount appropriated.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Activities and Fund Types**

**A. Deposits and Investments**

The Village maintains and controls several pooled bank accounts and an investment pool (The Illinois Funds) in which the General and certain Special Revenue Funds share. Each fund's portion of the bank accounts and investment pool are displayed on its respective balance sheets as "cash and investments".

Investments are reported at fair value except for certificates of deposit and funds on deposit with Illinois Funds.

The Village invests in certificates of deposit, all of which are fully insured and with original maturities of one year or less. These certificates of deposit are considered short-term, highly liquid investments with insignificant risk of changes in value because of changes in interest rates, and are reported at cost.

The Village's investment in the Illinois Funds meets the criteria contained in GASB Statement No. 79, Certain Investment Pools and Pool Participants. This allows the Illinois Funds and those local governments investing in it to measure its investment at amortized cost. The criteria contained in GASB Statement No. 79 address (1) how the pool interacts with participants, (2) requirements for portfolio maturity, quality, diversification and liquidity, and (3) calculation and requirements of a shadow price.

For investments, other than those recorded at cost or amortized cost, the Village and Police Pension Trust Fund categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Activities and Fund Types (cont'd)**

**A. Deposits and Investments (cont'd)**

The carrying amount of cash and investments at April 30, 2019, is as follows:

	Village	Police Pension Trust Fund	Special Service Area #5 Agency Fund	Total
Cash on hand	\$ 50	\$ 65,497	\$ -	\$ 65,547
Cash in banks	131,040	-	-	131,040
<b>Total cash</b>	<b>131,090</b>	<b>65,497</b>	<b>-</b>	<b>196,587</b>
Money market fund	-	265,620	117,363	382,983
Illinois Funds:				
Pooled	454,861	-	-	454,861
Not pooled	444,164	2,424	19,657	466,245
Certificates of deposit	1,685,271	689,384	-	2,374,655
U.S. Government and agency securities	-	699,173	-	699,173
Corporate bonds	-	94,289	-	94,289
Municipal bonds	-	25,807	-	25,807
Equity mutual funds	-	184,145	-	184,145
<b>Total investments</b>	<b>2,584,296</b>	<b>1,960,842</b>	<b>137,020</b>	<b>4,682,158</b>
<b>Total cash and investments</b>	<b>\$ 2,715,386</b>	<b>\$ 2,026,339</b>	<b>\$ 137,020</b>	<b>\$ 4,878,745</b>

The carrying value and maturities of the Police Pension Trust Fund's investments at April 30, 2019, are as follows:

	<b>Investment Maturities (in Years)</b>				
	Carrying Value	Less than 1	1 to 5	6 to 10	More than 10
Money market fund	\$ 265,620	\$ 265,620	\$ -	\$ -	\$ -
U.S. Government and agency securities	699,173	-	24,766	637,741	36,666
Corporate bonds	94,289	-	34,374	59,915	-
Municipal bonds	25,807	-	15,275	-	10,532
Equity mutual funds	184,145	184,145	-	-	-
<b>Total measured at fair value</b>	<b>1,269,034</b>	<b>449,765</b>	<b>74,415</b>	<b>697,656</b>	<b>47,198</b>
Certificates of deposit	689,384	531,947	157,437	-	-
Illinois Funds	2,424	2,424	-	-	-
<b>Total investments</b>	<b>\$ 1,960,842</b>	<b>\$ 984,136</b>	<b>\$ 231,852</b>	<b>\$ 697,656</b>	<b>\$ 47,198</b>

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Activities and Fund Types (cont'd)**

**A. Deposits and Investments (cont'd)**

The Police Pension Trust Fund has the following recurring fair value measurements as of April 30, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market fund	\$ 265,620	\$ 265,620	\$ -	\$ -
U.S. Government and agency securities	699,173	-	699,173	-
Corporate bonds	94,289	-	94,289	-
Municipal bonds	25,807	-	25,807	-
Equity mutual funds	184,145	184,145	-	-
<b>Total, at fair value</b>	<b>1,269,034</b>	<b>\$ 449,765</b>	<b>\$ 819,269</b>	<b>\$ -</b>
Certificates of deposit	689,384			
Illinois Funds	2,424			
<b>Total investments</b>	<b>\$ 1,960,842</b>			

**Credit Risk** – State law limits investment in commercial paper and corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs). The Village's policy places no further limits beyond those required by state law.

As of April 30, 2019, the Police Pension Trust Fund's investments were rated as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's Rating</u>
U.S government and agency securities:		
U.S. Treasury securities	\$ 124,180	NR
Farm Credit System securities	430,079	Aaa
Federal Home Loan Bank securities	144,914	Aaa
Corporate bonds:		
	10,046	Aaa
	14,897	Aa1
	20,011	Aa2
	14,745	A1
	34,490	A2
Municipal bonds:		
	15,275	Aa1
	10,532	Aa3

NR = Not Rated

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Activities and Fund Types (cont'd)**

**A. Deposits and Investments (cont'd)**

The Police Pension Trust Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in obligations guaranteed by the United States government, securities issued by agencies of the United States government that are explicitly or implicitly guaranteed by the United States government and investment grade corporate bonds rated at or above Baa by Moody's. The fixed income securities are rated Aaa to A2 by Moody's. U.S. Treasury securities are not rated.

**Custodial Credit Risk** – For deposits and investments, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of another party. It is the policy of the Village to invest public funds in a manner which will preserve capital, maintain liquidity, and provide a competitive market return while conforming to all state and local statutes governing the investment of public funds. Statutes require that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Trust Fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institution. The Police Pension Trust Fund's investment policy requires that its investments are registered in the name of the Police Pension Trust Fund and placed with a custodian approved by the Police Pension Trust Fund's Board so long as the custodian meets the requirements of State of Illinois statutes. All cash in banks and certificates of deposit were within FDIC insurance limits at April 30, 2019, or supplemented by collateral agreements with the related financial institution.

