

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

BASIC FINANCIAL STATEMENTS

April 30, 2015

**JOHN E. MEISTER**

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Certified Public Accountant

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

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VILLAGE OF PEORIA HEIGHTS, ILLINOIS

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# JOHN E. MEISTER

Certified Public Accountant

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## Independent Auditor's Report

To the Honorable Mayor and  
Board of Trustees  
Village of Peoria Heights, Illinois

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights (Village) as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Village's primary government 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 Village'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 Village's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Basis for Adverse Opinion on Discretely Presented Component Unit**

The financial statements referred to above do not include financial data of the Peoria Heights Public Library, the Village's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the Village's primary government unless the Village also issues financial statements for the financial reporting entity that include the financial data for its component units. The Village has not issued such reporting entity financial statements. The amount of assets, liabilities, net position, revenues, and expenses of the discretely presented component unit is not reasonably determinable.

## **Adverse Opinion**

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit and Qualified Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the Village of Peoria Heights, as of April 30, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Qualified Opinion**

The Village of Peoria Heights, Illinois has not presented or disclosed information in connection with potential liabilities for other post-employment benefits as required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this presentation and disclosure would affect the financial statements is not reasonably determinable. The Village has also omitted disclosures required by Governmental Accounting Standards Board Statement 67 *Pension Disclosures* for the Police Pension Fund. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

## **Qualified Opinion**

In my opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund Schedule of Funding Progress and budgetary comparison information on pages 40 through 42 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

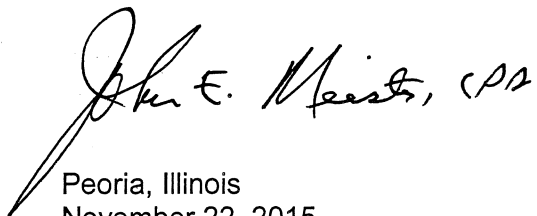
placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis the schedule of funding progress and the schedule of employer contributions for the Police Pension Fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

#### Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Peoria Heights, Illinois' basic financial statements. The combining and individual fund financial statements and schedule of property tax rates, extensions and collections and assessed valuations on pages 44 through 52 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



John E. Meester, CPA

Peoria, Illinois  
November 22, 2015

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2015

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and investments	\$ 1,097,710	\$ 689,754	\$ 1,787,464
Property taxes receivable	421,054	-	421,054
Due from State of Illinois	630,972	-	630,972
Accounts receivable	77,721	241,122	318,843
Inventory	5,111	15,832	20,943
Prepaid items	38,991	25,412	64,403
Restricted assets - cash and investments	-	68,826	68,826
Capital assets, not being depreciated	1,986,090	38,942	2,025,032
Capital assets, net of accumulated depreciation	<u>3,827,440</u>	<u>2,835,489</u>	<u>6,662,929</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,085,089</u></b>	<b><u>\$ 3,915,377</u></b>	<b><u>\$ 12,000,466</u></b>
 <b>LIABILITIES</b>			
Accounts payable	\$ 53,517	\$ 3,211	\$ 56,728
Accrued payroll and vacation	136,426	20,737	157,163
Accrued interest payable	-	3,192	3,192
Internal balances	160,000	(160,000)	-
Liabilities payable from restricted assets:			
Customer service deposits	-	68,826	68,826
Long-term debt:			
Due within one year	12,500	54,548	67,048
Due beyond one year	<u>125,000</u>	<u>967,028</u>	<u>1,092,028</u>
Total liabilities	<u>487,443</u>	<u>957,542</u>	<u>1,444,985</u>
 <b>NET POSITION</b>			
Invested in capital assets, net of related debt	5,676,030	1,852,855	7,528,885
Restricted for:			
TIF redevelopment	2,875	-	2,875
Police pension	16,329	-	16,329
Street maintenance	240,749	-	240,749
Unrestricted	<u>1,661,663</u>	<u>1,104,980</u>	<u>2,766,643</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 7,597,646</u></b>	<b><u>\$ 2,957,835</u></b>	<b><u>\$ 10,555,481</u></b>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>
<b>Governmental activities:</b>	
Administration and general government	\$ 784,764
Police	1,594,545
Ambulance service	286,882
Fire protection	206,435
Garbage collection	435,659
Streets and alleys	<u>655,207</u>
Total governmental activities	3,963,492
<b>Business-type activities:</b>	
Waterworks	<u>1,167,583</u>
<b>TOTAL</b>	<b><u>\$ 5,131,075</u></b>



<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>		
<u>Fees, Fines and Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 318,324	\$ -	\$ (466,440)	\$ -	\$ (466,440)
289,657	7,500	(1,297,388)	-	(1,297,388)
137,880	-	(149,002)	-	(149,002)
-	-	(206,435)	-	(206,435)
-	-	(435,659)	-	(435,659)
<u>31,090</u>	<u>-</u>	<u>(624,117)</u>	<u>-</u>	<u>(624,117)</u>
776,951	7,500	(3,179,041)	-	(3,179,041)
<u>1,039,572</u>	<u>-</u>	<u>-</u>	<u>(128,011)</u>	<u>(128,011)</u>
<u>\$ 1,816,523</u>	<u>\$ 7,500</u>	<u>(3,179,041)</u>	<u>(128,011)</u>	<u>(3,307,052)</u>
General revenues:				
Property taxes		413,002	-	413,002
Sales and use taxes		1,873,094	-	1,873,094
State income tax		620,191	-	620,191
Replacement taxes		169,323	-	169,323
Motor fuel tax allotments		208,494	-	208,494
Other taxes		59,308	-	59,308
Interest		1,198	1,358	2,556
Other income		46,690	-	46,690
Gain on sale of capital assets		48,884	-	48,884
Total general revenues		<u>3,440,184</u>	<u>1,358</u>	<u>3,441,542</u>
Change in net assets		261,143	(126,653)	134,490
Net position - beginning of year		<u>7,336,503</u>	<u>3,084,488</u>	<u>10,420,991</u>
Net position - end of year		<u>\$ 7,597,646</u>	<u>\$ 2,957,835</u>	<u>\$ 10,555,481</u>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

