

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**

**BASIC FINANCIAL STATEMENTS**

**April 30, 2021**

**MEISTER, HILTON, CHITWOOD & ASSOCIATES, INC.**

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Certified Public Accountants

# VILLAGE OF PEORIA HEIGHTS, ILLINOIS

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# **Meister, Hilton, Chitwood & Associates, Inc.**

Certified Public Accountants

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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**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights, Illinois (Village) as of and for the year ended April 30, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Basis for Qualified Opinion**

The Village of Peoria Heights, Illinois has omitted disclosures required by GASB 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 our opinion, except for the effects of the matter 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights, Illinois, as of April 30, 2021, 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 budgetary comparison information on pages 50 and 51 and the pension information on pages 52 through 55 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.

The Village 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. Our opinions on the basic financial statements are not affected by this missing information.

## Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 57 through 69 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 our 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021, on our consideration of Village of Peoria Heights, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Village of Peoria Heights, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Peoria Heights, Illinois' internal control over financial reporting and on compliance.

*Meister, Hilton, Chitwood & Associates, Inc.*

Peoria, Illinois  
November 16, 2021

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2021

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	Peoria Heights Public Library
Cash and investments	\$ 3,673,006	\$ 1,453,402	\$ 5,126,408	\$ 537,880
Property taxes receivable	1,220,496	-	1,220,496	529,740
Due from State of Illinois	715,081	-	715,081	16,459
Accounts receivable - disposal fees	64,465	-	64,465	-
Accounts receivable - other	123,429	350,353	473,782	-
Inventory	25,095	-	25,095	-
Prepaid items	14,657	14,866	29,523	6,559
Restricted assets - cash and investments	-	78,791	78,791	-
Capital assets, not being depreciated	1,986,090	38,942	2,025,032	20,000
Capital assets, net of accumulated depreciation	3,155,635	3,155,554	6,311,189	1,132,969
Net pension asset	264,088	146,560	410,648	-
<b>Total assets</b>	<b>11,242,042</b>	<b>5,238,468</b>	<b>16,480,510</b>	<b>2,243,607</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	318,264	176,626	494,890	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 11,560,306</b>	<b>\$ 5,415,094</b>	<b>\$ 16,975,400</b>	<b>\$ 2,243,607</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 76,496	\$ 16,298	\$ 92,794	\$ 9,119
Accrued payroll and vacation	198,358	15,905	214,263	-
Accrued interest payable	45,859	2,849	48,708	-
Internal balances	160,000	(160,000)	-	-
Liabilities payable from restricted assets:				
Customer service deposits	-	78,791	78,791	-
Long-term debt:				
Due within one year	213,809	170,717	384,526	-
Due beyond one year	2,031,294	1,647,498	3,678,792	-
<b>Total liabilities</b>	<b>2,725,816</b>	<b>1,772,058</b>	<b>4,497,874</b>	<b>9,119</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned property tax revenue	1,220,496	-	1,220,496	529,740
Deferred inflows related to pensions	558,107	309,732	867,839	-
<b>Total deferred inflows of resources</b>	<b>1,778,603</b>	<b>309,732</b>	<b>2,088,335</b>	<b>529,740</b>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	4,693,120	1,376,281	6,069,401	1,152,969
Restricted for:				
Street maintenance	412,627	-	412,627	-
Debt service	404,127	-	404,127	-
Business development	612,131	-	612,131	-
Retirement	-	-	-	26,878
Working cash	-	-	-	99,823
Unrestricted	933,882	1,957,023	2,890,905	425,078
<b>Total net position</b>	<b>7,055,887</b>	<b>3,333,304</b>	<b>10,389,191</b>	<b>1,704,748</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 11,560,306</b>	<b>\$ 5,415,094</b>	<b>\$ 16,975,400</b>	<b>\$ 2,243,607</b>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended April 30, 2021

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>			
Administration and general government	\$ 908,059	\$ 263,483	\$ -
Police	2,490,436	274,766	258,964
Fire protection	272,608	-	-
Garbage collection	449,628	273,511	-
Streets and alleys	636,439	21,609	202,852
Community development	639,067	-	250,000
Interest on long-term debt	103,550	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	5,499,787	833,369	711,816
<b>Business-type activities:</b>			
Waterworks	1,081,964	1,408,073	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,581,751</b>	<b>\$ 2,241,442</b>	<b>\$ 711,816</b>
	<hr/>	<hr/>	<hr/>
<b>Component unit:</b>			
Peoria Heights Public Library	\$ 560,111	\$ 3,518	\$ 7,995
	<hr/>	<hr/>	<hr/>

General revenues:

Property taxes  
Sales and use taxes  
State income tax  
Replacement taxes  
Video gaming taxes  
Motor fuel tax allotments  
Other taxes  
Interest  
Other income

Total general revenues

Change in net position

Net position:

Beginning of year

End of year

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



<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Peoria Heights Public Library</u>
\$ (644,576)	\$ -	\$ (644,576)	\$ -
(1,956,706)	-	(1,956,706)	-
(272,608)	-	(272,608)	-
(176,117)	-	(176,117)	-
(411,978)	-	(411,978)	-
(389,067)	-	(389,067)	-
(103,550)	-	(103,550)	-
(3,954,602)	-	(3,954,602)	-
-	326,109	326,109	-
(3,954,602)	326,109	(3,628,493)	-
			(548,598)
1,124,301	-	1,124,301	531,212
2,682,969	-	2,682,969	-
747,230	-	747,230	-
155,344	-	155,344	51,517
119,764	-	119,764	-
220,410	-	220,410	-
100,089	-	100,089	-
6,788	2,434	9,222	1,232
64,798	-	64,798	1,649
5,221,693	2,434	5,224,127	585,610
1,267,091	328,543	1,595,634	37,012
5,788,796	3,004,761	8,793,557	1,667,736
<u>\$ 7,055,887</u>	<u>\$ 3,333,304</u>	<u>\$ 10,389,191</u>	<u>\$ 1,704,748</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

April 30, 2021

<b>ASSETS</b>	<b>General Fund</b>	<b>Police Pension Levy Fund</b>	<b>Tax Increment Financing Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and investments	\$ 1,619,982	\$ -	\$ 448,128	\$ 1,604,896	\$ 3,673,006
Property taxes receivable	122,043	388,790	709,663	-	1,220,496
Due from State of Illinois	625,267	-	-	89,814	715,081
Accounts receivable -disposal fees	64,465	-	-	-	64,465
Accounts receivable - other	86,642	-	-	36,787	123,429
Due from other funds	511,676	-	-	679	512,355
Inventory	25,095	-	-	-	25,095
Prepaid items	14,657	-	-	-	14,657
<b>TOTAL ASSETS</b>	<b>\$ 3,069,827</b>	<b>\$ 388,790</b>	<b>\$ 1,157,791</b>	<b>\$ 1,732,176</b>	<b>\$ 6,348,584</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 72,264	\$ -	\$ -	4,232	\$ 76,496
Accrued payroll and vacation	198,358	-	-	-	198,358
Due to other funds	160,679	-	511,676	-	672,355
<b>TOTAL LIABILITIES</b>	<b>431,301</b>	<b>-</b>	<b>511,676</b>	<b>4,232</b>	<b>947,209</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned property tax revenue	122,043	388,790	709,663	-	1,220,496
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	39,752	-	-	-	39,752
Restricted	-	-	-	1,428,885	1,428,885
Assigned	-	-	-	299,059	299,059
Unassigned	2,476,731	-	(63,548)	-	2,413,183
Total fund balances	2,516,483	-	(63,548)	1,727,944	4,180,879
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,069,827</b>	<b>\$ 388,790</b>	<b>\$ 1,157,791</b>	<b>\$ 1,732,176</b>	<b>\$ 6,348,584</b>

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, 2021**

Total fund balances - governmental funds \$ 4,180,879

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	\$ 10,947,013	
Accumulated depreciation	<u>(5,805,288)</u>	5,141,725

Amounts related to pension reporting are not reported in the governmental funds:

Deferred outflows of resources	318,264	
Net pension asset	264,088	
Deferred inflows of resources	<u>(558,107)</u>	24,245

Long-term liabilities 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, 2021 consist of the following:

Loans payable	(520,716)	
Bonds payable	(1,724,387)	
Accrued interest payable	<u>(45,859)</u>	<u>(2,290,962)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 7,055,887**