**Concentration of Credit Risk** – The Village's investment policy places no limit on the amount the Village may invest in any one issuer. The Village has investments in six individual certificates of deposit and the Illinois Funds that each exceeds 5% of the Village's investments. For the Police Pension Trust Fund, the following investments (other than those issued or guaranteed by the U.S. government, mutual funds, and other pooled investments) represent 5% or more of net position available for benefits:

<u>Investment Type</u>	<u>% of Net Position</u>
Farm Credit System securities	21.17%
Federal Home Loan Bank securities	7.13%



**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Activities and Fund Types (cont'd)**

**A. Deposits and Investments (cont'd)**

**Interest Rate Risk** – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village structures its investment portfolio so that deposits and investments meet cash requirements for ongoing operations and special projects, thereby avoiding the need to sell securities on the open market at unfavorable times.

In accordance with their investment policy, both the Police Pension Trust Fund limits its exposure to interest rate risk by structuring the portfolios to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The Police Pension Trust Fund investment policy indicates the average maturity/duration of the portfolio will be managed based on the existing interest rate environment, and under most circumstances, will be maintained at approximately 5 years and will range from 2-7 years, except that the investment manager may change the duration of the portfolio as market conditions permit.

The Village's investment policy structures maturities of securities and invests operating funds in shorter-term securities, money market funds, or similar investment pools as a means of managing its exposure to fair value losses arising from increasing interest rates. At April 30, 2019, the Village's investments are invested in the Illinois Funds, a highly liquid short-term maturity investment pool, and certificates of deposit.

**Other Information** – The Illinois Funds Investment Pool (Pool) is not registered with the SEC. The Illinois State Treasury administers the Pool and oversight is provided by the Auditor General's Office of the State of Illinois. The fair value of the positions in this Pool is the same as the value of the Pool shares. Separate financial statements for the Pool can be found on the Illinois State Treasurer's website. The Illinois Funds Investment Pool was rated AAAM by Standard & Poor's rating service.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Activities and Fund Types (cont'd)**

**B. Capital Assets**

Capital asset activity for the year ended April 30, 2019, is as follows:

	<u>Balances May 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30, 2019</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 3,014,502	\$ -	\$ -	\$ 3,014,502
Capital assets being depreciated:				
Buildings and improvements	309,679	-	-	309,679
Infrastructure	57,005	-	-	57,005
Machinery and equipment	159,022	4,500	-	163,522
Vehicles	431,288	34,319	(35,215)	430,392
	<u>956,994</u>	<u>38,819</u>	<u>(35,215)</u>	<u>960,598</u>
Less accumulated depreciation:				
Building improvements	62,583	9,295	-	71,878
Infrastructure	32,534	2,017	-	34,551
Machinery and equipment	143,948	5,860	-	149,808
Vehicles	212,175	48,988	(27,671)	233,492
	<u>451,240</u>	<u>66,160</u>	<u>(27,671)</u>	<u>489,729</u>
<b>Total capital assets being depreciated, net</b>	<u>515,754</u>	<u>(27,341)</u>	<u>(7,544)</u>	<u>470,869</u>
<b>Governmental activities, capital assets, net</b>	<u>\$ 3,520,256</u>	<u>\$ (27,341)</u>	<u>\$ (7,544)</u>	<u>\$ 3,485,371</u>

Depreciation expense was charged to functions/programs of the governmental activities of the primary government, as follows:

General government	\$ 4,713
Public safety	34,781
Highways and streets	<u>26,666</u>
<b>Total depreciation – governmental activities</b>	<u>\$ 66,160</u>

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Activities and Fund Types (cont'd)**

**C. Commitments**

***KaneComm***

The Village is a subscriber to Kane County Emergency Communications (KaneComm). Under the subscription agreement, KaneComm provides all necessary 911 communications and dispatch services. The agreement with KaneComm dated May 1, 2017, extends through March 2022, and may be automatically renewed for successive one-year periods unless the Village notifies KaneComm of its intent to withdraw. There are early termination features in the agreement, which generally would require the Village to make a substantial payment to KaneComm which is not estimable at this time.

KaneComm assesses a one-time non-refundable implementation fee of two percent of KaneComm's current fiscal year annual operating budget. In addition to the implementation fee, fees due to KaneComm under the agreement are divided into two cost components - a base fee and a usage fee. Both cost components are determined using the Village's percentage of calls for service as a percentage of total calls. The base fee is a flat amount that ranges from \$5,000 to \$25,000 depending on the Village's percentage of KaneComm's total calls for service. The usage fee is computed by taking the Village's percentage of calls for service multiplied by the difference in the KaneComm operating budget less base fees.

After the first year of the agreement, total costs for the Village are not to exceed five percent over the previous year's cost unless the Village's calls for service volume increases by more than fifty percent. The Village is committed to KaneComm for any debt attributable to the Village while a member of KaneComm, which would be incorporated into the base fee. The current year expenditures and expense to the Village under this agreement totaled \$41,500 and is included in the general fund public safety contractual services expenditures on the governmental fund financial statements statement of revenues, expenditures and changes in fund balances and public safety expenses on the government-wide statement of activities.

**IV. Other Information**

**A. Permanent Fund**

In October 2010, the Village received a \$100,000 donation to establish a permanent endowment in memory of a past trustee. Any earnings above the original donation are available for the preservation and maintenance of parks and other open space controlled by the Village. The original donation is reported as nonspendable net position on the statement of net position and on the balance sheet – governmental funds. Cumulative unexpended investment earnings of \$4,325 at April 30, 2019, is reported as expendable restricted net position on the statement of net position, and as restricted fund balance on the balance sheet – governmental funds.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**B. Risk Management**

The Village is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. For all claims, settlement amounts have not exceeded insurance in the current or three prior years.

Effective January 1, 2014, the Village became a member of the Illinois Municipal League Risk Management Association (IMLRMA), a joint risk management pool through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The difference between the coverage limit and the self-insured retention represented the amount payable by the Association's reinsurance. The Village made an annual contribution of \$55,620 to IMLRMA during the year ended April 30, 2019.

**C. Police Pension Plan**

***General Information About the Pension Plan***

**Plan Description** – Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's President, one member is elected by pension beneficiaries, and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

At April 30, 2019, the Police Pension Plan membership consisted of:

Retirees and beneficiaries	6
Inactive, non-retired members	0
Active members	<u>2</u>
Total	<u>8</u>

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

C. **Police Pension Plan** (cont'd)

**General Information About the Pension Plan** (cont'd)

**Benefits Provided** – The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, is increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 years, by 3% of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

For employees hired after January 1, 2011, the normal retirement age is attainment of age 55 and completion of 10 years of service; early retirement age is attainment of age 50, completion of 10 years of service and the early retirement factor is 6% per year. The employee's accrued benefit is based on their final 8-year average salary not to exceed \$106,800 (as indexed). Cost of living adjustments are simple increases, not compounded, and are the lesser of 3% or 50% of CPI beginning the later of the anniversary date or age 60. Surviving spouses receive 66.67% of the employee's benefit at the time of death.