April 30, 2015

<b>ASSETS</b>	<b>General Fund</b>	<b>Police Pension Levy Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and investments	\$ 647,937	\$ -	\$ 449,773	\$ 1,097,710
Property taxes receivable	122,050	264,886	34,118	421,054
Due from State of Illinois	616,654	-	14,318	630,972
Accounts receivable	73,480	-	4,241	77,721
Due from other funds	-	-	679	679
Inventory	5,111	-	-	5,111
Prepaid items	38,991	-	-	38,991
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 1,504,223</b>	<b>\$ 264,886</b>	<b>\$ 503,129</b>	<b>\$ 2,272,238</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>				
Accounts payable	\$ 52,938	\$ -	579	\$ 53,517
Accrued payroll and vacation	136,426	-	-	136,426
Due to other funds	160,679	-	-	160,679
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>350,043</b>	<b>-</b>	<b>579</b>	<b>350,622</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned property tax revenue	122,050	264,886	34,118	421,054
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>				
Nonspendable	44,102	-	-	44,102
Restricted	-	-	243,912	243,912
Assigned	-	-	224,520	224,520
Unassigned	988,028	-	-	988,028
Total fund balances	1,032,130	-	468,432	1,500,562
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,504,223</b>	<b>\$ 264,886</b>	<b>\$ 503,129</b>	<b>2,272,238</b>
	<hr/>	<hr/>	<hr/>	<hr/>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**April 30, 2015**

Total fund balances - governmental funds \$ 1,500,562

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Cost	\$ 9,598,325	
Accumulated depreciation	<u>(3,784,795)</u>	5,813,530

Receivables exceeding the period of availability are not recognized as revenue in the governmental funds, and therefore shown as deferred inflows of resources:

Property taxes	421,054
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Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at April 30, 2015 consist of the following:

Loan payable	<u>(137,500)</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 7,597,646</u></b>
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended April 30, 2015

	<u>General Fund</u>	<u>Police Pension Levy Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 120,517	\$ 242,936	\$ 34,755	\$ 398,208
Intergovernmental:				
Sales tax	787,540	-	-	787,540
Home rule sales tax	720,376	-	-	720,376
Local use tax	115,595	-	-	115,595
State income taxes	620,191	-	-	620,191
Motor fuel tax allotments	-	-	208,494	208,494
Personal property replacement taxes	169,323	-	-	169,323
Other taxes	59,308	-	-	59,308
State and federal grants	7,500	-	-	7,500
Licenses and permits	163,989	-	31,090	195,079
Food and beverage tax	249,583	-	-	249,583
Franchise fees	123,658	-	-	123,658
Fines	289,657	-	-	289,657
Charges for services	168,557	-	-	168,557
Land lease	38,291	-	-	38,291
Interest	1,100	-	98	1,198
Miscellaneous	8,399	-	-	8,399
Total revenues	<u>3,643,584</u>	<u>242,936</u>	<u>274,437</u>	<u>4,160,957</u>
<b>EXPENDITURES</b>				
Current				
Administration	609,122	-	34,196	643,318
Police department	1,274,577	242,936	-	1,517,513
Ambulance service	262,271	-	-	262,271
Fire protection	148,682	-	-	148,682
Garbage collection and recycling	435,659	-	-	435,659
Streets and alleys	396,381	-	206,637	603,018
Capital outlay	218,797	-	-	218,797
Debt service	12,500	-	-	12,500
Total expenditures	<u>3,357,989</u>	<u>242,936</u>	<u>240,833</u>	<u>3,841,758</u>
Excess (deficiency) of revenues over expenditures	<u>285,595</u>	<u>-</u>	<u>33,604</u>	<u>319,199</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

Year Ended April 30, 2015

	<u>General Fund</u>	<u>Police Pension Levy Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	78,960	-	-	78,960
Net change in fund balance	364,555	-	33,604	398,159
<b>FUND BALANCE</b>				
Beginning of year	667,575	-	434,828	1,102,403
End of year	\$ 1,032,130	\$ -	\$ 468,432	\$ 1,500,562

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2015

Total net change in fund balances - governmental funds \$ 398,159

Amounts reported for governmental activities in the statement  
of activities are different because:

Capital outlays are reported in governmental funds as  
expenditures. However, in the statement of activities,  
the cost of those assets is allocated over their estimated  
useful lives as depreciation expense. Below are the  
depreciation expense and capital outlays for the year:

Capital outlay	\$ 218,797	
Depreciation expense	<u>(353,031)</u>	(134,234)

Net effect of sale of capital assets (30,076)

Certain revenues recognized in the statement of activities do  
not provide current financial resources and are not recorded  
in the governmental funds. These items are recorded as  
deferred inflow of resources in the governmental funds.

Net change in unearned property tax revenue	14,794
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Repayment of loan principal is recorded as expenditures  
in the governmental funds, but the repayments  
reduce long-term debt in the statement of activities

<u>12,500</u>
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**CHANGE IN NET POSITION OF GOVERNMENTAL  
ACTIVITIES**

\$ 261,143

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUND - ENTERPRISE FUND  
WATERWORKS FUND

April 30, 2015

	<b>Business-type Activities</b>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 689,754
Accounts receivable, net of allowance of \$38,000	241,122
Due from other funds	160,000
Inventory, at cost	15,832
Prepaid expenses	25,412
Total current assets	<u>1,132,120</u>
Restricted assets	
Cash and investments	<u>68,826</u>
Capital assets, not being depreciated	38,942
Capital assets, net of accumulated depreciation	<u>2,835,489</u>
Total capital assets	<u>2,874,431</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>4,075,377</u></b>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities	
Accounts payable	\$ 3,211
Accrued payroll and vacation	20,737
Accrued interest payable	3,192
Current portion of IEPA loan payable	54,548
Total current liabilities	<u>81,688</u>
Liabilities payable from restricted assets	
Customer service deposits	<u>68,826</u>
IEPA loan payable	<u>967,028</u>
Total liabilities	<u>1,117,542</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,852,855
Unrestricted	<u>1,104,980</u>
Total net position	<u>2,957,835</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>4,075,377</u></b>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**WATERWORKS FUND**