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, 2021

	General Fund	Police Pension Levy Fund	Tax Increment Financing Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 123,857	\$ 376,053	624,391	\$ -	\$ 1,124,301
Intergovernmental:					
State sales tax	810,027	-	-	33,288	843,315
Home rule sales tax	779,293	-	-	47,787	827,080
Local use tax	276,940	-	-	-	276,940
State income taxes	747,230	-	-	-	747,230
Business development sales tax	-	-	-	406,495	406,495
Motor fuel tax allotments	-	-	-	220,410	220,410
Personal property replacement taxes	217,629	-	-	-	217,629
Telecommunication tax	74,884	-	-	-	74,884
Video gaming tax	119,764	-	-	-	119,764
Other taxes	25,205	-	-	-	25,205
State and federal grants	508,964	-	-	202,852	711,816
Licenses and permits	137,163	-	-	21,609	158,772
Intergovernmental agreement	68,167	-	-	-	68,167
Food and beverage tax	266,770	-	-	62,369	329,139
Franchise fees	126,320	-	-	-	126,320
Waste disposal fee	273,511	-	-	-	273,511
Fines	206,599	-	-	-	206,599
Charges for services	-	-	-	-	-
Land lease	48,153	-	-	-	48,153
Donations/Memorials	2,620	-	-	-	2,620
Interest	5,146	-	410	1,232	6,788
Miscellaneous	14,025	-	-	-	14,025
Total revenues	<u>4,832,267</u>	<u>376,053</u>	<u>624,801</u>	<u>996,042</u>	<u>6,829,163</u>
<b>EXPENDITURES</b>					
Current					
Administration	637,856	-	225,146	-	863,002
Police department	2,065,503	376,053	-	-	2,441,556
Fire protection	207,056	-	-	-	207,056
Garbage collection and recycling	449,628	-	-	-	449,628
Streets and alleys	455,181	-	-	179,286	634,467
Community development	263,488	-	-	375,579	639,067
Capital outlay	76,370	-	-	-	76,370
Debt service	96,787	-	-	75,172	171,959
Total expenditures	<u>4,251,869</u>	<u>376,053</u>	<u>225,146</u>	<u>630,037</u>	<u>5,483,105</u>
Excess of revenues over expenditures	<u>580,398</u>	<u>-</u>	<u>399,655</u>	<u>366,005</u>	<u>1,346,058</u>

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

GOVERNMENTAL FUNDS

Year Ended April 30, 2021

	<u>General Fund</u>	<u>Police Pension Levy Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	273,811	273,811
Transfers out	-	-	(273,811)	-	(273,811)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(273,811)	273,811	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	580,398	-	125,844	639,816	1,346,058
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE (DEFICIT)</b>					
Beginning of year	1,936,085	-	(189,392)	1,088,128	2,834,821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 2,516,483</u>	<u>\$ -</u>	<u>\$ (63,548)</u>	<u>\$ 1,727,944</u>	<u>\$ 4,180,879</u>

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, 2021

Total net change in fund balances - governmental funds \$ 1,346,058

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	\$ 76,370	
Depreciation expense	(364,778)	\$ (288,408)

Repayment of long-term debt is recorded as expenditures in the governmental funds, but the repayments reduce long-term debt in the statement of activities	104,339
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Interest on long-term debt is reported when paid in the governmental funds. However, in the Statement of Activities, interest expense is recorded when incurred.	(35,930)
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Governmental funds report pension contributions as expenditures when made. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred inflows and outflows of resources related to pensions as follows:

Net pension asset	305,534	
Deferred outflows of resources due to pensions	(83,423)	
Deferred inflows of resources due to pensions	(81,079)	141,032

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,267,091</u></b>
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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, 2021

	<b><u>Business-type Activities</u></b>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 1,453,402
Accounts receivable, net of allowance of \$42,000	350,353
Due from other funds	160,000
Prepaid expenses	14,866
Total current assets	<u>1,978,621</u>
Restricted assets	
Cash and investments	<u>78,791</u>
Capital assets, not being depreciated	38,942
Capital assets, net of accumulated depreciation	<u>3,155,554</u>
Total capital assets	<u>3,194,496</u>
Net pension asset	<u>146,560</u>
Total assets	5,398,468
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>176,626</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 5,575,094</u></b>

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, 2021

	<b><u>Business-type Activities</u></b>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 16,298
Accrued payroll and vacation	15,905
Accrued interest payable	2,849
Current portion of long-term debt	170,717
Total current liabilities	<u>205,769</u>
Liabilities payable from restricted assets	
Customer service deposits	<u>78,791</u>
Long-term liabilities:	
Notes payable	1,022,423
IEPA loan payable	625,075
Total long-term liabilities	<u>1,647,498</u>
Total liabilities	<u>1,932,058</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	<u>309,732</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,376,281
Unrestricted	1,957,023
Total net position	<u>3,333,304</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b><u>\$ 5,575,094</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, 2021

	<b>Business-type Activities</b>
<b>OPERATING REVENUES</b>	
Water sales	\$ 1,396,111
Service connection fees	3,190
Miscellaneous revenues	8,772
Total operating revenues	1,408,073
 <b>OPERATING EXPENSES</b>	
Wages and benefits	310,804
Operations	69,154
Plant maintenance	103,386
Office expenses	148,856
Administration	48,989
Depreciation	352,165
Total operating expenses	1,033,354
Operating income	374,719
 <b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	2,434
Interest expense	(48,610)
Total nonoperating revenues (expenses)	(46,176)
<b>CHANGE IN NET POSITION</b>	328,543
 <b>NET POSITION</b>	
Beginning of year	3,004,761
End of year	\$ 3,333,304

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

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

Year Ended April 30, 2021

	<b><u>Business-type Activities</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,376,041
Miscellaneous revenues received	8,772
Cash payments to suppliers and vendors for goods and services	(358,332)
Cash payments to employees for services and benefits	(408,271)
Net cash provided by operating activities	<u>618,210</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on long-term debt	(200,658)
Interest paid	(49,302)
Net cash used in capital and related financing activities	<u>(249,960)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>2,434</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 370,684
 <b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	<u>1,161,509</u>
End of year	<u>\$ 1,532,193</u>
 Cash and investment as reported on the Statement of Net Position:	
Cash and investments	\$ 1,453,402
Restricted cash and investments	<u>78,791</u>
	<u>\$ 1,532,193</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**WATERWORKS FUND**  
 Year Ended April 30, 2021

	<b><u>Business-type Activities</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 374,719
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	352,165
Pension income	(86,812)
Change in operating assets and liabilities:	
Accounts receivable	(24,040)
Prepaid expenses	5,530
Accounts payable	6,363
Accrued payroll and vacation	(10,655)
Liabilities payable from restricted assets	<u>940</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <b><u>\$ 618,210</u></b>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PEORIA HEIGHTS POLICE PENSION FUND**

**April 30, 2021**

**ASSETS**

Cash and cash equivalents	\$ 747,219
Investments, at fair value	
U.S. Treasury Obligations	687,870
U.S. Agency Obligations	329,580
Corporate Bonds	750,631
Mutual funds	<u>1,740,858</u>
	3,508,939
Accrued interest receivable	<u>15,948</u>
<b>Total assets</b>	<b><u>\$ 4,272,106</u></b>

**LIABILITIES**

Accounts payable and accrued liabilities	<u>3,560</u>
<b>Net position restricted for pension benefits</b>	<b><u>\$ 4,268,546</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**  
**PEORIA HEIGHTS POLICE PENSION FUND**

Year Ended April 30, 2021

**Additions:**

Contributions:

Employer	\$ 688,328
Plan members	<u>101,533</u>

<b>Total contributions</b>	<u>789,861</u>
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Investment income:

Interest	51,000
Dividends	30,180
Realized loss from sale of investments	(38,035)
Net appreciation in fair value of investments	<u>643,930</u>

Less investment expenses	<u>(12,228)</u>
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Total investment income	<u>674,847</u>
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<b>Total additions</b>	<u>1,464,708</u>
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**Deductions:**

Pension benefits paid:

Retirement	166,356
Surviving spouse	<u>24,485</u>
Total benefits paid	<u>190,841</u>

Refund of contributions	<u>45,053</u>
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Transfer to other Illinois Public Employee Fund	<u>156,596</u>
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Administrative expenses:

Accounting and legal	17,657
Clerical fees	5,530
Other	<u>1,895</u>
Total administrative expenses	<u>25,082</u>

<b>Total deductions</b>	<u>417,572</u>
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Net increase	1,047,136
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**Net position restricted for pension benefits:**

Beginning of year	<u>3,221,410</u>
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End of year	<u>\$ 4,268,546</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, 2021**

**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), charges for services performed for constituents of the Village and governmental grants. 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 2600.105, 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.

A blended component unit, although legally separate entities, is, in substance, part of the Village's operations and therefore data from this unit is combined with the data of the primary government. A discretely presented component unit is reported in a separate column/row in the government-wide statements to emphasize that it is legally separate from the Village.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**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 Board, 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 employees 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 reported as a blended component unit as a fiduciary fund in the Village's financial statements.