**Contributions** – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the costs of benefits earned by Plan members as actuarially determined by an enrolled actuary. By the year 2041, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually. For the year ended April 30, 2019, the Village's contribution was 275% of covered payroll.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

C. **Police Pension Plan** (cont'd)

**General Information About the Pension Plan** (cont'd)

**Investment Policy** – The pension plan’s investment policy was established in accordance with provisions of the Illinois Compiled Statutes (ILCS) for pension plans, and may be amended by the Pension Board of Trustees. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The primary policies of the fund, in order of priority are safety, liquidity and return on investment.

The ILCS limit the Police Pension Trust Fund’s investments in equities, mutual funds and variable annuities to 10%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Police Pension Trust Fund’s investments was determined using an asset allocation study conducted by the Police Pension Trust Fund’s investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return excluding inflation for each major asset class included in the Fund’s target asset allocation as of April 30, 2019, are listed in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity Investments	10%	
Large Cap Domestic Equity		6.70%
Small Cap Domestic Equity		8.50%
International Equity		6.50%
Fixed Income	89%	1.70%
Cash/Short-Term Investments	1%	1.70%

**Investment Valuations** – Equity mutual funds and debt securities in the Police Pension Trust Fund are stated at fair value as of the trade date. Fair value is based on quoted market prices at April 30, for debt securities, equity mutual funds.

**Investment Concentrations** – There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

C. **Police Pension Plan** (cont'd)

**General Information About the Pension Plan** (cont'd)

**Investment Rate of Return** – For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The Police Pension Plan's net pension liability was measured as of April 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Valuation and Assumptions** – The actuarial assumptions used in the April 30, 2019, valuation were based on an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012. The valuation was done using the entry age normal actuarial cost method and the market value asset valuation method. The total pension liability in the April 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate used for the total pension liability	4.88%
Long-term expected rate of return on plan assets	5.00%
High quality 20-year tax-exempt G.O. bond rate	3.79%
Projected individual pay increases	3.00%
Projected increase in total payroll	3.00%
Consumer price index (Urban)	2.50%
Inflation rate included	2.50%
Retirement age	L&A 2016 Illinois Police Retirement Rates capped at age 65
Disability rates	L&A 2016 Illinois Police Disability Rates
Termination rates	L&A 2016 Illinois Police Termination Rates
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate
Percent married	85%

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

IV. **Other Information** (cont'd)

C. **Police Pension Plan** (cont'd)

**Net Pension Liability** (cont'd)

**Actuarial Valuation and Assumptions** (cont'd) – The actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at April 30, 2019, was 23 years.

**Discount Rate** – The discount rate used in the determination of the total pension liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. The discount rate used to measure the total pension liability was 4.88%, which was changed from 4.84% in the prior period. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20-Year Tax Exempt G.O. Bond Rate (assumed at 3.79% at April 30, 2019, and 3.97% in the prior year) will impact the blended discount rate. In addition, there are changes that can be made that impact the projection of the net position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance, April 30, 2018	5,229,712	2,017,087	3,212,625
Changes for the year:			
Service cost	47,485	-	47,485
Interest	247,662	-	247,662
Differences between expected and actual experience	156,062	-	156,062
Changes in assumptions	(27,794)	-	(27,794)
Contributions - employer	-	225,000	(225,000)
Contributions - employee	-	8,108	(8,108)
Net investment income	-	47,162	(47,162)
Benefit payments, including refunds of employee contributions	(225,472)	(225,472)	-
Administrative expenses	-	(39,925)	39,925
Net changes	<u>197,943</u>	<u>14,873</u>	<u>183,070</u>
<b>Balances at April 30, 2019</b>	<b><u>\$ 5,427,655</u></b>	<b><u>\$ 2,031,960</u></b>	<b><u>\$ 3,395,695</u></b>



**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

IV. **Other Information** (cont'd)

C. **Police Pension Plan** (cont'd)

**Net Pension Liability** (cont'd)

**Changes in Net Pension Liability**

**Discount Rate Sensitivity** – The following presents the net pension liability of the Village, calculated using the Discount Rate, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
Net Pension Liability	\$ 4,163,498	\$ 3,395,695	\$ 2,767,524

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

For the year ended April 30, 2019, the Village recognized pension expense to the Police Pension Plan of \$420,028. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 98,193	\$ -	\$ 98,193
Changes in assumptions	38,585	16,403	22,182
Net difference between projected and actual earnings in pension plan investments	109,020	-	109,020
<b>Total</b>	<b>\$ 246,698</b>	<b>\$ 16,403</b>	<b>\$ 230,295</b>

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

C. **Police Pension Plan** (cont'd)

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

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

<u>Year Ending April 30.</u>	
2020	\$ 140,987
2021	57,575
2022	21,156
2023	<u>10,577</u>
	<u>\$ 230,295</u>

D. **New Governmental Accounting Standards**

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses the accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of a tangible capital asset, and is effective for the fiscal year ending April 30, 2020.

GASB Statement No. 84, *Fiduciary Activities*, addresses the accounting and financial reporting requirements for activities meeting the criteria of fiduciary activities as defined in the Statement, and is effective for the fiscal year ending April 30, 2020.

GASB Statement No. 87, *Leases*, addresses the accounting and financial reporting requirements for leases by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows and outflows of resources based on the payment provisions of the contracts, and is effective for the fiscal year ending April 30, 2021.

**Village of Wayne, Illinois**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**D. New Governmental Accounting Standards (cont'd)**

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires additional essential information related to debt be disclosed in the notes to the financial statements. Statement No. 88 is effective for the fiscal year ending April 30, 2020.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, requires interest cost incurred before the end of a construction period be recognized as an expense in business-type activity or enterprise fund financial statements. Statement No. 89 is effective for the fiscal year ending April 30, 2021.