Year Ended April 30, 2015

	<b><u>Business-type</u></b> <b><u>Activities</u></b>
<b>OPERATING REVENUES</b>	
Water sales	\$ 1,019,600
Service connection fees	1,192
Miscellaneous revenues	18,780
Total operating revenues	<u>1,039,572</u>
 <b>OPERATING EXPENSES</b>	
Wages and benefits	494,817
Operations	76,628
Plant maintenance	125,301
Office expenses	105,548
Administration	33,155
Depreciation	319,027
Total operating expenses	<u>1,154,476</u>
Operating loss	<u>(114,904)</u>
 <b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	1,358
Interest expense	<u>(13,107)</u>
Total nonoperating revenues (expenses)	<u>(11,749)</u>
 <b>CHANGE IN NET POSITION</b>	 <b>(126,653)</b>
 <b>NET POSITION</b>	
Beginning of year	<u>3,084,488</u>
End of year	<u>\$ 2,957,835</u>

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



VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE - ENTERPRISE FUND  
WATERWORKS FUND

Year Ended April 30, 2015

	<u>Business-type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 974,544
Miscellaneous revenues received	18,780
Cash payments to suppliers and vendors for goods and services	(352,904)
Cash payments to employees for services and benefits	<u>(492,367)</u>
Net cash provided by operating activities	<u>148,053</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on IEPA loan	(53,872)
Interest paid	(13,276)
Purchase of capital assets	<u>(32,431)</u>
Net cash used in capital and related financing activities	<u>(99,579)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>1,358</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	49,832
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	<u>708,748</u>
End of year	<u>\$ 758,580</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**WATERWORKS FUND**

Year Ended April 30, 2015

	<b><u>Business-type Activities</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (114,904)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	319,027
Change in operating assets and liabilities:	
Accounts receivable	(47,423)
Prepaid expenses	(752)
Accounts payable	(11,520)
Accrued payroll and vacation	2,450
Liabilities payable from restricted assets	<u>1,175</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <b><u>\$ 148,053</u></b>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION  
POLICE PENSION FUND  
April 30, 2015

**ASSETS**

Cash and short-term investments	\$	245,530
Receivables:		
Plan members' contributions		1,630
Accrued interest		<u>1,758</u>
Total receivables		<u>3,388</u>
Certificates of deposit		1,386,023
Investments, at fair value		
Mutual funds		<u>143,056</u>
<b>Total assets</b>	<b>\$</b>	<b><u>1,777,997</u></b>

**LIABILITIES**

Accounts payable and accrued payroll taxes		<u>83</u>
<b>Net position held in trust for pension benefits</b>	<b>\$</b>	<b><u>1,777,914</u></b>

The accompanying notes are an integral part of the basic financial statements.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**POLICE PENSION FUND**  
**Year Ended April 30, 2015**

**Additions:**

Contributions:

Employer - property taxes	\$	242,936
Plan members' contributions		70,611
Other		<u>131</u>

<b>Total contributions</b>		<u>313,678</u>
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Investment income:

Interest		11,488
Net appreciation in fair value of investments		<u>11,247</u>

Total investment income		<u>22,735</u>
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<b>Total additions</b>		<u>336,413</u>
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**Deductions:**

Pension benefits paid:

Retirement		76,173
Widows		<u>24,485</u>
Total benefits paid		<u>100,658</u>

Refund of contributions		<u>27,890</u>
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Administrative expenses:

Accounting, legal and clerical fees		22,288
Other		<u>308</u>
Total administrative expenses		<u>22,596</u>

<b>Total deductions</b>		<u>151,144</u>
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Net increase		185,269
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**Net position held in trust for pension benefits:**

Beginning of year		<u>1,592,645</u>
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End of year		<u>\$ 1,777,914</u>
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The accompanying notes are an integral part of the basic financial statements.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Peoria Heights, Illinois (Village) is a governmental entity located in Peoria County, Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the Village (examples would be property taxes, sales taxes, income taxes, and motor fuel taxes) and charges for services performed for constituents of the Village. The Village of Peoria Heights, Illinois revenues are therefore primarily dependent on the economy within its territorial boundaries and nearby surrounding area. Taxable industry within the area is primarily manufacturing and retail.

The Village was incorporated in 1898 under the provisions of the State of Illinois. The Village operates under a Board of Trustee form of government and provides the following services as authorized by its charter: public safety (police), streets, public improvements, planning and zoning, general administrative services and water utility service.

The following is a summary of the more significant policies.

**(a) Financial Reporting Entity**

For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, the Village of Peoria Heights, Illinois, is a primary government in that it is a village with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

GASB Statement No. 61, *The Financial Reporting Entity, Omnibus* defines the governmental financial reporting entity as being made up of two parts, the primary government and those component units for which the primary government is financially accountable. The Village has developed criteria to determine whether other entities are component units of the Village. Component units are legally separate organizations for which the elected officials of the Village of Peoria Heights are financially accountable. The Village of Peoria Heights would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village of Peoria Heights (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on the Village of Peoria Heights, the Village is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Financial Reporting Entity (Continued)**

Based on the criteria set forth by the Governmental Accounting Standards Boards, management has determined that the Peoria Heights Police Pension Fund and the Peoria Heights Public Library (Library) are component units of the Village.

The Peoria Heights Police Pension Fund was established to provide retirement, death and disability payments to the police of the Village or their beneficiaries. The Fund is a single-employer defined benefit pension plan. Contribution levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The year end for the fund is April 30 and the fund has been reflected as a fiduciary fund in the financial statements.

Financial information for the Library has not been reported in the Village's financial statements. Accordingly, these financial statements present the activities of the primary government only and are not a complete presentation in accordance with accounting principles generally accepted in the United States of America. The Peoria Heights Public Library unaudited financial statements can be obtained from the Library at 816 E. Glen Avenue, Peoria Heights, Illinois 61616.

**(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. Governmental activities, which are normally 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. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of accounting defines when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of their recognition.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Measurement Focus and Basis of Accounting**

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period, except for property taxes which must be collected within 60 days to be considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, sales and income taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**(d) Financial Statement Presentation**

The accounts of the Village are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, and revenues and expenditures/expenses.

Governmental Funds are those through which governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable resources and the related liabilities are accounted for through governmental funds. The Village reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This fund pays the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**(d) Financial Statement Presentation (Continued)**

Police Pension Levy Fund - This special revenue fund is used to account for property taxes levied for the employer contribution to the Peoria Heights Police Pension Fund.

Additional governmental fund types which are combined as nonmajor funds are as follows:

Special Revenue Funds - These funds are used to account for Village activities which are primarily financed by special restricted revenue sources such as governmental grants or general property taxes levied for specific purposes.