The Peoria Heights Public Library was organized to serve the informational, cultural, educational, and recreational needs of all the residents within the Library's boundaries. The year end for the Library is April 30. The Peoria Heights Public Library is fiscally dependent on the Village and, therefore, the Village is considered to be financially accountable for the Library. The Library is reported as a discretely presented component unit of the Village.

The Peoria Heights Public Library audited 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, including the discretely presented component unit) report information on all of the nonfiduciary activities of the Village and its component units. 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 primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

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

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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and 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 for budgetary purposes. 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 90 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:



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

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

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.

Tax Increment Financing Fund - This special revenue fund accounts for tax increment financing revenues and expenditures for improvements and administrative costs within the four TIF Districts within the Village of Peoria Heights, Illinois.

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, restricted sales taxes 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, which are similar to those often found in the private sector. The only proprietary 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 fund, which accumulates resources for retirement, death and disability benefits to the police of the Village or their beneficiaries.

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

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

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.

**(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.

A fiscal year budget has not been prepared for the Tax Increment Financing Fund. The expenditures of these funds are restricted and controlled through the economic development agreements. Therefore, a budgetary comparison schedule for the Tax Increment Financing Fund has not been prepared.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**(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 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.

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 and the Peoria Heights Public Library are held separate from those of the Village of Peoria Heights, Illinois. Investments in mutual funds, US Treasury and Agencies obligations and corporate bonds 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.

**(g) Inventory**

Inventory is stated at the lower of cost or market on a first-in, first-out (FIFO) 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 2020 levy year have been recognized as assets, net of an estimated uncollectible amount of 2 percent, and related deferred inflows of resources as these taxes will be collected and are planned for budget purposes to be used in fiscal year 2022.

**(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."

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**(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.

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) Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as expenditure/expense until then. The Village reports deferred outflows of resources related to pension expense to be recognized in future periods and for pension contributions made after the measurement dates.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**(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, property tax revenue remains as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which they are levied and budgeted for. Additionally, the Village has deferred inflows related to pension expense to be recognized in future periods.

**(m) Pensions**

For purposes of measuring the net pension liability and deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Village pension plans and additions to/deductions from the Village pension plans fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**(n) 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.

**(o) Long-term Liabilities**

In the government-wide and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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 when incurred.

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.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**(p) 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.

**(q) Net Position/Fund Balance Classifications**

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.

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.

The fund balance 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.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**(q) Net Position/Fund Balance Classifications (Continued)**

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.

**(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, 2021, the Village (primary government) had the following cash and investments on the Statement of Net Position:

Cash and investments	\$ 5,126,408
Restricted cash and investments	<u>78,791</u>
Total cash and investments	<u>\$ 5,205,199</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

At April 30, 2021, cash and investment consisted of the following:

Demand deposits and cash on hand	\$ 2,057,606
Certificates of deposit	392,110
Illinois Funds Money Market Fund	<u>2,755,483</u>
Total cash and investments	<u>\$ 5,205,199</u>

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, 2021, the bank balance of the Village's deposits, which includes demand deposits, money market funds, and certificates of deposit, was \$2,536,894. Of the bank balance, \$2,520,844 was covered by federal depository insurance and \$16,050 was exposed to custodial credit risk as follows: \$8,849 was covered by pledged collateral held by the financial institution's trust department or agent in the Village's name and \$7,201 was uninsured and uncollateralized.

The Illinois Funds of \$2,755,483, have not been included in deposits above. The Illinois Funds are pooled investments held by the State of Illinois but not in the Village's name.

Illinois Funds

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 cash and 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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. 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.

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, 2021, the Illinois Funds are rated AAAM by Standard & Poor's.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Concentration Risk

Concentration risk is the risk associated with not having a diversified investment portfolio to reduce the risk of loss due to over concentration in a specific maturity, issuer, or class of securities. The Village does not have an investment policy that addresses concentration risk. At April 30, 2021, the Village had approximately 53 percent of its cash and investments invested in the Illinois Funds.

**Deposits and Investments – Pension Trust Fund (Fund)**

The Police Pension Trust Fund may invest funds as authorized by the Illinois Pension Code, 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.

**Deposits**

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, 2021, the Fund's bank balance was \$326,258. Of the bank balance, \$250,972 was covered by FDIC insurance and \$75,286 was subject to custodial credit risk and was uninsured and uncollateralized.

Included in cash and cash equivalents but not in the custodial credit risk analysis above is \$413,219 invested in the Goldman Sachs Financial Square Treasury Solutions Institutional Class Fund. The Fund seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high quality money market instruments. The Fund limits its investments only to certain U.S. government securities. The fair value of the position in the Fund is the same as the value of the Fund's shares (valued at \$1.00 per share). This investment represents a beneficial interest in the investment.

**Investments**

The Illinois Compiled Statutes limit Pension Funds with a net position of \$2.5 million or more investments in equities, mutual funds and variable annuities to 45 percent of the Fund's net position. Securities in any one company should not exceed 5 percent of the total fund. The following table presents the investments of the Pension Trust Fund's as of April 30, 2021:

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>	<u>Fair Value Hierarchy Level</u>
U.S. Treasury Obligations	\$ 687,870	N/A	3.56	Level 2
U.S. Agency Obligations	329,580	N/A	5.58	Level 2
Corporate Bonds	750,631	Aa1 to Baa2	4.39	Level 2
Mutual Funds	<u>1,740,858</u>	N/A	N/A	Level 1
Total investments	<u>\$ 3,508,939</u>			

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Deposits and Investments – Pension Trust Fund (Fund) (Continued)**

- (1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the US Government or obligations explicitly guaranteed by the US Government are not considered to have credit risk
- (2) Interest rate risk is estimated using the weighted average years to maturity method.

**Fair Value Measurements**

GASB Statement No.72, *Fair Value Measurement and Application* establishes a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2            Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Deposits and Investments – Peoria Heights Public Library (Library), Discretely Presented Component Unit**

The Library's deposits include demand deposits, money market accounts and certificates of deposit.

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does have a deposit policy for custodial credit risk. As of April 30, 2021, the bank balance, excluding the Illinois Funds, of the Library's deposits were \$300,645. The entire bank balance was covered by federal depository insurance, and therefore, was not exposed to custodial credit risk. The Illinois Funds Money Market Funds with a balance of \$248,291, are included in cash and investments on the statement of net position at April 30, 2021 but not included in the custodial credit risk analysis above. As of April 30, 2021, the Library's cash and investments were comprised of the following:

Demand deposits	\$ 235,244
Certificate of deposit	54,345
Illinois funds	<u>248,291</u>
Total cash and investments	<u>\$ 537,880</u>

**NOTE 3 - CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the governmental activities for the year ended April 30, 2021 was as follows:

	<u>April 30,</u> <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30,</u> <u>2021</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	<u>\$ 1,986,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,986,090</u>
Capital assets being depreciated:				
Building and improvements	4,956,932	8,400	-	4,965,332
Equipment	<u>3,927,621</u>	<u>67,970</u>	<u>-</u>	<u>3,995,591</u>
Total capital assets being depreciated	8,884,553	76,370	-	8,960,923
Less accumulated depreciation	<u>5,440,510</u>	<u>364,778</u>	<u>-</u>	<u>5,805,288</u>
Net capital assets being depreciated	<u>3,444,043</u>	<u>(288,408)</u>	<u>-</u>	<u>3,155,635</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 5,430,133</u>	<u>\$ (288,408)</u>	<u>\$ -</u>	<u>\$ 5,141,725</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Primary Government (continued)**

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.

Depreciation expense was charged to the governmental activities functions/programs as follows:

Administration	\$ 143,055
Police	76,373
Fire	79,311
Streets	<u>66,039</u>

**Total depreciation expense – governmental activities** \$ 364,778

Capital asset activity for the business-type activities for the year ended April 30, 2021 was as follows:

<b>Business-type activities:</b>	<b>April 30, 2020</b>	<b>Additions</b>	<b>Deductions</b>	<b>April 30, 2021</b>
Capital assets not being depreciated:				
Land	\$ 38,942	\$ -	\$ -	\$ 38,942
	<u>38,942</u>	<u>-</u>	<u>-</u>	<u>38,942</u>
Capital assets being depreciated:				
Water tower	3,635,632	-	-	3,635,632
Fire hydrants and service connections	122,988	-	-	122,988
Meters	696,049	-	-	696,049
Vehicles and equipment	839,660	-	-	839,660
Pump house equipment	553,280	-	-	553,280
Wells	833,637	-	-	833,637
Reservoir	33,105	-	-	33,105
Water mains	3,589,115	-	-	3,589,115
Stand pipe	135,208	-	-	135,208
	<u>10,438,674</u>	<u>-</u>	<u>-</u>	<u>10,438,674</u>
Less accumulated depreciation	<u>6,930,955</u>	<u>352,165</u>	<u>-</u>	<u>7,283,120</u>
Total capital assets being depreciated, net	<u>3,507,719</u>	<u>(352,165)</u>	<u>-</u>	<u>3,155,554</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 3,546,661</u>	<u>\$ (352,165)</u>	<u>\$ -</u>	<u>\$ 3,194,496</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Discretely Presented Component Unit**