GASB Statement No. 90, *Majority Equity Interests- an amendment of GASB Statements No. 14 and No. 61*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 is effective for the fiscal year ending April 30, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*, provides for a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. Statement No. 91 is effective for the fiscal year ending April 30, 2021.

Management has not yet completed its assessment of these statements and a determination as to their impact on the overall financial statement presentation has not been made.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Village of Wayne, Illinois  
Police Pension Fund  
Required Supplementary Information - Multiyear Schedule of  
Changes in the Employer's Net Pension Liability and Related Ratios**

	<u>2019</u>	<u>2018</u>
<b>Total pension liability:</b>		
Service cost	\$ 47,485	\$ 65,936
Interest	247,662	245,672
Changes in benefit terms	-	-
Differences between expected and actual experience	156,062	1,237
Changes in assumptions	(27,794)	107,942
Benefit payments, including refunds of member contributions	<u>(225,472)</u>	<u>(209,025)</u>
<b>Net change in total pension liability</b>	<b>197,943</b>	<b>211,762</b>
<b>Total pension liability, beginning of year</b>	<u><b>5,229,712</b></u>	<u>5,017,950</u>
<b>Total pension liability, end of year</b>	<u><b>\$ 5,427,655</b></u>	<u>\$ 5,229,712</u>
<b>Plan fiduciary net position:</b>		
Contributions - employer	\$ 225,000	\$ 208,708
Contributions - member	8,108	16,738
Net investment income	47,162	45,539
Benefit payments, including refunds of member contributions	(225,472)	(209,025)
Administrative expense	<u>(39,925)</u>	<u>(10,841)</u>
<b>Net change in plan fiduciary net position</b>	<b>14,873</b>	<b>51,119</b>
<b>Plan fiduciary net position, beginning of year</b>	<u><b>2,017,087</b></u>	<u>1,965,968</u>
<b>Plan fiduciary net position, end of year</b>	<u><b>\$ 2,031,960</b></u>	<u>\$ 2,017,087</u>
<b>Employer's net pension liability</b>	<u><b>\$ 3,395,695</b></u>	<u>\$ 3,212,625</u>
Plan fiduciary net position as a percentage of the total pension liability	<u><b>37.44%</b></u>	<u>38.57%</u>
<b>Covered employee payroll</b>	<u><b>\$ 81,815</b></u>	<u>\$ 160,016</u>
Employer's net pension liability as a percentage of covered-employee payroll	<u><b>4150.46%</b></u>	<u>2007.69%</u>

See independent auditor's report.

2017	2016
\$ 62,796	\$ 108,882
232,585	222,885
-	-
159,793	-
1,780	-
(181,421)	(94,081)
275,533	237,686
4,742,417	4,504,731
\$ 5,017,950	\$ 4,742,417
\$ 190,000	\$ 208,708
19,846	34,196
48,252	6,081
(181,421)	(94,081)
(9,570)	(8,687)
67,107	146,217
1,898,861	1,752,644
\$ 1,965,968	\$ 1,898,861
\$ 3,051,982	\$ 2,843,556
39.18%	40.04%
\$ 288,096	\$ 362,971
1059.36%	783.41%

**Village of Wayne, Illinois  
Police Pension Fund  
Required Supplementary Information -  
Multiyear Schedule of Employer Contributions**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	<b>\$ 172,561</b>	\$ 176,919	\$ 193,272	\$ 193,272
Contributions in relation to actuarially determined contribution	<b>225,000</b>	208,708	190,000	208,708
Contribution deficiency (excess)	<b>\$ (52,439)</b>	\$ (31,789)	\$ 3,272	\$ (15,436)
Covered-employee payroll	<b>\$ 81,815</b>	\$ 160,016	\$ 288,096	\$ 362,971
Contributions as a percentage of covered-employee payroll	<b>275.01%</b>	130.43%	65.95%	57.50%

**Notes to Required Supplementary Information:**

Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Inflation (CPI-U)	2.50%
Payroll Increases	3.50%
Individual Pay Increases	3.50% - 11.00%
Investment Rate of Return	5.00%
Mortality	RP-2014 Healthy Annuitant with Blue Collar Adjustment
Retirement Rates	Illinois Department of Insurance Actuarial Experience Study Date
Disability Rates	Illinois Department of Insurance Actuarial Experience Study Date
Termination Rates	Illinois Department of Insurance Actuarial Experience Study Date

The actuarially determined contribution shown for the current year is the statutory minimum requirement from the May 1, 2017, actuary's report completed by the Illinois Department of Insurance for the tax levy recommendation for the December 2017 tax levy. Actuarially determined contributions shown for years prior to 2018 are based on full funding recommendations using the Entry Age Normal Cost Method and targeting 100% funding.

See independent auditor's report.



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 182,215	\$ 184,777	\$ 194,391	\$ 182,083	\$ 127,844	\$ 121,410
<u>200,000</u>	<u>282,913</u>	<u>157,000</u>	<u>126,679</u>	<u>127,844</u>	<u>121,410</u>
\$ (17,785)	\$ (98,136)	\$ 37,391	\$ 55,404	\$ -	\$ -
\$ 293,222	\$ 313,569	\$ 325,774	\$ 322,709	\$ 316,300	\$ 267,427
68.21%	90.22%	48.19%	39.25%	40.42%	45.40%

: October 5, 2017  
 : October 5, 2017  
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**SUPPLEMENTAL SECTION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

**Social Security Fund** – To account for revenues derived from a specific annual property tax levy and employee contributions which are fixed by law and subsequently paid to the United States Treasury Social Security Fund.

**Audit Fund** – To account for revenues derived from a specific annual property tax levy and expenditure of these monies for the annual audit of the Village.

**Road and Bridge Fund** – To account for revenues derived from a specific annual property tax levy and expenditures of these monies for street and bridge repairs and maintenance.

**Motor Fuel Tax Fund** – To account for revenues derived from the state of Illinois motor fuel taxes and expenditures of these monies for road repairs and maintenance.

**Special Service Area #3 Fund** – To account for revenues derived from a specific annual property tax levy and expenditures of these monies for the special service area.

**Special Service Area #4 Fund** – To account for revenues derived from a specific annual property tax levy and expenditures of these monies for the special service area.

