

# VILLAGE OF PEOTONE, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
MARCH 31, 2022

# VILLAGE OF PEOTONE, ILLINOIS

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Village's independent auditing firm.



December 5, 2022

The Honorable Village President  
Members of the Board of Trustees  
Village of Peotone, Illinois

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Peotone, Illinois, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Peotone, Illinois, as of March 31, 2022, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the budgetary comparison schedules, the GASB-required pension, and the other post-employment benefit (OPEB) reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Peotone, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



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

## VILLAGE OF PEOTONE, ILLINOIS

### Management's Discussion and Analysis

March 31, 2022

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Our discussion and analysis of the Village of Peotone's financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2022. Please read it in conjunction with the financial statements.

#### FINANCIAL HIGHLIGHTS

- The Village's net position increased \$190,113, as a result of this year's operations. While the net position of business-type activities decreased to \$0, net position of the governmental activities increased by \$203,035, or approximately 1.6 percent.
- During the year, government-wide revenues totaled \$3,972,957, while expenses totaled \$3,782,844, resulting in an increase to net position of \$190,113.
- The Village's net position totaled \$12,673,616 on March 31, 2022, which includes \$4,686,620 net investment in capital assets, \$1,164,918 subject to external restrictions, and \$6,822,078 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$273,767, resulting in ending fund balance of \$11,840,470, a decrease of 2.3 percent.
- Beginning net position was restated to correct errors in the recognition of prior year liabilities and deferred outflows/inflows of resources.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village of Peotone as a whole and present a longer-term view of the Village's finances. For governmental activities, fund financial statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Peotone's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

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

# VILLAGE OF PEOTONE, ILLINOIS

## Management's Discussion and Analysis

March 31, 2022

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### USING THIS ANNUAL REPORT - Continued

#### Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, economic development, and interest on long-term debt. The business-type activities include water and sewer.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Peotone, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, business-type funds, and fiduciary funds.

#### Governmental Funds

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

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

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, and the Capital Improvement Fund, all of which are considered major funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

#### Proprietary Funds

The Village of Peotone maintains only one proprietary fund type: Enterprise Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Peotone utilizes an enterprise fund to account for its Water and Sewer operations. This fund was closed into the General Fund as of March 31, 2022.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village.

# VILLAGE OF PEOTONE, ILLINOIS

## Management's Discussion and Analysis

March 31, 2022

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### USING THIS ANNUAL REPORT - Continued

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police employee pension obligations and budgetary comparison schedules for the General Fund and the Motor Fuel Tax Fund, a major special revenue fund. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

**VILLAGE OF PEOTONE, ILLINOIS**

**Management's Discussion and Analysis**

**March 31, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that Village's, assets/deferred outflows exceeded liabilities/deferred inflows by \$12,673,616.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 16,329,488	16,067,722	—	17,697	16,329,488	16,085,419
Capital Assets	4,842,476	4,887,433	—	—	4,842,476	4,887,433
Total Assets	21,171,964	20,955,155	—	17,697	21,171,964	20,972,852
Deferred Outflows of Resources	960,857	960,857	—	—	960,857	960,857
Total Assets and Deferred Outflows	22,132,821	21,916,012	—	17,697	22,132,821	21,933,709
Noncurrent Liabilities	4,841,093	4,841,093	—	—	4,841,093	4,841,093
Current Liabilities	687,823	687,823	—	4,775	687,823	692,598
Total Liabilities	5,528,916	5,528,916	—	4,775	5,528,916	5,533,691
Deferred Inflows of Resources	3,930,289	3,930,289	—	—	3,930,289	3,930,289
Total Liabilities and Deferred Inflows	9,459,205	9,459,205	—	4,775	9,459,205	9,463,980
Net Position						
Net Investment in Capital Assets	4,686,620	4,696,391	—	—	4,686,620	4,696,391
Restricted	1,164,918	1,087,729	—	—	1,164,918	1,087,729
Unrestricted	6,822,078	8,052,134	—	12,922	6,822,078	8,065,056
Total Net Position	12,673,616	13,836,254	—	12,922	12,673,616	13,849,176