Capital asset activity for the Peoria Heights Public Library for the year ended April 30, 2021 was as follows:

	<b>April 30, 2020</b>	<b>Additions</b>	<b>Deductions</b>	<b>April 30, 2021</b>
Capital assets not being depreciated:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction in progress	<u>2,066</u>	<u>79,350</u>	<u>(81,416)</u>	<u>-</u>
	<u>22,066</u>	<u>79,350</u>	<u>(81,416)</u>	<u>20,000</u>
Capital assets being depreciated:				
Buildings and improvements	1,837,727	81,416	-	1,919,143
Furniture and fixtures	144,607	-	-	144,607
Equipment	164,563	-	-	164,563
Books	<u>186,737</u>	<u>35,866</u>	<u>(30,758)</u>	<u>191,845</u>
Total capital assets being depreciated	2,333,634	117,282	(30,758)	2,420,158
Less accumulated depreciation	<u>1,219,849</u>	<u>98,098</u>	<u>(30,758)</u>	<u>1,287,189</u>
Net capital assets being depreciated	<u>1,113,785</u>	<u>19,184</u>	<u>-</u>	<u>1,132,969</u>
<b>Capital assets, net</b>	<u>\$ 1,135,851</u>	<u>\$ 98,534</u>	<u>\$ (81,416)</u>	<u>\$ 1,152,969</u>

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

Amounts due from the State of Illinois at April 30, 2021 for the Village's major and nonmajor funds are as follows:

	<b><u>Governmental Activities</u></b>	
	<b><u>General</u></b>	<b><u>Nonmajor Funds</u></b>
Sales tax	\$ 143,959	\$ -
Home rule sales tax	149,467	-
Income tax	103,587	-
Use tax	36,478	-
Replacement tax	61,048	-
Motor fuel tax	-	20,280
Business district tax	-	69,534
Video gaming tax	23,176	-
DCEO – COVID 19 grant	95,387	-
Other	<u>12,165</u>	<u>-</u>
<b>Total</b>	<u>\$ 625,267</u>	<u>\$ 89,814</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE 5 - LONG-TERM DEBT**

**Primary Government – Governmental Activities**

Changes in long-term debt for governmental activities for the year ended April 30, 2021 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	\$ 75,000	\$ -	\$ 12,500	\$ 62,500	\$ 12,500
Notes payable	550,055	-	91,839	458,216	76,309
Bonds payable	<u>1,724,387</u>	<u>-</u>	<u>-</u>	<u>1,724,387</u>	<u>125,000</u>
	<u>\$ 2,349,442</u>	<u>\$ -</u>	<u>\$ 104,339</u>	<u>\$ 2,245,103</u>	<u>\$ 213,809</u>

Long-term debt at April 30, 2021 is comprised of the following:

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.

Note payable to a bank dated September 26, 2016, original amount was \$145,000. The note is due in quarterly installments of \$7,446, including interest at 2.52 percent, commencing March 19, 2019 through September 2023. Interest only payments were due quarterly through December 19, 2018. The note is unsecured.

Note payable to a bank due in annual payments of \$36,737, including interest at 2.75 percent. The note is due March 2026 with a final payment of \$190,557. The note is secured by a fire truck.

Note payable to a bank due in monthly installments of \$1,695, including interest at 3.53 percent and is due June 2025. The note is secured by a vehicle.

Taxable General Obligation Bonds, series 2016 dated April 28, 2016, original issue amount of \$1,850,000. The purchase price for the bonds were paid in multiple advances as funds were drawn down from a Bank. The issue provides for serial retirement of principal due each April 28, commencing April 28, 2019, through 2036. Interest is due on April 28 and October 28 of each year, (interest was capitalized through April 28, 2018) at an interest rate of 5.125 percent.

The Village has pledged a portion of future sales and business development district tax revenue related to Trefzger's Bakery to repay the \$1,850,000 Taxable General Obligation Bonds, series 2016. The 2016 series bonds are payable from a portion of sales and business district tax revenues through April 2036. Interest of \$44,187 was paid on the bonds from the pledged revenues for the year ended April 30, 2021.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Primary Government – Governmental Activities (Continued)**

The annual debt service requirements to maturity for the Illinois Finance Authority Loan as of April 30, 2021, is as follows:

<b>Year Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 12,500	\$ -	\$ 12,500
2023	12,500	-	12,500
2024	12,500	-	12,500
2025	12,500	-	12,500
2026	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Total	<u>\$ 62,500</u>	<u>\$ -</u>	<u>\$ 62,500</u>

The annual debt service requirements to maturity for notes payable as of April 30, 2021, is as follows:

<b>Year Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 76,309	\$ 11,628	\$ 87,937
2023	78,516	9,422	87,938
2024	62,293	7,236	69,529
2025	48,411	5,581	53,992
2026	32,364	4,372	36,736
2027	<u>160,323</u>	<u>3,471</u>	<u>163,794</u>
Total	<u>\$ 458,216</u>	<u>\$ 41,710</u>	<u>\$ 499,926</u>

The annual debt service requirements to maturity for bonds payable as of April 30, 2021, is as follows:

<b>Year Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 125,000	\$ 129,487	\$ 254,487
2023	70,000	81,969	151,969
2024	75,000	78,381	153,381
2025	80,000	74,537	154,537
2026	85,000	70,437	155,437
2027 - 2031	545,000	278,386	823,386
2032 - 2036	<u>744,387</u>	<u>118,230</u>	<u>862,617</u>
Total	<u>\$ 1,724,387</u>	<u>\$ 831,427</u>	<u>\$ 2,555,814</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Primary Government – Governmental Activities (Continued)**

Repayment of long-term debt will be funded through the general fund from general revenue sources and the community development fund from sales and real estate taxes from the business development districts.

**Primary Government – Business-type Activities**

Changes in long-term debt for business-type activities for the year ended April 30, 2021 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	\$ 741,911	\$ -	\$ 58,054	\$ 683,857	\$ 58,782
Notes payable	<u>1,276,962</u>	<u>-</u>	<u>142,604</u>	<u>1,134,358</u>	<u>111,935</u>
	<u>\$ 2,018,873</u>	<u>\$ -</u>	<u>\$ 200,658</u>	<u>\$ 1,818,215</u>	<u>\$ 170,717</u>

Business-type activities long-term debt at April 30, 2021 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 was \$1,158,814. Semiannual principal and interest payments of \$33,574 are due each January 28 and July 28 through January 2032.

Note payable with a bank due in monthly installments of \$1,685, with interest at 3.53 percent and is due June 2025. The note is secured by a vehicle.

Note payable to a bank due in monthly payments of \$10,405, including interest at 3.02 percent commencing January 14, 2017, with final payment due December 14, 2031. Total loan commitment is \$1,500,000. The proceeds from the note are to be paid in multiple advances as funds are drawn from the Bank.

Repayment of the business-type activity debt has been funded through water sales operating revenues and the infrastructure maintenance surcharge fee in the Waterworks fund.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

**Primary Government – Business-type Activities (Continued)**

The annual requirements to amortize the Illinois Environmental Protection Agency loan as of April 30, 2021, including interest are as follows:

<b>Year Ending April 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 58,782	\$ 8,366	\$ 67,148
2023	59,519	7,629	67,148
2024	60,266	6,882	67,148
2025	61,022	6,126	67,148
2026	61,787	5,361	67,148
2027 - 2031	320,750	14,987	335,737
2032	<u>61,731</u>	<u>564</u>	<u>62,295</u>
Total	<u>\$ 683,857</u>	<u>\$ 49,915</u>	<u>\$ 733,772</u>

The annual debt service requirements to maturity for notes payable as of April 30, 2021, are as follows:

<b>Year Ending April 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022	\$ 111,935	\$ 33,136	\$ 145,071
2023	115,466	29,605	145,071
2024	119,109	25,962	145,071
2025	119,902	22,207	142,109
2026	106,132	18,722	124,854
2027 - 2031	<u>561,814</u>	<u>43,219</u>	<u>605,033</u>
Total	<u>\$ 1,134,358</u>	<u>\$ 172,851</u>	<u>\$1,307,209</u>

**Legal Debt Margin – Primary Government**

The legal debt margin of the Village at April 30, 2021 is as follows:

Assessed valuation - 2020 levy	<u>\$94,287,440</u>
Statutory debt limitation (8.625 percent of assessed valuation)	\$ 8,132,292
Less debt, excluding EPA loan	<u>3,379,461</u>
<b>Legal debt margin</b>	<u><b>\$ 4,752,831</b></u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Interfund transfers:

Interfund transfers are defined as the flow of assets without equivalent flows of assets in return. The composition of interfund transfers for the year ended April 30, 2021 is as follows:

<u>Fund Transfer In</u>	<u>Fund Transfer Out</u>	<u>Amount</u>
Community Development	Tax Increment Financing	<u>\$ 273,811</u>

In accordance with the Village's redevelopment agreements, certain real estate taxes collected by the TIF fund are required to be transferred to the Community Development Fund to 1) make the debt service payments on the bonds related to a certain development and 2) reimburse developers for eligible development costs.