**Sanctuary Fund** – To account for revenues received and expenditures for sanctuary maintenance.

### **Capital Projects Funds**

**School Fund** – To account for the contributions, grants, and other income received from third parties, and expenditures for school projects within the Village as directed by the appropriate School District and agreed to by the Village Board.

**Park Fund** – To account for the contributions, grants and other income received and expenditures for capital projects.

**Special Service Area #5 Fund** – To account for proceeds from SSA #5 bonds and expenditures of these monies for the Special Service Area.

### **Permanent Funds**

**William T. Jensen III Memorial Fund** – To account for contributions received, investment income and park maintenance expenses related to the William T. Jensen III endowment.

**Village of Wayne, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2019**

	<b>Special Revenue Funds</b>					
	Social Security Fund	Audit Fund	Road and Bridge Fund	Motor Fuel Tax Fund	Special Service Area #3	Special Service Area #4
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 36,904	\$ 2,200	\$ 47,493	\$ 77,645	\$ 26,779	\$ 106,903
Receivables:						
Motor fuel taxes	-	-	-	5,381	-	-
Property taxes, net of allowance for uncollectible taxes	48,643	10,369	-	-	15,000	11,113
<b>Total assets</b>	<b>\$ 85,547</b>	<b>\$ 12,569</b>	<b>\$ 47,493</b>	<b>\$ 83,026</b>	<b>\$ 41,779</b>	<b>\$ 118,016</b>
<b>Liabilities</b>						
Accrued payroll taxes	\$ 746	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources</b>						
Property taxes	48,643	10,369	-	-	15,000	11,113
<b>Total liabilities and deferred inflows of resources</b>	<b>49,389</b>	<b>10,369</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>11,113</b>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Donor purposes	-	-	-	-	-	-
Retirement	36,158	-	-	-	-	-
Audit	-	2,200	-	-	-	-
Road and bridge maintenance	-	-	47,493	83,026	-	-
Special service areas	-	-	-	-	26,779	106,903
Committed for capital outlay	-	-	-	-	-	-
<b>Total fund balance</b>	<b>36,158</b>	<b>2,200</b>	<b>47,493</b>	<b>83,026</b>	<b>26,779</b>	<b>106,903</b>
<b>Total liabilities and fund balances</b>	<b>\$ 85,547</b>	<b>\$ 12,569</b>	<b>\$ 47,493</b>	<b>\$ 83,026</b>	<b>\$ 41,779</b>	<b>\$ 118,016</b>

See independent auditor's report.



Sanctuary Fund	Total	Capital Projects Funds			Total	Permanent Fund Jensen Memorial Fund	Total Nonmajor Governmental Funds
		School Fund	Park Fund	Special Service Area #5			
\$ 75,394	<b>\$ 373,318</b>	\$ 51,914	\$ 86,474	\$ 4,450	<b>\$ 142,838</b>	\$ 104,325	<b>\$ 620,481</b>
-	<b>5,381</b>	-	-	-	-	-	<b>5,381</b>
-	<b>85,125</b>	-	-	-	-	-	<b>85,125</b>
<b>\$ 75,394</b>	<b>\$ 463,824</b>	<b>\$ 51,914</b>	<b>\$ 86,474</b>	<b>\$ 4,450</b>	<b>\$ 142,838</b>	<b>\$ 104,325</b>	<b>\$ 710,987</b>
\$ -	<b>\$ 746</b>	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 746</b>
-	<b>85,125</b>	-	-	-	-	-	<b>85,125</b>
-	<b>85,871</b>	-	-	-	-	-	<b>85,871</b>
-	-	-	-	-	-	100,000	<b>100,000</b>
75,394	<b>75,394</b>	-	-	-	-	4,325	<b>79,719</b>
-	<b>36,158</b>	-	-	-	-	-	<b>36,158</b>
-	<b>2,200</b>	-	-	-	-	-	<b>2,200</b>
-	<b>130,519</b>	-	-	-	-	-	<b>130,519</b>
-	<b>133,682</b>	-	-	-	-	-	<b>133,682</b>
-	-	51,914	86,474	4,450	<b>142,838</b>	-	<b>142,838</b>
75,394	<b>377,953</b>	51,914	86,474	4,450	<b>142,838</b>	104,325	<b>625,116</b>
<b>\$ 75,394</b>	<b>\$ 463,824</b>	<b>\$ 51,914</b>	<b>\$ 86,474</b>	<b>\$ 4,450</b>	<b>\$ 142,838</b>	<b>\$ 104,325</b>	<b>\$ 710,987</b>

**Village of Wayne, Illinois**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended April 30, 2019**

	<b>Special Revenue Funds</b>					
	Social Security Fund	Audit Fund	Road and Bridge Fund	Motor Fuel Tax Fund	Special Service Area #3	Special Service Area #4
Revenues:						
Property taxes	\$ 52,828	\$ 10,850	\$ 2,717	\$ -	\$ 15,005	\$ 11,136
Road and bridge taxes	-	-	157	-	-	-
State income tax	250	3,399	-	-	-	-
Motor fuel tax allotments	-	-	-	61,710	-	-
Interest	-	-	930	2,341	-	-
<b>Total revenues</b>	<b>53,078</b>	<b>14,249</b>	<b>3,804</b>	<b>64,051</b>	<b>15,005</b>	<b>11,136</b>
Expenditures:						
General government:						
Audit	-	14,150	-	-	-	-
Payroll taxes	48,330	-	-	-	-	-
Engineering services	-	-	-	-	-	15,500
Highways and streets	-	-	-	60,524	2,600	-
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total expenditures</b>	<b>48,330</b>	<b>14,150</b>	<b>-</b>	<b>60,524</b>	<b>2,600</b>	<b>15,500</b>
<b>Net changes in fund balances</b>	<b>4,748</b>	<b>99</b>	<b>3,804</b>	<b>3,527</b>	<b>12,405</b>	<b>(4,364)</b>
Fund balances, beginning of the year	31,410	2,101	43,689	79,499	14,374	111,267
Fund balances, end of the year	<b>\$ 36,158</b>	<b>\$ 2,200</b>	<b>\$ 47,493</b>	<b>\$ 83,026</b>	<b>\$ 26,779</b>	<b>\$ 106,903</b>

See independent auditor's report.