Capital Project Funds – These funds are used to account for renovation or construction projects being carried out by the Village.

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The only propriety fund of the Village is classified as an enterprise fund.

Enterprise Fund – The Waterworks Fund is used to account for the operations of the water distribution system for residents and businesses of the Village.

Fiduciary Fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The Village has the following fiduciary fund type:

Pension Trust Fund – The pension trust fund accounts for the assets of the Village's police pension plan. This fund is accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Budget Policy**

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

- (1) The Village Board administration committee submits to the Village Board, a proposed operating budget for the fiscal year commencing the following May 1. The budget includes proposed expenditures and the means of financing them.
- (2) In April, public hearings are conducted to obtain public comments.
- (3) Prior to May 1, the budget is legally enacted through passage of an appropriation ordinance by the Village Board.
- (4) The Village is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that increase the total expenditures of any fund must be approved by the Village Board.

Annual budgets are prepared and approved on the modified accrual basis for all funds. An annual budget is also prepared for the enterprise fund. The legal level of control is considered to be at the fund level. The budget presented is the original budget, as there were no amendments made during the year.

**(f) Cash and Investments**

The Village's cash is comprised of demand accounts and savings accounts.

The Village invests in allowable investments under the Illinois Compiled Statutes. These included (a) interest-bearing savings accounts and certificates of deposit, (b) bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, and (c) short-term discount obligations of the Federal National Mortgage Association.

Investments consist of certificates of deposit and deposits in the Illinois Funds. Investments are stated at cost, which approximates fair value.

The deposits and investments of the Peoria Heights Police Pension Fund are held separate from those of the Village of Peoria Heights, Illinois. Investments in mutual funds are reported at fair value, with market fluctuations credited or charged to current year income. Certificates of deposit are stated at cost, which approximates fair value.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2015

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Inventory**

Inventory is recorded at cost on a first-in, first-out basis.

**(h) Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. The Village's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the Village on the following January 1. Normally, taxes are due and payable in two installments in June and September at the County Collector's office. Sale of taxes on any uncollected amounts is prior to November 30 or shortly thereafter by the County Collector's office. Final distribution to all taxing bodies, including Village's funds, is usually made prior to December 31st by the County Collector's office.

Property taxes levied for the 2014 levy year have been recognized as assets, net of an estimated uncollectible amount of 2 percent, and shown as deferred inflows of resources as these taxes will be collected and are planned for budget purposes to be used in fiscal year 2016.

**(i) Interfund Receivables**

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

**(j) Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with a useful life greater than one year and an initial, individual cost of more than \$1,500 for equipment and \$20,000 for buildings and improvements and infrastructure assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Infrastructure assets are being accounted for prospectively beginning in 2005, as permitted by Governmental Accounting Standards Board Statement No. 34.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Village is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and fixtures	3 -20
Equipment	5-10
Improvements other than buildings	7 -20
Buildings and improvements	20 -50
Fire hydrants, water mains and meters	20
Wells	20 - 50

**(k) Prepaid Items**

Prepaid items represent current expenditures which benefit future periods. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

**(l) Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the Village's government-wide statements, there are no deferred inflow of resources under the full accrual basis of accounting.

**(m) Compensated Absences**

It is the Village's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay benefits are accrued when incurred in the governmental and government-wide financial statements.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(n) Long-term Liabilities**

In the government-wide and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Issuance costs are reported as expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt and capital lease obligations issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt principal payments are reported as expenditures when paid.

**(o) Statement of Cash Flows**

For purposes of the statement of cash flows, the Waterworks Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**(p) Net Position**

In the government-wide financial statements, the Village's net position is classified as follows:

Invested in Capital Assets, Net of Related Debt - This represents the Village's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted Net Assets - This includes resources that the Village is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted Net Assets - This includes resources derived from user charges for services, unrestricted state revenues, interest earnings, and other miscellaneous sources. These resources are used for transactions relating to general operations of the Village and may be used at the discretion of the Board to meet current expenses for any purpose.

**(q) Fund Balance Classifications**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(q) Fund Balance Classifications (Continued)**

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to the Mayor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification is the residual fund balance for the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The Village would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The Village does not have a formal minimum fund balance policy.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(r) Use of Estimates in Preparing Financial Statements**

The preparation of 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 disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

The Village invests in allowable investments under the Illinois Compiled Statutes. These include (a) interest-bearing savings accounts and certificates of deposit, (b) bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, and (c) short-term discount obligations of the Federal National Mortgage Association.

As of April 30, 2015, the Village had the following cash and investments:

Demand deposits and cash on hand	\$ 359,379
Certificates of deposit	727,215
Illinois funds	<u>769,696</u>
Total cash and investments	<u>\$ 1,856,290</u>

Investments

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. The Illinois Funds have been classified as investments in that they have the general characteristics of demand deposit accounts as the Village may deposit cash at any time and withdraw cash at any time without prior notice or penalty. The monies invested in the Illinois Funds are pooled together and invested in US Treasury bills and notes backed by the full faith and credit of the US Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in US Treasury obligations and collateralized repurchase agreements.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does have a deposit policy for custodial credit risk. As of April 30, 2015, the bank balance of the Village's deposits, which includes demand deposits and certificates of deposit, was \$1,134,600. Of the bank balance, \$886,143 was covered by federal depository insurance and \$248,457 was covered by collateral held by the Village's agent in the Village's name. Therefore, at April 30, 2015, none of the Village's bank balances were exposed to custodial credit risk.

The Illinois Funds have not been included in deposits above. The Illinois Funds are pooled investments held by the State but not in the Village's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a policy for interest rate risk. Investments consist of deposits in the Illinois Funds that has a maturity of one year or less. Certificates of deposit also have a maturity of one year or less.

Concentration Risk

Concentration risk is the risk associated with having more than five percent of investments in any issuer, other than the United States Government. The Village does not have an investment policy that addresses concentration risk. Approximately 41 percent of the Village's cash and investments are in the Illinois Funds at April 30, 2015.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. State law limits which types of securities that the Village can invest in. At April 30, 2015, the Illinois Funds are rated AAAM by Standard & Poor's.

Deposits and Investments – Pension Trust Fund

The Police Pension Trust Fund may invest funds as authorized by the Illinois Compiled Statutes, generally in obligations of the United States, the State of Illinois and its local districts, certain insurance contracts, insured deposits of federal and state savings and loans, banks, and credit unions, and certain common and preferred stocks.