Individual fund interfund receivable and payable balances:

Individual fund interfund receivables and payables at April 30, 2021 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>General:</b>		
Tax Increment Financing	\$ 511,676	\$ -
Waterworks	-	160,000
Nonmajor governmental funds	-	679
	<u>511,676</u>	<u>160,679</u>
<b>Tax Increment Financing:</b>		
General	<u>\$ -</u>	<u>\$ 511,676</u>
<b>Nonmajor Governmental Funds:</b>		
General	<u>\$ 679</u>	<u>-</u>
Total governmental activities	<u>512,355</u>	<u>672,355</u>
<b>Waterworks:</b>		
General	<u>160,000</u>	<u>-</u>
	<u>\$ 672,355</u>	<u>\$ 672,355</u>

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 the funds are made.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

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

a. Excesses of expenditures over budget in individual funds at April 30, 2021 are as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess Actual Over Budget</u>
General	\$ 3,895,539	\$ 4,251,869	\$ 356,330

b. Deficit fund balances of individual funds.

The following fund had a deficit fund balance at April 30, 2021:

Tax Increment Financing	<u>\$ 63,548</u>
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The deficit in the tax increment financing fund will be eliminated through future incremental property tax receipts.

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

Illinois Municipal Retirement Fund

**Plan Description**

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF.

Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Illinois Municipal Retirement Fund (Continued)

**Benefits Provided (Continued)**

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms**

As of December 31, 2020, the following employees (Village of Peoria Heights including the Peoria Heights Public Library) were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	29
Inactive Plan Members entitled to but not yet receiving benefits	19
Active Plan Members	<u>20</u>
<b>Total</b>	<u><u>68</u></u>

**Contributions**

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 contribution rate for calendar year 2020 was 8.00%. For the fiscal year ended April 30, 2021, the Village's portion of the contribution to the plan was \$60,754. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using MP-2020.
- For Disabled Retirees, the Pub-2010, Amount Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using MP-2020.
- For Active Members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using MP-2020.
- There were no benefit changes during the year.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	<u>1%</u>	.70%
Total	<u>100%</u>	

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Illinois Municipal Retirement Fund (Continued)

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (to the extent that the Plan's fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the Plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

**Changes in the Net Pension (Asset) Liability**

The following table shows the components of the change in the Village's net pension (asset) liability for the calendar year ended December 31, 2020 for Regular Plan members:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
<b>Balances at December 31, 2019</b>	\$ 6,106,346	\$ 6,038,867	\$ 67,479
<b>Changes for the year:</b>			
Service Cost	103,640	-	103,640
Interest on the Total Pension Liability	434,629	-	434,629
Changes of Benefit Terms	-	-	-
Differences Between Expected and Experience of the Total Pension	113,851	-	113,851
Changes of Assumptions	(93,022)	-	(93,022)
Contributions - Employer	-	78,647	(78,647)
Contributions - Employees	-	44,239	(44,239)
Net Investment Income	-	822,400	(822,400)
Benefit Payments, including Refunds of Employee Contributions	(326,568)	(326,568)	-
Other (Net Transfer)	-	91,939	(91,939)
Net Changes	<u>232,530</u>	<u>710,657</u>	<u>(478,127)</u>
<b>Balances at December 31, 2020</b>	<u>\$ 6,338,876</u>	<u>\$ 6,749,524</u>	<u>\$ (410,648)</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Illinois Municipal Retirement Fund (Continued)

**Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate**

The following presents the net pension (asset) liability, calculated using a single discount rate of 7.25 percent, as well as what the plan's net pension liability (assets) would be if it were calculated using a single discount rate that is 1% lower (6.25 percent) or 1% higher (8.25 percent) than the current rate:

	<u>(6.25%) 1% Lower</u>	<u>(7.25%) Current Discount Rate</u>	<u>(8.25%) 1% Higher</u>
Net pension liability (asset)	\$ <u>335,167</u>	\$ <u>(410,648)</u>	\$ <u>(988,684)</u>

**Net Pension Liability**

The Village's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

For the year ended April 30, 2021, the Village recognized pension income of \$165,086. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 148,621	\$ 35,189
Changes of assumptions	46,275	71,955
Net difference between projected and actual earnings on pension plan investments	<u>277,268</u>	<u>760,695</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>472,164</u>	<u>867,839</u>
<b>Pension Contributions made subsequent to the Measurement Date</b>	<u>22,726</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$ 494,890</u>	<u>\$ 867,839</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

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

Illinois Municipal Retirement Fund (Continued)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

\$22,726 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2022.

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows Of Resources</u>
2021	\$ (94,806)
2022	(31,345)
2023	(191,799)
2024	<u>(77,725)</u>
	<u>\$ (395,675)</u>

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 administered by a board of trustees which acts as the administrator of the plan. 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. 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, 2021.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**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, 2021, the Village's (primary government) net position/fund balances were restricted for the following purposes:

Motor Fuel Tax Fund – street maintenance and improvements	\$ 412,637
Community Development Fund – payment of long-term debt	404,127
Community Development Fund – improvements and payments under certain redevelopment agreements	31,807
Business Development Fund – improvements within the business development district	<u>580,324</u>
<b>Total</b>	<b><u>\$1,428,895</u></b>

Assigned fund balances represent amounts constrained by the Village's intent to use them for a specific purpose. At April 30, 2021, 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	9,520
Motor Fuel Tax Fund – street maintenance	<u>74,539</u>
<b>Total</b>	<b><u>\$ 299,059</u></b>

**NOTE 10 - COMMITMENTS**

Collection and Disposal of Refuse and Recycling Contract

The Village has contracted with a private contractor to provide collection and disposal service for garbage and landscape waste and to provide a residential recycling program for the period January 1, 2019 through December 31, 2023. The minimum commitments under this contract are as follows:

Year ending April 30:

2022	\$ 457,638
2023	465,648
2024	<u>313,992</u>
<b>Total</b>	<b><u>\$ 1,237,278</u></b>

The total expenditures under this contract for the year ended April 30, 2021 were \$449,628.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**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, 2021, 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.

**NOTE 12 – TAX ABATEMENTS/REDEVELOPMENT AGREEMENTS**

The Village enters into redevelopment agreements from time to time with local businesses in order to draw and retain business in the Village. The Village had entered into four (4) redevelopment agreements and made the following payments for eligible project cost reimbursements for the year ended April 30, 2021:

- the portion of real estate taxes collected in the Peoria Heights TIF District #1 related to a certain property are to be transferred annually to the Village's Community Development Fund to make the debt service payments on the bonds issued to develop the said property. During the year ended April 30, 2021, \$70,756 was transferred to the Community Development Fund.
- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #3 less TIF administrative costs, are to be paid to a developer up to a maximum of \$1,158,327 for reimbursement of eligible development costs. During the year ended April 30, 2021, \$66,727 was paid to the developer. Total reimbursements paid since the inception of the agreement are \$73,782.
- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #1 less TIF administrative costs, 71% abatement of municipal sales tax and home rule sales taxes and 100% abatement of business development sales tax are to be paid to a developer up to a maximum of \$1,587,610 for reimbursement of eligible development costs. During the year ended April 30, 2021, \$127,845 was paid to the developer. Total reimbursements paid since the inception of the agreement are \$278,083.
- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #1 less TIF administrative costs and 75% abatement of municipal sales and home rule sales taxes are to be paid to a developer up to a maximum of \$1,200,000 for reimbursement of eligible development costs. During the year ended April 30, 2021, \$64,660 was paid to the developer. Total reimbursements paid since the inception of the agreement are \$112,214.

The Village is obligated to reimburse the verified eligible project costs to the local businesses each year only to the extent that the applicable taxes have been collected on the subject properties.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2021**

**NOTE 13 – SUBSEQUENT EVENTS**

Management evaluated subsequent events through November 16, 2021, the date the financial statements were available to be issued.