Sanctuary Fund	Total	Capital Projects Funds				Total	Permanent Fund	Total Nonmajor Govern- mental Funds
		School Fund	Park Fund	Special Service Area #5	Jensen Memorial Fund			
\$ -	\$ 92,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,536	
-	157	-	-	-	-	-	157	
-	3,649	-	-	-	-	-	3,649	
-	61,710	-	-	-	-	-	61,710	
1,659	4,930	1,783	1,109	95	2,987	2,234	10,151	
1,659	162,982	1,783	1,109	95	2,987	2,234	168,203	
-	14,150	-	-	-	-	-	14,150	
-	48,330	-	-	-	-	-	48,330	
-	15,500	-	-	-	-	-	15,500	
-	63,124	-	-	-	-	-	63,124	
-	-	114,470	-	-	114,470	-	114,470	
2,158	2,158	-	55	-	55	-	2,213	
2,158	143,262	114,470	55	-	114,525	-	257,787	
(499)	19,720	(112,687)	1,054	95	(111,538)	2,234	(89,584)	
75,893	358,233	164,601	85,420	4,355	254,376	102,091	714,700	
\$ 75,394	\$ 377,953	\$ 51,914	\$ 86,474	\$ 4,450	\$ 142,838	\$ 104,325	\$ 625,116	

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Social Security Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 49,528	<b>\$ 52,828</b>	\$ 3,300
State income tax	250	<b>250</b>	-
<b>Total revenues</b>	<u>49,778</u>	<u><b>53,078</b></u>	<u>3,300</u>
Expenditures - current - payroll taxes	<u>49,638</u>	<u><b>48,330</b></u>	<u>1,308</u>
<b>Revenues over expenditures</b>	<u>\$ 140</u>	<u><b>4,748</b></u>	<u>\$ 4,608</u>
Fund balance, beginning of the year		<u><b>31,410</b></u>	
Fund balance, end of the year		<u><b>\$ 36,158</b></u>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Audit Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 10,348	<b>\$ 10,850</b>	\$ 502
State income tax	3,500	<b>3,399</b>	(101)
<b>Total revenues</b>	<u>13,848</u>	<u><b>14,249</b></u>	<u>401</u>
Expenditures - current - auditing expenditures	<u>14,150</u>	<u><b>14,150</b></u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>\$ (302)</u>	<u><b>99</b></u>	<u>\$ 401</u>
Fund balance, beginning of the year		<u><b>2,101</b></u>	
Fund balance, end of the year		<u><b>\$ 2,200</b></u>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Road and Bridge Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ -	\$ 2,717	\$ 2,717
Road and bridge taxes	-	157	157
Interest	-	930	930
	<u>-</u>	<u>3,804</u>	<u>3,804</u>
<b>Total revenues</b>	<u>-</u>	<u>3,804</u>	<u>3,804</u>
Expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Revenues over (under) expenditures</b>	<u>\$ (50,000)</u>	<u>3,804</u>	<u>\$ 53,804</u>
Fund balance, beginning of the year		<u>43,689</u>	
Fund balance, end of the year		<u>\$ 47,493</u>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Motor Fuel Tax Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues:			
Motor fuel tax allotments	\$ -	\$ <b>61,710</b>	\$ 61,710
Interest	-	<b>2,341</b>	2,341
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	-	<b>64,051</b>	64,051
	<hr/>	<hr/>	<hr/>
Expenditures - current - general government - highways and streets	125,000	<b>60,524</b>	64,476
	<hr/>	<hr/>	<hr/>
<b>Revenues over (under) expenditures</b>	\$ (125,000)	<b>3,527</b>	\$ 128,527
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of the year		<b>79,499</b>	
		<hr/>	
Fund balance, end of the year		<b>\$ 83,026</b>	
		<hr/>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Special Service Area #3 Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues - property taxes	\$ -	<b>\$ 15,005</b>	\$ 15,005
Expenditures:			
Current - general government - highways and streets - repairs and maintenance	55,000	<b>2,600</b>	52,400
<b>Total expenditures</b>	55,000	<b>2,600</b>	52,400
<b>Revenues over (under) expenditures</b>	<b>\$ (55,000)</b>	<b>12,405</b>	<b>\$ 67,405</b>
Fund balance, beginning of the year		<b>14,374</b>	
Fund balance, end of the year		<b>\$ 26,779</b>	

See independent auditor's report.



**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Special Service Area #4 Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues - property taxes	\$ -	<b>\$ 11,136</b>	\$ 11,136
Expenditures:			
Current - general government - highways and streets:			
Contractual services	56,000	<b>15,500</b>	40,500
Repairs and maintenance	99,000	-	99,000
<b>Total expenditures</b>	155,000	<b>15,500</b>	139,500
<b>Revenues under expenditures</b>	<b>\$ (155,000)</b>	<b>(4,364)</b>	<b>\$ 150,636</b>
Fund balance, beginning of the year		<b>111,267</b>	
Fund balance, end of the year		<b>\$ 106,903</b>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Sanctuary Fund**  
**For the Year Ended April 30, 2019**

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	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues - interest	\$ -	<b>\$ 1,659</b>	\$ 1,659
Expenditures - contractual services	95,000	<b>2,158</b>	92,842
<b>Revenues under expenditures</b>	<b>\$ (95,000)</b>	<b>(499)</b>	<b>\$ 94,501</b>
Fund balance, beginning of the year		<b>75,893</b>	
Fund balance, end of the year		<b>\$ 75,394</b>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**School Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues:			
Interest	\$ -	\$ 1,783	\$ 1,783
<b>Total revenues</b>	<u>-</u>	<u>1,783</u>	<u>1,783</u>
Expenditures:			
Current - general government - administration	20,000	-	20,000
Capital outlay - land improvements and equipment	<u>170,000</u>	<u>114,470</u>	<u>55,530</u>
<b>Total expenditures</b>	<u>190,000</u>	<u>114,470</u>	<u>75,530</u>
<b>Revenues under expenditures</b>	<u>\$ (190,000)</u>	<u>(112,687)</u>	<u>\$ 77,313</u>
Fund balance, beginning of the year		<u>164,601</u>	
Fund balance, end of the year		<u>\$ 51,914</u>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**Park Fund**  
**For the Year Ended April 30, 2019**

	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues - interest	\$ -	<b>\$ 1,109</b>	\$ 1,109
Expenditures:			
Current - general government - administration	10,000	<b>55</b>	9,945
Capital outlay - land improvements and equipment	95,000	-	95,000
<b>Total expenditures</b>	105,000	<b>55</b>	104,945
<b>Revenues over (under) expenditures</b>	<b>\$ (105,000)</b>	<b>1,054</b>	<b>\$ 106,054</b>
Fund balance, beginning of the year		<b>85,420</b>	
Fund balance, end of the year		<b>\$ 86,474</b>	

See independent auditor's report.