The Fund's investment policy requires all amounts deposited with financial institutions in excess of any Federal Deposit Insurance Corporation (FDIC) insurance be collateralized by eligible securities. As of April 30, 2015, none of Fund's deposits were exposed to custodial credit risk.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

The following table presents the investments and maturities of the Pension Trust Fund's investments as of April 30, 2015:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities (In Years)</u>		<u>Carrying Amount</u>
		<u>Less Than One</u>	<u>1-5</u>	
Certificates of deposit	\$ 1,386,023	\$ 549,136	\$ 836,887	\$ 1,386,023
Mutual funds	\$ 143,056	\$ -	\$ -	\$ 143,056

**NOTE 3 - CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended April 30, 2015 was as follows:

	<u>April 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30, 2015</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,986,090	\$ -	\$ -	\$ 1,986,090
Capital assets being depreciated:				
Building and improvements	4,727,139	14,095	-	4,741,234
Equipment	3,031,432	204,702	(365,133)	2,871,001
Total capital assets being depreciated	7,758,571	218,797	(365,133)	7,612,235
Less accumulated depreciation	3,766,821	353,031	(335,057)	3,784,795
Net capital assets being depreciated	3,991,750	(134,234)	(30,076)	3,827,440
<b>Governmental activities capital assets, net</b>	<b>\$ 5,977,840</b>	<b>\$ (134,234)</b>	<b>\$ (30,076)</b>	<b>\$ 5,813,530</b>

Land with a value of approximately \$1,415,000 was acquired with federal and state grant funds under the Flood Hazard Mitigations Grant Program. The land is in a flood plain along the Illinois River. The grant program contained restrictions which require the Village to keep the land open in perpetuity.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 141,446
Police	77,032
Fire	57,753
Streets	52,189
Ambulance	<u>24,611</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$ 353,031</u></b>

Capital asset activity for the business-type activities for the year ended April 30, 2015 was as follows:

	<u>April 30,</u> <u>2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30,</u> <u>2015</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 38,942	\$ -	\$ -	\$ 38,942
Capital assets being depreciated:				
Water tower	2,932,712	-	-	2,932,712
Fire hydrants and service connections	122,988	-	-	122,988
Meters	196,609	-	-	196,609
Vehicles and equipment	502,766	32,431	-	535,197
Pump house equipment	472,599	-	-	472,599
Wells	673,848	-	-	673,848
Reservoir	33,105	-	-	33,105
Water mains	3,079,378	-	-	3,079,378
Stand pipe	<u>135,208</u>	<u>-</u>	<u>-</u>	<u>135,208</u>
	8,149,213	32,431	-	8,181,644
Less accumulated depreciation	<u>5,027,128</u>	<u>319,027</u>	<u>-</u>	<u>5,346,155</u>
Total capital assets being depreciated, net	<u>3,122,085</u>	<u>(286,596)</u>	<u>-</u>	<u>2,835,489</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 3,161,027</u></b>	<b><u>\$ (286,596)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,874,431</u></b>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 4 – DUE FROM THE STATE OF ILLINOIS**

Amounts due from the State of Illinois at April 30, 2015 for the Village's major and nonmajor funds are as follows:

	<u>General</u>	<u>Nonmajor Funds</u>
Sales tax	\$ 182,567	\$ -
Home rule sales tax	162,857	-
Income tax	209,690	-
Use tax	22,578	-
Replacement tax	34,049	-
Motor fuel tax	-	14,318
Other taxes	<u>4,913</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 616,654</u></b>	<b><u>\$ 14,318</u></b>

**NOTE 5 - LONG-TERM DEBT**

Changes in long-term debt for governmental activities for the year ended April 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Illinois Finance Authority Loan	\$ <u>150,000</u>	\$ <u>-</u>	\$ <u>12,500</u>	\$ <u>137,500</u>	\$ <u>12,500</u>

Illinois Finance Authority loan dated October 4, 2005, original amount was \$250,000. The loan is interest free and due in annual installments of \$12,500 through November 1, 2025. The proceeds were used to fund part of the purchase price of a new aerial ladder fire truck.

The annual requirements to amortize governmental activities long-term debt outstanding as of April 30, 2015, including interest are as follows:

<u>Year Ending April 30,</u>	<u>Illinois Finance Authority Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 12,500	\$ -	\$ 12,500
2017	12,500	-	12,500
2018	12,500	-	12,500
2019	12,500	-	12,500
2020	12,500	-	12,500
2021 - 2025	62,500	-	62,500
2026	<u>12,500</u>	<u>-</u>	<u>12,500</u>
<b>Total</b>	<b><u>\$ 137,500</u></b>	<b><u>\$ -</u></b>	<b><u>\$137,500</u></b>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

Repayment of the debt has typically been funded through the general fund from general revenue sources.

Changes in long-term debt for business-type activities for the year ended April 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Illinois Environmental Protection Agency loan	\$ <u>1,075,448</u>	\$ <u>-</u>	\$ <u>53,872</u>	\$ <u>1,021,576</u>	\$ <u>54,548</u>

Business-type activities long-term debt at April 30, 2015 is comprised of the following:

Illinois Environmental Protection Agency Drinking Water Project L17-3847, loan executed on December 17, 2012, interest at 1.25 percent. Total loan commitment is \$1,158,814. Semiannual principal and interest payments of \$33,574 are due each January 28 and July 28 through 2032.

Repayment of the business-type activity debt has typically been funded through water sales operating revenues in the Waterworks fund.