**NOTE 14 – RESTATEMENT OF NET POSITION/FUND BALANCE**

During the year ended April 30, 2020, the Village restated its accounts receivable due from the State of Illinois related to state and home rule sales taxes, business district taxes and telecommunication taxes. It was determined that the General Fund's fund balance was overstated by \$137,892 and the Business Development District Fund's fund balance was overstated by \$16,532. Below is the effect on beginning net position and fund balances:

**General Fund:**

Fund balance – beginning of year, as previously reported	\$ 1,545,263
Adjustment for accounts receivable	<u>(137,892)</u>
Fund Balance – beginning of year, as restated	<u>\$ 1,407,371</u>

**Business Development District Fund:**

Fund balance – beginning of year, as previously reported	\$ 344,569
Adjustment for accounts receivable	<u>(16,532)</u>
Fund Balance – beginning of year, as restated	<u>\$ 328,037</u>

**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, 2021**

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 124,533	\$ 123,857	\$ (676)
Intergovernmental:			
Sales tax	720,000	810,027	90,027
Home rule sales tax	725,000	779,293	54,293
Local use tax	203,500	276,940	73,440
State income taxes	610,000	747,230	137,230
Personal property replacement taxes	175,000	217,629	42,629
Telecommunication tax	82,500	74,884	(7,616)
Video gaming tax	125,000	119,764	(5,236)
Other taxes	12,000	25,205	13,205
State and federal grants	5,000	508,964	503,964
Licenses and permits	182,500	137,163	(45,337)
Intergovernmental agreement	51,500	68,167	16,667
Food and beverage tax	315,000	266,770	(48,230)
Franchise fees	116,500	126,320	9,820
Waste disposal fee	265,000	273,511	8,511
Fines	112,950	206,599	93,649
Charges for services	14,000	-	(14,000)
Land lease	40,922	48,153	7,231
Donations	-	2,620	2,620
Interest	20,000	5,146	(14,854)
Miscellaneous	4,755	14,025	9,270
Total revenues	<u>3,905,660</u>	<u>4,832,267</u>	<u>926,607</u>
<b>EXPENDITURES</b>			
Administration	792,446	637,856	154,590
Police department	1,741,050	2,065,503	(324,453)
Fire protection	207,750	207,056	694
Garbage collection and recycling	450,000	449,628	372
Streets and alleys	530,875	455,181	75,694
Community development	-	263,488	(263,488)
Capital outlay	80,000	76,370	3,630
Debt service	93,418	96,787	(3,369)
Total expenditures	<u>3,895,539</u>	<u>4,251,869</u>	<u>(356,330)</u>
 Net change in fund balance	 <u>\$ 10,121</u>	 580,398	 <u>\$ 570,277</u>
<b>FUND BALANCE</b>			
Beginning of year		1,936,085	
End of year		<u>\$ 2,516,483</u>	



**Village of Peoria Heights  
Illinois Municipal Retirement Fund  
Required Supplemental Information  
Year Ended April 30, 2021**

(Unaudited - See Accompanying Independent Auditor's Report)

**Schedule of Changes in the Net Pension Liability and Related Ratios**

Calendar Year Ended December 31,	<u>2020</u>	<u>2019</u>
<b>Total Pension Liability</b>		
Service Cost	\$ 103,640	\$ 92,451
Interest on the Total Pension Liability	434,629	407,569
Changes of Benefit Terms	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	113,851	160,001
Changes of Assumptions	(93,022)	-
Benefit Payments, including Refunds of Employee Contributions	<u>(326,568)</u>	<u>(258,175)</u>
<b>Net Change in Total Pension Liability</b>	232,530	401,846
<b>Total Pension Liability - Beginning</b>	<u>6,106,346</u>	<u>5,704,500</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 6,338,876</u>	<u>\$ 6,106,346</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 78,647	\$ 63,750
Contributions - Employees	44,239	43,598
Net Investment Income	822,400	960,738
Benefit Payments, including Refunds of Employee Contributions	(326,568)	(258,175)
Other (Net Transfer)	<u>91,939</u>	<u>(2,424)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	710,657	807,487
<b>Plan Fiduciary Net Position - Beginning</b>	<u>6,038,867</u>	<u>5,231,380</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 6,749,524</u>	<u>\$ 6,038,867</u>
<b>Net Pension (Asset) Liability - Ending (A) - (B)</b>	<u>\$ (410,648)</u>	<u>\$ 67,479</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<u>106.48%</u>	<u>98.89%</u>
<b>Covered Valuation Payroll</b>	<u>\$ 983,079</u>	<u>\$ 968,838</u>
<b>Net Pension (Asset) Liability as a Percentage of Covered Valuation Payroll</b>	<u>-41.77%</u>	<u>6.96%</u>

**Notes to Schedule:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 127,505	\$ 109,255	\$ 115,702	\$ 111,573
400,081	389,717	387,979	382,775
-	-	-	-
(117,464)	75,678	(224,212)	(189,927)
154,473	(182,151)	(6,323)	6,415
<u>(261,518)</u>	<u>(265,362)</u>	<u>(241,930)</u>	<u>(231,291)</u>
303,077	127,137	31,216	79,545
<u>5,401,423</u>	<u>5,274,286</u>	<u>5,243,070</u>	<u>5,163,525</u>
<u>\$ 5,704,500</u>	<u>\$ 5,401,423</u>	<u>\$ 5,274,286</u>	<u>\$ 5,243,070</u>
\$ 102,712	\$ 128,989	\$ 113,361	\$ 113,219
53,067	67,468	50,359	50,147
(279,566)	844,189	316,785	24,190
(261,518)	(265,362)	(241,930)	(231,291)
<u>98,179</u>	<u>(83,424)</u>	<u>(34,368)</u>	<u>(205,869)</u>
(287,126)	691,860	204,207	(249,604)
<u>5,518,506</u>	<u>4,826,646</u>	<u>4,622,439</u>	<u>4,872,043</u>
<u>\$ 5,231,380</u>	<u>\$ 5,518,506</u>	<u>\$ 4,826,646</u>	<u>\$ 4,622,439</u>
<u>\$ 473,120</u>	<u>\$ (117,083)</u>	<u>\$ 447,640</u>	<u>\$ 620,631</u>
<u>91.71%</u>	<u>102.17%</u>	<u>91.51%</u>	<u>88.16%</u>
<u>\$ 1,179,249</u>	<u>\$ 1,329,779</u>	<u>\$ 1,119,071</u>	<u>\$ 1,114,357</u>
<u>40.12%</u>	<u>-8.80%</u>	<u>40.00%</u>	<u>55.69%</u>



**Village of Peoria Heights  
Illinois Municipal Retirement Fund  
Required Supplemental Information  
Year Ended April 30, 2021**

(Unaudited - See Accompanying Independent Auditor's Report)

**Schedule of Employer Contributions  
Calendar Years Ended December 31, 2020 through 2015**

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	\$ 78,646	\$ 78,647	\$ (1)	\$ 983,079	8.00%
2019	63,750	63,750	-	968,838	6.58
2018	102,713	102,712	1	1,179,249	8.71
2017	128,989	128,989	-	1,329,779	9.70
2016	113,362	113,361	1	1,119,071	10.13
2015	113,219	113,219	-	1,114,357	10.16

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate\**

**Valuation Date:**

Notes

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

**Methods and Assumptions Used to Determine 2020 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	23-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.

**Village of Peoria Heights  
Illinois Municipal Retirement Fund  
Required Supplemental Information  
Year Ended April 30, 2021**

(Unaudited - See Accompanying Independent Auditor's Report)

**Schedule of Employer Contributions  
Calendar Years Ended December 31, 2020 through 2015**

**Methods and Assumptions Used to Determine 2020 Contribution Rates (Continued):**

**Mortality:** For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

***Other Information:***

***Notes:*** There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation; note two year lag between valuation and rate setting.

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

VILLAGE OF PEORIA HEIGHTS, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

April 30, 2021

	<b>Special</b>
<b>ASSETS</b>	<b>Motor Fuel Tax Fund</b>
Cash and investments	\$ 466,222
Accounts receivable	-
Due from State of Illinois	20,280
Due from other funds	679
<b>TOTAL ASSETS</b>	<b>\$ 487,181</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 15
<b>TOTAL LIABILITIES</b>	15
<b>FUND BALANCES</b>	
Restricted	412,627
Assigned	74,539
Total fund balances	487,166
<b>TOTAL LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 487,181</b>

<u>Revenue</u>		<u>Capital Projects</u>			
<u>Community Development Fund</u>	<u>Business Development District Fund</u>	<u>Capital Improvement Fund</u>	<u>Local Improvement Fund</u>		<u>Total</u>
\$ 399,147	\$ 515,007	\$ 215,000	\$ 9,520	\$	1,604,896
36,787	-	-	-		36,787
-	69,534	-	-		89,814
-	-	-	-		679
<u>\$ 435,934</u>	<u>\$ 584,541</u>	<u>\$ 215,000</u>	<u>\$ 9,520</u>	<u>\$</u>	<u>1,732,176</u>
\$ -	\$ 4,217	\$ -	\$ -	\$	4,232
-	4,217	-	-		4,232
435,934	580,324	-	-		1,428,885
-	-	215,000	9,520		299,059
<u>435,934</u>	<u>580,324</u>	<u>215,000</u>	<u>9,520</u>		<u>1,727,944</u>
<u>\$ 435,934</u>	<u>\$ 584,541</u>	<u>\$ 215,000</u>	<u>\$ 9,520</u>	<u>\$</u>	<u>1,732,176</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