**Village of Wayne, Illinois**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**William T. Jensen III Memorial Fund**  
**For the Year Ended April 30, 2019**

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	Original and Final Budget	<b>Actual</b>	Variance With Final Budget Positive (Negative)
Revenues - interest	\$ -	<b>\$ 2,234</b>	\$ 2,234
Expenditures - park maintenance	1,000	-	1,000
<b>Revenues over (under) expenditures</b>	<b>\$ (1,000)</b>	<b>2,234</b>	<b>\$ 3,234</b>
Fund balance, beginning of the year		<b>102,091</b>	
Fund balance, end of the year		<b>\$ 104,325</b>	

See independent auditor's report.

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**OTHER FINANCIAL SCHEDULES**

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## **Capital Assets Used in the Operation of Governmental Funds**

Capital assets used in the operation of governmental funds are not reported in the fund financial statements, but are reported on the statement of net position at the entity-wide level.

Adequate accounting procedures and records for fixed assets are essential to the protective custody of governmental property. The responsibility of stewardship for substantial investments can be effectively discharged only through adequate fixed asset accounting.

**Village of Wayne, Illinois**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Source**  
**April 30, 2019**

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General fixed assets:	
Land	\$ 3,014,502
Building improvements	309,679
Infrastructure	57,005
Equipment	163,522
Vehicles	<u>430,392</u>
<b>Total</b>	<b><u>\$ 3,975,100</u></b>
Investment in general fixed assets:	
Donations	\$ 2,621,512
General, Special Revenue and Capital Projects Funds	<u>1,353,588</u>
<b>Total</b>	<b><u>\$ 3,975,100</u></b>

See independent auditor's report.

**Village of Wayne, Illinois**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**April 30, 2019**

	Function and Activity			<b>Total</b>
	General Government	Street and Bridge (Public Works)	Police Protection	
Land	\$ 3,014,502	\$ -	\$ -	<b>\$ 3,014,502</b>
Building and improvements	55,232	254,447	-	<b>309,679</b>
Infrastructure	57,005	-	-	<b>57,005</b>
Equipment	68,605	23,425	71,492	<b>163,522</b>
Vehicles	-	192,709	237,683	<b>430,392</b>
<b>Total</b>	<b>\$ 3,195,344</b>	<b>\$ 470,581</b>	<b>\$ 309,175</b>	<b>\$ 3,975,100</b>

See independent auditor's report.

**Village of Wayne, Illinois**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the Year Ended April 30, 2019**

	<u>Balances May 1,</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30,</u>
Function and activity:				
General Government	\$ 3,195,344	\$ -	\$ -	<b>\$ 3,195,344</b>
Street and Bridge (Public Works)	466,081	4,500	-	<b>470,581</b>
Police Protection	310,071	34,319	(35,215)	<b>309,175</b>
<b>Total</b>	<b>\$ 3,971,496</b>	<b>\$ 38,819</b>	<b>\$ (35,215)</b>	<b>\$ 3,975,100</b>

See independent auditor's report.

### **Long-term Debt Payable by Special Service Area #5**

Long-term debt payable by Special Service Area #5 was issued for the private road construction and maintenance for homeowners within the service area. The Village levies property taxes on the homeowners for the repayment of the bonds payable.

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**Village of Wayne, Illinois**  
**Long-term Debt Requirements**  
**Special Service Area #5 Special Tax Bonds**  
**April 30, 2019**

Series 2007, Special Tax Bonds

Bond date August 23, 2007  
Interest rate 5.80%  
Principal payment date January 15  
Interest payment dates July 15 and January 15  
Payable from Special Service Area #5

Due Date	Future Principal and Interest Requirements		
	Principal	Interest	Total
04/30/20	\$ 95,000	\$ 13,630	<b>\$ 108,630</b>
04/30/21	100,000	8,120	<b>108,120</b>
04/30/22	40,000	2,320	<b>42,320</b>
	\$ 235,000	\$ 24,070	<b>\$ 259,070</b>

The Village acts in a custodial capacity, collecting special tax assessments from property owners in the Special Service Area #5 and making principal and interest payments on the above bonds. The Village is not obligated in any manner for this obligation.

See independent auditor's report.

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**STATISTICAL INFORMATION**

**Village of Wayne, Illinois  
General Governmental Revenues by Source  
Last Ten Fiscal Years**

Fiscal Year Ended April 30,	Village Property Taxes	Police Pension Property Taxes	State Income Tax	Other Taxes	Investment Income	Permits, Licenses and Traffic Fines	Other	<b>Total</b>
2010	\$ 559,911	\$ 109,571	\$ 126,519	\$ 370,901	\$ 3,729	\$ 176,312	\$ 74,235	<b>\$ 1,421,178</b>
2011	568,478	118,884	185,219	390,208	4,407	154,405	679,994	<b>2,101,595</b>
2012	587,615	121,945	198,871	432,985	4,041	170,882	259,959	<b>1,776,298</b>
2013	624,952	102,425	240,120	437,319	4,112	180,931	100,361	<b>1,690,220</b>
2014	624,466	126,844	236,891	440,088	2,282	168,975	34,375	<b>1,633,921</b>
2015	629,697	142,777	238,078	432,250	2,048	191,423	281,826	<b>1,918,099</b>
2016	635,915	143,489	292,237	443,144	4,757	238,155	87,464	<b>1,845,161</b>
2017	633,693	154,968	196,630	446,224	19,212	192,666	12,318	<b>1,655,711</b>
2018	642,321	154,386	269,191	416,616	25,957	219,254	87,722	<b>1,815,447</b>
<b>2019</b>	<b>657,691</b>	<b>166,498</b>	<b>251,343</b>	<b>436,462</b>	<b>55,335</b>	<b>227,977</b>	<b>21,828</b>	<b>1,817,134</b>

Data source: Village of Wayne annual financial reports.