The annual requirements to amortize governmental activities long-term debt outstanding as of April 30, 2015, including interest are as follows:

<u>Year Ending April 30,</u>	<u>Waterworks Bonds, Series 2004</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 54,548	\$ 12,600	\$ 67,148
2017	55,232	11,916	67,148
2018	55,924	11,224	67,148
2019	56,625	10,523	67,148
2020	57,336	9,812	67,148
2021 - 2025	297,644	38,093	335,737
2026 - 2030	316,778	18,959	335,737
2031 - 2033	<u>127,489</u>	<u>1,953</u>	<u>129,442</u>
Total	<u>\$ 1,021,576</u>	<u>\$ 115,080</u>	<u>\$ 1,136,656</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

**Legal Debt Margin**

The legal debt margin of the Village at April 30, 2015 is as follows:

Assessed valuation - 2014 levy	<u>\$ 93,724,582</u>
Statutory debt limitation (8.625 percent of assessed valuation)	\$ 8,083,745
Less debt, excluding EPA loan	<u>137,500</u>
<b>Legal debt margin</b>	<b><u>\$ 7,946,245</u></b>

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Individual fund interfund receivables and payables at April 30, 2015 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General:		
Waterworks	\$ -	160,000
Motor Fuel tax	-	679
Nonmajor governmental funds	679	-
Waterworks: - General	<u>160,000</u>	<u>-</u>
	<b><u>\$ 160,679</u></b>	<b><u>\$ 160,679</u></b>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers are defined as the flow of assets without equivalent flows of assets in return. There were no interfund transfers for the year ended April 30, 2015.

**NOTE 7 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 7 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)**

a. Excesses of total expenditures over budget of individual funds are as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess Actual Over Budget</u>
Tax Increment Financing	<u>\$ 5,000</u>	<u>\$ 34,196</u>	<u>\$ 29,196</u>

b. Deficit fund balances of individual funds.

There were no funds with a deficit fund balance at April 30, 2015.

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

Illinois Municipal Retirement Fund

*Plan Description.* The Village of Peoria Heights, Illinois (Village) defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rate for calendar year 2014 was 10.77 percent. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2014 was \$120,124.

**Three-Year Trend Information for the Regular Plan**

<b>Calendar Year <u>Ending</u></b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC <u>Contributed</u></b>	<b>Net Pension Obligation</b>
12/31/14	\$120,124	100%	\$ -
12/31/13	124,743	100	-
12/31/12	125,596	100	-

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Illinois Municipal Retirement Fund (Continued)

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

*Funded Status and Funding Progress.* As of December 31, 2014, using the most recent actuarial valuation date, the regular plan was 79.44 percent funded. The actuarial accrued liability for benefits was \$2,359,365 and the actuarial value of assets was \$1,874,245, resulting in an underfunded actuarial accrued liability (UAAL) of \$485,120. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$1,115,357 and the ratio of the UAAL to the covered payroll was 43 percent.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Fund

*Plan Description.* The Village's defined benefit pension plan for police officers, the Peoria Heights Police Pension Fund (Fund), provides retirement, disability, post retirement increases, and death benefits to plan members and beneficiaries. The Fund is a single-employer defined benefit pension plan. Employer contributions levels of the Police Pension Fund are mandated by Illinois State Statute (Chapter 40, Article 3) and may also be amended only by the Illinois legislature. The Fund issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing the plan at the following address:

Peoria Heights Police Pension Board  
4901 N. Prospect Road  
Peoria Heights, Illinois 61616

Benefits and refunds of the Fund are recognized when due and payable in accordance with the Plan.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Police Pension Fund (Continued)

The Village's annual pension cost for the current and prior years and related information for the Fund is not available as of April 30, 2015.

**NOTE 9 – FUND BALANCES/NET ASSETS**

Restricted fund balances/net assets represent amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation. At April 30, 2015, the Village's fund balances were restricted for the following purposes:

Motor Fuel Tax Fund – street maintenance and improvements	\$ 240,749
Tax Increment Financing Fund – development within the Village's TIF District	<u>3,163</u>
Total	<u>\$ 243,912</u>

Assigned fund balances represent amounts constrained by the Village's intent to use them for a specific purpose. At April 30, 2015, the Village's fund balances were assigned for the following purposes:

Capital Improvement Fund – improvements to the Village's properties	\$ 215,000
Local Improvement Fund – improvements to property within the Village	<u>9,520</u>
Total	<u>\$ 224,520</u>

At April 30, 2015, the Village's net assets were restricted for the following purposes:

Motor Fuel Tax Fund – street maintenance and improvements	\$ 240,749
Police Pension – contributions to be made to the Pension Fund	16,329
Tax Increment Financing Fund – development within the Village's TIF District	<u>2,875</u>
Total	<u>\$ 259,953</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 10 - COMMITMENTS**

Collection and Disposal of Refuse Contract

The Village has contracted with a private contractor to provide collection and disposal service for garbage and landscape waste for the period January 1, 2014 through December 31, 2018. The minimum commitments under this contract are as follows:

Year ending April 30:

2016	\$ 350,897
2017	361,413
2018	372,262
2019	<u>263,995</u>
	<u>\$ 1,348,567</u>

The total expenditures under this contract for the year ended April 30, 2015 were \$340,673.

Recycling Contract

The Village has contracted with a private contractor to provide a residential recycling program for the period September 1, 2013 through August 31, 2018. The minimum commitments under this contract are as follows:

Year ending April 30:

2016	\$ 98,136
2017	102,108
2018	106,176
2019	<u>35,844</u>
	<u>\$ 342,264</u>

The total expenditures under this contract for the year ended April 30, 2015 were \$94,986.

**NOTE 11 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts, theft of, damages to and destruction of assets, errors and omissions, injuries to employees, natural disasters, and medical claims of its employees and their dependents. The Village purchases commercial insurance for all risks of loss. During the year ended April 30, 2015, there were no significant reductions in insurance coverage. Settled claims from these risks have not exceeded the commercial coverage in any of the past three fiscal years.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2015**

**NOTE 12 – SUBSEQUENT EVENTS**

Management evaluated subsequent events through November 22, 2015, the date the financial statements were available to be issued.

**NOTE 13 – FUTURE CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the Village beginning with its year ending April 30, 2016. This statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplemental information.