Year Ended April 30, 2021

	<u>Special</u>
	<u>Motor Fuel Tax Fund</u>
<b>REVENUES</b>	
Intergovernmental:	
Motor fuel tax allotments	\$ 220,410
State sales tax	-
Home rule sales tax	-
Business development sales tax	-
State and federal grants	202,852
Licenses and permits	21,609
Food and beverage tax	-
Interest income	562
	<hr/>
Total revenues	445,433
	<hr/>
<b>EXPENDITURES</b>	
Current	
Streets and alleys	179,286
Community development	-
Debt service	-
	<hr/>
Total expenditures	179,286
	<hr/>
Excess (deficiency) of revenues over expenditures	266,147
	<hr/>
<b>OTHER FINANCING SOURCES</b>	
Transfers in	-
	<hr/>
Total other financing sources	-
	<hr/>
Net change in fund balance	266,147
	<hr/>
<b>FUND BALANCE</b>	
Beginning of year	221,019
	<hr/>
End of year	\$ 487,166
	<hr/> <hr/>

<u>Revenue</u>		<u>Capital Projects</u>			
<u>Community Development Fund</u>	<u>Business Development District Fund</u>	<u>Capital Improvement Fund</u>	<u>Local Improvement Fund</u>		<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$	220,410
33,288	-	-	-	\$	33,288
47,787	-	-	-		47,787
31,858	374,637	-	-		406,495
-	-	-	-		202,852
-	-	-	-		21,609
62,369	-	-	-		62,369
343	327	-	-		1,232
<u>175,645</u>	<u>374,964</u>	<u>-</u>	<u>-</u>		<u>996,042</u>
-	-	-	-		179,286
261,633	113,946	-	-		375,579
75,172	-	-	-		75,172
<u>336,805</u>	<u>113,946</u>	<u>-</u>	<u>-</u>		<u>630,037</u>
(161,160)	261,018	-	-		366,005
<u>273,811</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>273,811</u>
<u>273,811</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>273,811</u>
112,651	261,018	-	-		639,816
<u>323,283</u>	<u>319,306</u>	<u>215,000</u>	<u>9,520</u>		<u>1,088,128</u>
<u>\$ 435,934</u>	<u>\$ 580,324</u>	<u>\$ 215,000</u>	<u>\$ 9,520</u>	<u>\$</u>	<u>1,727,944</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

GENERAL FUND

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

Year Ended April 30, 2021  
With Comparative Figures for Year Ended April 30, 2020

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 124,533	\$ 123,857	\$ 124,169
Intergovernmental:			
State sales tax	720,000	810,027	763,560
Home rule sales tax	725,000	779,293	743,948
Local use tax	203,500	276,940	215,417
State income tax	610,000	747,230	605,658
Personal property replacement tax	175,000	217,629	171,578
Telecommunication tax	82,500	74,884	85,737
Video gaming tax	125,000	119,764	136,429
Other taxes	12,000	25,205	14,044
State and federal grants	5,000	508,964	9,142
Total intergovernmental	<u>2,658,000</u>	<u>3,559,936</u>	<u>2,745,513</u>
Licenses and permits	182,500	137,163	156,565
Intergovernmental agreement	51,500	68,167	50,000
Food and beverage tax	315,000	266,770	315,868
Franchise fees	116,500	126,320	123,375
Waste disposal fee	265,000	273,511	273,077
Fines	112,950	206,599	142,873
Charges for services	14,000	-	14,511
Land lease	40,922	48,153	50,528
Donations	-	2,620	3,999
Interest	20,000	5,146	26,196
Miscellaneous	4,755	14,025	27,442
Total revenues	<u>3,905,660</u>	<u>4,832,267</u>	<u>4,054,116</u>



VILLAGE OF PEORIA HEIGHTS, ILLINOIS

GENERAL FUND

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

Year Ended April 30, 2021  
With Comparative Figures for Year Ended April 30, 2020

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>EXPENDITURES</b>			
Current			
Administration	792,446	637,856	664,712
Police department	1,741,050	2,065,503	1,659,100
Fire protection	207,750	207,056	177,186
Garbage collection and recycling	450,000	449,628	441,618
Streets and alleys	530,875	455,181	456,860
Community development	-	263,488	-
Capital outlay	80,000	76,370	96,082
Debt service	93,418	96,787	58,711
	<u>3,895,539</u>	<u>4,251,869</u>	<u>3,554,269</u>
Excess of revenues over expenditures	10,121	580,398	499,847
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	-	-	28,867
	<u>-</u>	<u>-</u>	<u>28,867</u>
Total other financing sources	-	-	28,867
	<u>-</u>	<u>-</u>	<u>28,867</u>
Net change in fund balance	<u>\$ 10,121</u>	580,398	528,714
<b>FUND BALANCE</b>			
Beginning of year, as previously reported		1,936,085	1,545,263
Prior period adjustment		-	(137,892)
Beginning of year, as restated		<u>1,936,085</u>	<u>1,407,371</u>
End of year		<u>\$ 2,516,483</u>	<u>\$ 1,936,085</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, 2021**  
**With Comparative Figures for Year Ended April 30, 2020**

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 378,167	\$ 376,053	\$ 352,107
 <b>EXPENDITURES</b>			
Current - Police department			
Police pension	<u>378,167</u>	<u>376,053</u>	<u>352,107</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**  
**COMMUNITY DEVELOPMENT FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**

Year Ended April 30, 2021  
With Comparative Figures for Year Ended April 30, 2020

	2021					2020 <u>Total</u>
	<u>Trefzgers</u>	<u>4500 N. Prospect</u>	<u>Heritage Expansion</u>	<u>Duryea Apartments</u>	<u>Total</u>	
<b>REVENUES</b>						
Intergovernmental:						
State sales tax	18,392	7,011	7,885	-	33,288	33,593
Home rule sales tax	25,890	10,306	11,591	-	47,787	47,580
Business development sales tax	17,260	6,871	7,727	-	31,858	32,715
	<u>61,542</u>	<u>24,188</u>	<u>27,203</u>	<u>-</u>	<u>112,933</u>	<u>113,888</u>
Food and beverage tax	38,915	15,807	7,647	-	62,369	80,920
Interest income	343	-	-	-	343	2,655
	<u>100,800</u>	<u>39,995</u>	<u>34,850</u>	<u>-</u>	<u>175,645</u>	<u>197,463</u>
<b>EXPENDITURES</b>						
Community development:						
Development agreements	-	127,845	64,850	66,727	259,422	167,606
Professional services	2,211	-	-	-	2,211	4,728
Debt service:						
Principal	-	28,685	-	-	28,685	87,941
Interest	44,187	2,300	-	-	46,487	94,493
	<u>46,398</u>	<u>158,830</u>	<u>64,850</u>	<u>66,727</u>	<u>336,805</u>	<u>354,768</u>
Excess (deficiency) of revenues over expenditures	<u>54,402</u>	<u>(118,835)</u>	<u>(30,000)</u>	<u>(66,727)</u>	<u>(161,160)</u>	<u>(157,305)</u>
<b>OTHER FINANCING SOURCES</b>						
Transfer in	70,756	112,262	24,066	66,727	273,811	181,737
	<u>70,756</u>	<u>112,262</u>	<u>24,066</u>	<u>66,727</u>	<u>273,811</u>	<u>181,737</u>
Net change in fund balance	125,158	(6,573)	(5,934)	-	112,651	24,432
<b>FUND BALANCE</b>						
Beginning of year	278,969	30,032	14,282	-	323,283	298,851
End of year	<u>\$ 404,127</u>	<u>\$ 23,459</u>	<u>\$ 8,348</u>	<u>\$ -</u>	<u>\$ 435,934</u>	<u>\$ 323,283</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

MOTOR FUEL TAX FUND

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

Year Ended April 30, 2021

With Comparative Figures for Year Ended April 30, 2020

	2021				2020
	Budget	State	Local	Total	Actual Total
<b>REVENUES</b>					
Intergovernmental:					
Motor fuel tax allotments	\$ 250,000	\$ 220,410	\$ -	\$ 220,410	\$ 227,166
Rebuild Illinois grant	-	202,852	-	202,852	-
Total intergovernmental	250,000	423,262	-	423,262	227,166
Licenses and permits	30,000	-	21,609	21,609	25,100
Interest income	3,000	502	60	562	2,776
Total revenues	283,000	423,764	21,669	445,433	482,208
<b>EXPENDITURES</b>					
Current					
Streets and alleys:					
Engineering services	20,000	13,003	4,113	17,116	6,135
Sealcoating/patching	155,000	126,950	1,080	128,030	177,449
Dues	2,750	-	784	784	2,351
Snow removal	40,000	33,356	-	33,356	32,771
Total streets and alleys	217,750	173,309	5,977	179,286	218,706
Net change in fund balance	\$ 65,250	250,455	15,692	266,147	263,502
<b>FUND BALANCE</b>					
Beginning of year		162,172	58,847	221,019	184,683
End of year		\$ 412,627	\$ 74,539	\$ 487,166	\$ 448,185