See independent auditor's report.

**Village of Wayne, Illinois  
General Governmental Expenditures by Function  
Last Ten Fiscal Years**

Fiscal Year Ended April 30,	General Government	Police Protection	Police Pension Contribution	Capital Expenditures	Street and Bridge Maintenance	Retirement Contributions	Repairs and Maintenance	<b>Total</b>
2010	\$ 375,393	\$ 673,392	\$ 121,410	\$ 103,433	\$ 286,534	\$ 48,727	\$ 74,196	<b>\$ 1,683,085</b>
2011	375,961	668,455	127,844	41,649	619,623	47,448	67,965	<b>1,948,945</b>
2012	393,938	722,384	126,679	11,093	338,591	48,764	50,235	<b>1,691,684</b>
2013	281,281	719,967	157,000	45,043	109,216	45,076	49,011	<b>1,406,594</b>
2014	287,754	721,863	282,913	58,096	189,786	47,292	54,851	<b>1,642,555</b>
2015	295,602	741,766	200,000	221,164	247,656	48,416	66,506	<b>1,821,110</b>
2016	290,196	742,216	208,708	398,347	358,203	48,557	69,487	<b>2,115,714</b>
2017	288,181	720,070	190,000	76,820	240,329	48,520	63,438	<b>1,627,358</b>
2018	244,743	734,788	208,708	67,078	350,508	50,666	60,426	<b>1,716,917</b>
<b>2019</b>	<b>217,702</b>	<b>691,203</b>	<b>225,000</b>	<b>156,938</b>	<b>313,876</b>	<b>48,330</b>	<b>79,683</b>	<b>1,732,732</b>

Data source: Village of Wayne annual financial reports.

See independent auditor's report.

**Village of Wayne, Illinois  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Kane County:**

Fiscal Year Ended April 30,	Tax Year Levy	Total Tax Levy	Total Tax Levy Extension	Total Tax Collections	Percent of Total Tax Collections to Tax Levy Extension	Adjustments From Prior Years	Percent of Delinquent Taxes of Tax Levy Extension
2010	2008	\$ 292,738	\$ 281,059	\$ 277,520	98.74%	\$ 3,539	1.26%
2011	2009	285,849	281,974	278,659	98.82%	3,315	1.18%
2012	2010	298,799	298,799	298,223	99.81%	576	0.19%
2013	2011	318,190	314,260	313,638	99.80%	622	0.20%
2014	2012	336,950	336,950	329,159	97.69%	7,791	2.31%
2015	2013	342,874	342,874	342,373	99.85%	501	0.15%
2016	2014	349,605	349,605	348,329	99.64%	1,276	0.36%
2017	2015	355,467	355,467	355,649	100.05%	-	0.00%
2018	2016	349,076	349,076	347,401	99.52%	1,675	0.48%
<b>2019</b>	<b>2017</b>	<b>364,609</b>	<b>364,609</b>	<b>363,891</b>	<b>99.80%</b>	<b>718</b>	<b>0.20%</b>

Includes Corporate, Police Protection, Police Pension, Audit, Liability Insurance, Street and Bridge, and Social Security Funds.

Data source: Kane County Collector

**DuPage County:**

Fiscal Year Ended April 30,	Tax Year Levy	Total Tax Levy	Total Tax Levy Extension	Total Tax Collections	Percent of Total Tax Collections to Tax Levy Extension	Adjustments From Prior Years	Percent of Delinquent Taxes of Tax Levy Extension
2010	2008	369,185	365,524	365,162	99.90%	362	0.10%
2011	2009	379,175	379,175	378,906	99.93%	269	0.07%
2012	2010	381,222	381,222	381,517	100.08%	-	0.00%
2013	2011	383,668	383,668	383,807	100.04%	-	0.00%
2014	2012	386,149	386,149	385,568	99.85%	581	0.15%
2015	2013	397,163	397,163	396,348	99.79%	815	0.21%
2016	2014	403,126	403,126	402,204	99.77%	922	0.23%
2017	2015	405,996	405,996	404,399	99.61%	1,597	0.39%
2018	2016	421,011	421,011	420,511	99.88%	500	0.12%
<b>2019</b>	<b>2017</b>	<b>431,476</b>	<b>431,476</b>	<b>431,440</b>	<b>99.99%</b>	<b>36</b>	<b>0.01%</b>

Includes Corporate, Police Protection, Police Pension, Audit, Liability Insurance, Street and Bridge, and Social Security Funds.

Data source: DuPage County Collector

See independent auditor's report.

**Village of Wayne, Illinois**  
**Assessed and Estimated Actual Value of Taxable Properties**  
**Last Ten Fiscal Years**

**Kane County:**

Fiscal Year Ended April 30,	Tax Year Levy	Assessed Value (1)	Estimated Actual Value
2010	2008	\$ 86,170,742	\$258,512,226
2011	2009	84,472,151	253,416,453
2012	2010	82,875,495	248,626,485
2013	2011	78,102,323	234,306,969
2014	2012	76,220,996	228,662,988
2015	2013	71,051,712	213,155,136
2016	2014	69,393,765	208,181,295
2017	2015	70,495,525	211,486,575
2018	2016	70,429,377	211,288,131
<b>2019</b>	<b>2017</b>	<b>72,459,530</b>	<b>217,378,590</b>

Data source: Kane County Collector

**DuPage County:**

Fiscal Year Ended April 30,	Tax Year Levy	Assessed Value (1)	Estimated Actual Value
2010	2008	\$114,405,123	\$343,215,369
2011	2009	115,040,843	345,122,529
2012	2010	105,865,730	317,597,190
2013	2011	95,344,931	286,034,793
2014	2012	87,344,185	262,032,555
2015	2013	82,296,451	246,889,353
2016	2014	80,017,132	240,051,396
2017	2015	80,506,885	241,520,655
2018	2016	84,932,646	254,797,938
<b>2019</b>	<b>2017</b>	<b>85,746,497</b>	<b>257,239,491</b>

Data source: DuPage County Collector

(1) Assessed value is set by the County Assessor on an annual basis. The assessment level is then adjusted by the State with a county multiplier based on the factor needed to bring the average prior years' level up to 33 1/3% of market value.

See independent auditor's report.

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