**REQUIRED SUPPLEMENTAL INFORMATION**

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -

GENERAL FUND AND POLICE PENSION LEVY FUND  
Year Ended April 30, 2015

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 124,533	\$ 120,517	\$ (4,016)
Intergovernmental:			
Sales tax	815,000	787,540	(27,460)
Home rule sales tax	795,000	720,376	(74,624)
Local use tax	100,000	115,595	15,595
State income taxes	590,000	620,191	30,191
Personal property replacement taxes	160,473	169,323	8,850
Other taxes	47,750	59,308	11,558
State and federal grants	3,500	7,500	4,000
Licenses and permits	198,750	163,989	(34,761)
Food and beverage tax	188,758	249,583	60,825
Infrastructure maintenance tax	106,800	-	(106,800)
Franchise fees	125,500	123,658	(1,842)
Fines	238,250	289,657	51,407
Charges for services	220,500	168,557	(51,943)
Land lease	37,800	38,291	491
Interest	1,000	1,100	100
Miscellaneous	855	8,399	7,544
Total revenues	<u>3,754,469</u>	<u>3,643,584</u>	<u>(110,885)</u>
<b>EXPENDITURES</b>			
Administration	697,208	609,122	88,086
Police department	1,362,150	1,274,577	87,573
Ambulance service	437,725	262,271	175,454
Fire protection	174,414	148,682	25,732
Garbage collection and recycling	429,697	435,659	(5,962)
Streets and alleys	499,775	396,381	103,394
Capital outlay	141,000	218,797	(77,797)
Debt service	12,500	12,500	-
Total expenditures	<u>3,754,469</u>	<u>3,357,989</u>	<u>396,480</u>
Net change in fund balance	\$ -	285,595	\$ <u>285,595</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of assets		78,960	
<b>FUND BALANCE</b>			
Beginning of year		<u>667,575</u>	
End of year		<u>\$ 1,032,130</u>	

**Police Pension Levy Fund**

<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 263,620	\$ 242,936	\$ (20,684)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>263,620</u>	<u>242,936</u>	<u>(20,684)</u>
-	-	-
263,620	242,936	20,684
-	-	-
-	-	-
-	-	-
-	-	-
<u>263,620</u>	<u>242,936</u>	<u>20,684</u>
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	-	
	-	
	<u>-</u>	
	<u>\$ -</u>	

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
REQUIRED SUPPLEMENTAL INFORMATION -  
SCHEDULE OF FUNDING PROGRESS**

(Unaudited)

The trend information for the three fiscal years ended December 31, 2014 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/14	\$ 1,874,245	\$ 2,359,365	\$ 485,120	79.44%	\$ 1,115,357	43.49%
12/31/13	2,036,970	2,397,541	360,571	84.96	1,122,801	32.11
12/31/12	1,782,205	2,254,124	471,919	79.06	1,132,513	41.67

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$2,321,095. On a market basis, the funded ratio would be 98.38 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Peoria Heights. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2015

ASSETS	Special Revenue		Capital Projects		Total
	Motor Fuel Tax Fund	Tax Increment Financing Fund	Capital Improvement Fund	Local Improvement Fund	
Cash and investments	\$ 221,511	\$ 3,742	\$ 215,000	\$ 9,520	\$ 449,773
Property taxes receivable	-	34,118	-	-	34,118
Accounts receivable	4,241	-	-	-	4,241
Due from State of Illinois	14,318	-	-	-	14,318
Due from other funds	679	-	-	-	679
<b>TOTAL ASSETS</b>	<b>\$ 240,749</b>	<b>\$ 37,860</b>	<b>\$ 215,000</b>	<b>\$ 9,520</b>	<b>\$ 503,129</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 579	\$ -	\$ -	\$ 579
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>579</b>	<b>-</b>	<b>-</b>	<b>579</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned property tax revenue	-	34,118	-	-	34,118
<b>FUND BALANCES</b>					
Restricted	240,749	3,163	-	-	243,912
Assigned	-	-	215,000	9,520	224,520
Total fund balances	240,749	3,163	215,000	9,520	468,432
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 240,749</b>	<b>\$ 37,860</b>	<b>\$ 215,000</b>	<b>\$ 9,520</b>	<b>\$ 503,129</b>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

Year Ended April 30, 2015

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Total</u>
	<u>Motor Fuel Tax Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Capital Improvement Fund</u>	<u>Local Improvement Fund</u>	
<b>REVENUES</b>					
Property taxes	\$ -	\$ 34,755	\$ -	\$ -	\$ 34,755
Intergovernmental	208,494	-	-	-	208,494
Licenses and permits	31,090	-	-	-	31,090
Interest income	55	43	-	-	98
Miscellaneous	-	-	-	-	-
Total revenues	<u>239,639</u>	<u>34,798</u>	<u>-</u>	<u>-</u>	<u>274,437</u>
<b>EXPENDITURES</b>					
Current					
Administration	-	34,196	-	-	34,196
Streets and alleys	<u>206,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,637</u>
Total expenditures	<u>206,637</u>	<u>34,196</u>	<u>-</u>	<u>-</u>	<u>240,833</u>
Net change in fund balance	33,002	602	-	-	33,604
<b>FUND BALANCE</b>					
Beginning of year	<u>207,747</u>	<u>2,561</u>	<u>215,000</u>	<u>9,520</u>	<u>434,828</u>
End of year	<u>\$ 240,749</u>	<u>\$ 3,163</u>	<u>\$ 215,000</u>	<u>\$ 9,520</u>	<u>\$ 468,432</u>



VILLAGE OF PEORIA HEIGHTS, ILLINOIS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2015

With Comparative Figures for Year Ended April 30, 2014

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 124,533	\$ 120,517	\$ 121,847
Intergovernmental:			
Sales tax	815,000	787,540	792,637
Home rule sales tax	795,000	720,376	781,392
Local use tax	100,000	115,595	108,004
State income taxes	590,000	620,191	587,889
Personal property replacement taxes	160,473	169,323	161,771
Other taxes	47,750	59,308	46,596
Total intergovernmental	<u>2,508,223</u>	<u>2,472,333</u>	<u>2,478,289</u>
State and federal grants	3,500	7,500	45,620
Licenses and permits	198,750	163,989	190,435
Food and beverage tax	188,758	249,583	-
Infrastructure maintenance fees	106,800	-	-
Franchise fees	125,500	123,658	130,729
Fines	238,250	289,657	198,966
Charges for services	220,500	168,557	232,707
Land lease	37,800	38,291	37,870
Interest	1,000	1,100	1,088
Miscellaneous	855	8,399	12,413
Total revenues	<u>3,754,469</u>	<u>3,643,584</u>	<u>3,449,964</u>
<b>EXPENDITURES</b>			
Current			
Administration	697,208	609,122	609,697
Police department	1,362,150	1,274,577	1,259,956
Ambulance service	437,725	262,271	399,886
Fire protection	174,414	148,682	124,775
Garbage collection and recycling	429,697	435,659	428,862
Streets and alleys	499,775	396,381	458,958
Capital outlay	141,000	218,797	293,056
Debt service	12,500	12,500	77,181
Total expenditures	<u>3,754,469</u>	<u>3,357,989</u>	<u>3,652,371</u>
Excess (deficiency) of revenues over expenditures	-	285,595	(202,407)