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

TAX INCREMENT FINANCING FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

Year Ended April 30, 2021  
With Comparative Totals for Year Ended April 30, 2020

	2021					2020 Total
	Leisy-Pabst	Peoria Heights #1	Peoria Heights #2	Peoria Heights #3	Total	
<b>REVENUES</b>						
Property taxes	\$ 21,799	\$ 392,662	\$ 68,887	\$ 141,043	\$ 624,391	\$ 265,633
Interest income	82	183	103	42	410	3,474
Total revenues	21,881	392,845	68,990	141,085	624,801	269,107
<b>EXPENDITURES</b>						
Current - Administration						
Advertising	-	-	-	-	-	2,444
Administration fees	2,117	7,429	7,257	7,515	24,318	47,219
Legal fees	-	-	-	5,480	5,480	100
Professional fees	625	625	625	625	2,500	2,250
Village improvements	-	-	-	84,274	84,274	27,197
Peoria Heights School	4,577	59,931	14,449	29,617	108,574	31,274
Capital outlay	-	-	-	-	-	35,320
Total expenditures	7,319	67,985	22,331	127,511	225,146	145,804
Excess of revenues over expenditures	14,562	324,860	46,659	13,574	399,655	123,303
<b>OTHER FINANCING USES</b>						
Transfers out	-	(206,894)	(190)	(66,727)	(273,811)	(181,737)
Net change in fund balance	14,562	117,966	46,469	(53,153)	125,844	(58,434)
<b>FUND BALANCE (DEFICIT)</b>						
Beginning of year	50,309	(157,698)	(6,359)	(75,644)	(189,392)	(130,958)
End of year	\$ 64,871	\$ (39,732)	\$ 40,110	\$ (128,797)	\$ (63,548)	\$ (189,392)

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**BUSINESS DEVELOPMENT DISTRICT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended April 30, 2021  
With Comparative Figures for Year Ended April 30, 2020

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Business development sales tax	\$ 512,500	\$ 374,637	\$ 206,190
Interest income	6,500	327	3,087
	<u>519,000</u>	<u>374,964</u>	<u>209,277</u>
<b>EXPENDITURES</b>			
Community Development:			
Professional services	35,500	7,277	29,424
Administration and public relations	17,000	-	5,261
Improvements and maintenance	265,000	106,669	183,323
	<u>317,500</u>	<u>113,946</u>	<u>218,008</u>
Total expenditures	<u>317,500</u>	<u>113,946</u>	<u>218,008</u>
Excess (deficiency) of revenues over expenditures	201,500	261,018	(8,731)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(92,500)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(92,500)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 109,000</u>	261,018	(8,731)
<b>FUND BALANCE</b>			
Beginning of year, as previously reported		319,306	344,569
Prior period adjustment		-	(16,532)
Beginning of year, as restated		<u>319,306</u>	<u>328,037</u>
End of year		<u>\$ 580,324</u>	<u>\$ 319,306</u>

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

**Year Ended April 30, 2021**  
**With Comparative Figures for Year Ended April 30, 2020**

	<u>2021</u>	<u>2020</u>
Salaries	\$ 297,315	\$ 316,988
Retirement expense (revenue)	(41,042)	21,737
Group insurance	40,146	56,290
Gasoline, oil, etc	4,950	8,576
Utilities	90,920	78,235
Maintenance and supplies:		
Vehicles	1,922	3,395
Building	6,719	3,422
Computers and software	10,247	5,188
Equipment	13,231	36,296
Utility system	74,984	34,895
Insurance	53,116	45,233
Depreciation	352,165	354,605
Operating supplies	34,821	21,425
Utility supplies	21,683	14,997
Office expenses	48,476	44,078
Engineering services	-	5,583
Audit fees	7,300	7,000
Other professional services	8,012	4,448
Laundry services	1,450	1,266
Testing services	4,769	4,133
Miscellaneous expense	<u>2,170</u>	<u>2,451</u>
 Total plant operating and expenses	 <u>\$ 1,033,354</u>	 <u>\$ 1,070,241</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**AND ASSESSED VALUATIONS**  
**For the Levy Years 2020, 2019, and 2018**

	<u>Tax Year</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>ASSESSED VALUATION</b>	\$ 94,287,440	\$ 94,682,087	\$ 93,260,091
<b>TAX RATES</b>			
General Corporate	0.13208	0.13153	0.13354
Police Pension	0.42076	0.39946	0.37987
<b>TOTAL</b>	<u>0.55284</u>	<u>0.53099</u>	<u>0.51341</u>
<b>TAX EXTENSIONS</b>			
General Corporate	\$ 124,535	\$ 124,535	\$ 124,540
Police Pension	396,724	378,217	354,267
<b>TOTAL</b>	<u>\$ 521,259</u>	<u>\$ 502,752</u>	<u>\$ 478,807</u>
<b>COLLECTIONS *</b>	<u>\$ -</u>	<u>\$ 499,910</u>	<u>\$ 476,276</u>
<b>PERCENT OF EXTENSION COLLECTED</b>		<u>99.43%</u>	<u>99.47%</u>

**TAX INCREMENT FINANCING FUND**

	<u>Tax Year</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>ASSESSED VALUATION</b>	\$ 23,434,300	\$ 23,642,160	\$ 15,896,480
<b>TAX EXTENSION</b>	<u>\$ 724,146</u>	<u>\$ 640,022</u>	<u>\$ 268,313</u>
<b>COLLECTIONS *</b>	<u>\$ -</u>	<u>\$ 624,391</u>	<u>\$ 265,633</u>
<b>PERCENT OF EXTENSION COLLECTED</b>		<u>97.56%</u>	<u>99.00%</u>

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



# **Meister, Hilton, Chitwood & Associates, Inc.**

Certified Public Accountants

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## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights, Illinois (Village) as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated November 16, 2021. Our opinion was qualified because the financial statements omitted the disclosures required by GASB Statement No. 67, *Pension Disclosures*, for the Peoria Heights Police Pension Fund.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Village of Peoria Heights, Illinois's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Peoria Heights, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Peoria Heights, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following finding to be a material weakness:

#### **Inadequate Segregation of Duties over the Accounting Function**

The Village does not have an adequate segregation of duties over accounting transactions as one individual is responsible for initiating and recording transactions in the general ledger (QuickBooks). This individual is also responsible for performing the bank and investment account reconciliations. There is no independent review of these reconciliations performed.

### Inadequate Segregation of Duties over the Accounting Function (Continued)

This condition increases the possibility that errors or fraud may occur and not be detected on a timely basis as one individual is responsible for performing all accounting functions. We recognize that it is not practicable from an economic standpoint to employ additional personnel to achieve an ideal segregation of duties. However, when this condition exists, the Village Administrator's and Board of Trustees' close oversight and review of accounting information on a regular basis is the best means of preventing or detecting errors or fraud.

#### Management's response

Due to the small size of the Village, it is not practical to hire additional personnel solely for the purpose of achieving an ideal segregation of duties over the accounting function. Segregation of duties has occurred to the extent practical.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency:

#### Preparation of Financial Statements

The Board of Trustees and management share the ultimate responsibility for the Village's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Village engages Meister, Hilton, Chitwood & Associates, Inc. to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, we cannot be considered part of the Village's internal control system. In an ideal control setting, the Village would have personnel possessing a thorough understanding of applicable generally accepted accounting principles and stay abreast of recent accounting developments in order to prepare the financial statements, including disclosures. Currently, the Village does not have personnel which would possess this expertise. Given the budget constraints the Village is under, we realize it is not practical to hire additional personnel to prepare the Village's annual financial statements. Under generally accepted auditing standards, we are required to inform you of this situation.

#### Management's response

The Village does not currently have qualified personnel to perform a complete review of the financial statements. In addition, it is not economically practical to hire an outside consultant to conduct this review. The County believes that management's review of the balances and accounts are adequate in the circumstances and no additional procedures are considered necessary.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Peoria Heights, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Village of Peoria Heights, Illinois' Responses to Findings**

Village of Peoria Heights, Illinois' responses to the findings identified in our audit are described in the accompanying findings. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Meister, Hilton, Chitwood & Associates, Inc.*

Peoria, Illinois  
November 16, 2021