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2015  
With Comparative Figures for Year Ended April 30, 2014

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of assets	-	78,960	-
Net change in fund balance	<u>\$ -</u>	364,555	(202,407)
<b>FUND BALANCE</b>			
Beginning of year		667,575	869,982
End of year		<u>\$ 1,032,130</u>	<u>\$ 667,575</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

POLICE PENSION LEVY FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2015  
With Comparative Figures for Year Ended April 30, 2014

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 263,620	\$ 242,936	\$ 228,628
 <b>EXPENDITURES</b>			
Current - Police department			
Police pension	<u>263,620</u>	<u>242,936</u>	<u>228,628</u>
 Net change in fund balance	<u>\$ -</u>	-	-
 <b>FUND BALANCE</b>			
Beginning of year		<u>-</u>	<u>-</u>
End of year		<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

MOTOR FUEL TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2015  
With Comparative Figures for Year Ended April 30, 2014

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Intergovernmental:			
Motor fuel tax allotments	\$ 180,000	\$ 150,866	\$ 151,978
Illinois Jobs Now grant	-	28,814	28,814
Capital Bill Program grant	-	28,814	-
Total intergovernmental	<u>180,000</u>	<u>208,494</u>	<u>180,792</u>
Licenses and permits	33,000	31,090	32,507
Interest income	50	55	61
Miscellaneous	-	-	60
Total revenues	<u>213,050</u>	<u>239,639</u>	<u>213,420</u>
<b>EXPENDITURES</b>			
Current			
Streets and alleys:			
Street maintenance	63,200	20,454	64,966
Engineering services	12,000	18,822	13,962
Improvements	100,000	119,277	135,177
Other professional services	2,500	2,165	2,185
Maintenance supplies	7,000	9,093	7,391
Snow removal	28,000	30,929	28,027
Non-capital equipment	250	5,897	-
Total streets and alleys	<u>212,950</u>	<u>206,637</u>	<u>251,708</u>
Net change in fund balance	<u>\$ 100</u>	33,002	(38,288)
<b>FUND BALANCE</b>			
Beginning of year		<u>207,747</u>	<u>246,035</u>
End of year		<u>\$ 240,749</u>	<u>\$ 207,747</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

TAX INCREMENT FINANCING FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2015

With Comparative Figures for Year Ended April 30, 2014

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 4,500	\$ 34,755	\$ 4,282
Interest income	15	43	20
	<u>4,515</u>	<u>34,798</u>	<u>4,302</u>
Total revenues			
<b>EXPENDITURES</b>			
Current - Administration			
Engineering fees	-	4,131	-
Advertising	-	5,262	-
Professional fees	5,000	24,803	15,516
	<u>5,000</u>	<u>34,196</u>	<u>15,516</u>
Net change in fund balance	<u>\$ (485)</u>	602	(11,214)
<b>FUND BALANCE</b>			
Beginning of year		<u>2,561</u>	<u>13,775</u>
End of year		<u>\$ 3,163</u>	<u>\$ 2,561</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**WATERWORKS FUND**  
**PLANT AND OPERATING COMMERCIAL EXPENSES**

**Year Ended April 30, 2015**  
**With Comparative Figures for 2014**

	<u>2015</u>	<u>2014</u>
Salaries	\$ 436,053	\$ 414,719
Group insurance	36,934	24,443
Gasoline, oil, etc	11,367	16,576
Utilities	77,285	78,000
Maintenance and supplies:		
Vehicles	4,918	6,607
Building	34,961	10,034
Computers and software	6,018	9,941
Equipment	11,147	44,104
Utility system	54,916	56,205
Insurance	45,402	40,853
Depreciation	319,027	326,888
Operating supplies	36,041	34,384
Utility supplies	29,979	29,217
Office expenses	24,124	15,241
Engineering services	5,444	8,641
Audit fees	5,960	6,200
Other professional services	5,210	9,787
Laundry services	920	1,052
Testing services	7,025	6,196
Bad debt expense	-	5,000
Miscellaneous expense	1,745	270
	<hr/>	<hr/>
Total plant operating and commercial expenses	<u>\$ 1,154,476</u>	<u>\$ 1,144,358</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**AND ASSESSED VALUATIONS**  
**For the Levy Years 2014, 2013, and 2012**

	<u>Tax Year</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>ASSESSED VALUATION</b>	\$ 93,724,582	\$ 93,226,482	\$ 91,500,517
<b>TAX RATES</b>			
General Corporate	0.13288	0.13359	0.13611
Police Pension	<u>0.28839</u>	<u>0.26931</u>	<u>0.25541</u>
<b>TOTAL</b>	<u>0.42127</u>	<u>0.40290</u>	<u>0.39152</u>
<b>TAX EXTENSIONS</b>			
General Corporate	\$ 124,541	\$ 124,541	\$ 124,541
Police Pension	<u>270,292</u>	<u>251,068</u>	<u>233,702</u>
<b>TOTAL</b>	<u>\$ 394,833</u>	<u>\$ 375,609</u>	<u>\$ 358,243</u>
<b>COLLECTIONS *</b>	<u>\$ -</u>	<u>\$ 363,453</u>	<u>\$ 350,474</u>
<b>PERCENT OF EXTENSION COLLECTED</b>		<u>96.76%</u>	<u>97.83%</u>

**TAX INCREMENT FINANCING FUND**

	<u>Tax Year</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>ASSESSED VALUATION</b>	\$ 1,160,260	\$ 1,160,390	\$ 1,197,380
<b>TAX RATE</b>	<u>2.97028</u>	<u>2.99507</u>	<u>0.35760</u>
<b>TAX EXTENSION</b>	<u>\$ 34,463</u>	<u>\$ 34,754</u>	<u>\$ 4,282</u>
<b>COLLECTIONS *</b>	<u>\$ -</u>	<u>\$ 34,755</u>	<u>\$ 4,282</u>
<b>PERCENT OF EXTENSION COLLECTED</b>		<u>100.00%</u>	<u>100.00%</u>

\* Includes distributions of interest and prior year forfeited taxes.