A portion of the Village's net position, \$4,686,620 or approximately 37.0 percent, reflects its investment in capital assets (land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$1,164,918 or 9.2 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 53.8 percent, or \$6,822,078, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2022	2021
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 418,284	525,799	—	—	418,284	525,799
Operating Grants and Contrib.	161,561	37,546	—	—	161,561	37,546
Capital Grants and Contrib.	7,675	288,773	—	—	7,675	288,773
<b>General Revenues</b>						
Property Taxes	593,112	633,429	—	—	593,112	633,429
Other Taxes	2,784,507	2,507,496	—	—	2,784,507	2,507,496
Other	7,818	(15,982)	—	—	7,818	(15,982)
<b>Total Revenues</b>	<b>3,972,957</b>	<b>3,977,061</b>	<b>—</b>	<b>—</b>	<b>3,972,957</b>	<b>3,977,061</b>
<b>Expenses</b>						
General Government	436,073	649,868	—	—	436,073	649,868
Public Safety	1,828,112	1,701,760	—	—	1,828,112	1,701,760
Public Works	970,554	1,256,062	—	—	970,554	1,256,062
Communications	124,596	—	—	—	124,596	—
Economic Development	330,911	188,423	—	—	330,911	188,423
Building	84,446	—	—	—	84,446	—
Interest on Long-Term Debt	8,152	8,705	—	—	8,152	8,705
<b>Total Expenses</b>	<b>3,782,844</b>	<b>3,804,818</b>	<b>—</b>	<b>—</b>	<b>3,782,844</b>	<b>3,804,818</b>
<b>Change in Net Position</b>						
Before Transfers	190,113	172,243	—	—	190,113	172,243
Transfers	12,922	—	(12,922)	—	—	—
<b>Change in Net Position</b>	<b>203,035</b>	<b>172,243</b>	<b>(12,922)</b>	<b>—</b>	<b>190,113</b>	<b>172,243</b>
Net Position - Beginning as Restated	12,470,581	13,664,011	12,922	12,922	12,483,503	13,676,933
<b>Net Position - Ending</b>	<b>12,673,616</b>	<b>13,836,254</b>	<b>—</b>	<b>12,922</b>	<b>12,673,616</b>	<b>13,849,176</b>

**VILLAGE OF PEOTONE, ILLINOIS**

**Management's Discussion and Analysis**

**March 31, 2022**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

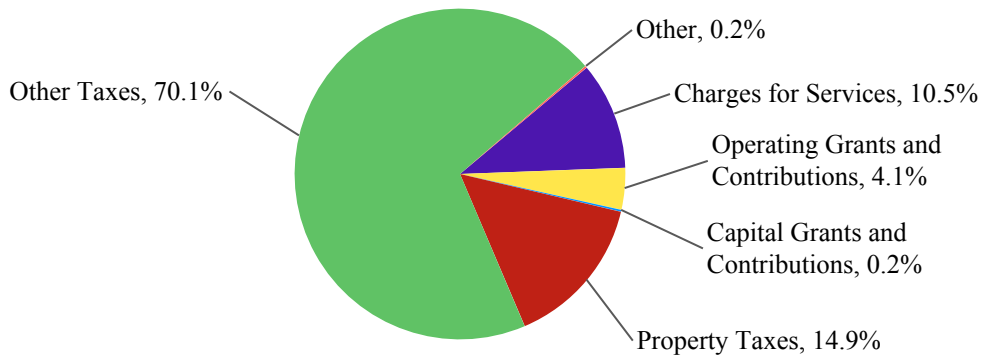
Net position increased by 1.5 percent, \$12,673,616 in 2022 compared to a restated \$12,483,503 in 2021. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$6,822,078 at March 31, 2022.

**Governmental Activities**

Revenues for governmental activities totaled \$3,972,957, while the cost of all governmental functions totaled \$3,782,844. This results in a surplus of \$190,113, before a transfer in of \$12,922. In 2021, revenues of \$3,977,061 exceeded expenses of \$3,804,818, resulting in a surplus of \$172,243. The surplus in 2022 was due in large part to the increase in operating grants and contributions, and state shared revenues. A significant portion of operating grants includes a Rebuild Illinois grant of \$136,487.

The following table graphically depicts the major revenue sources of the Village, showing its reliance not only on property taxes but also on sales taxes to fund governmental activities. In addition, a minor percentage the Village revenues are receives from other governments.

**Revenues by Source**



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed program revenues, with all functions exceeding any directly allocated revenues.

**VILLAGE OF PEOTONE, ILLINOIS**

**Management's Discussion and Analysis**

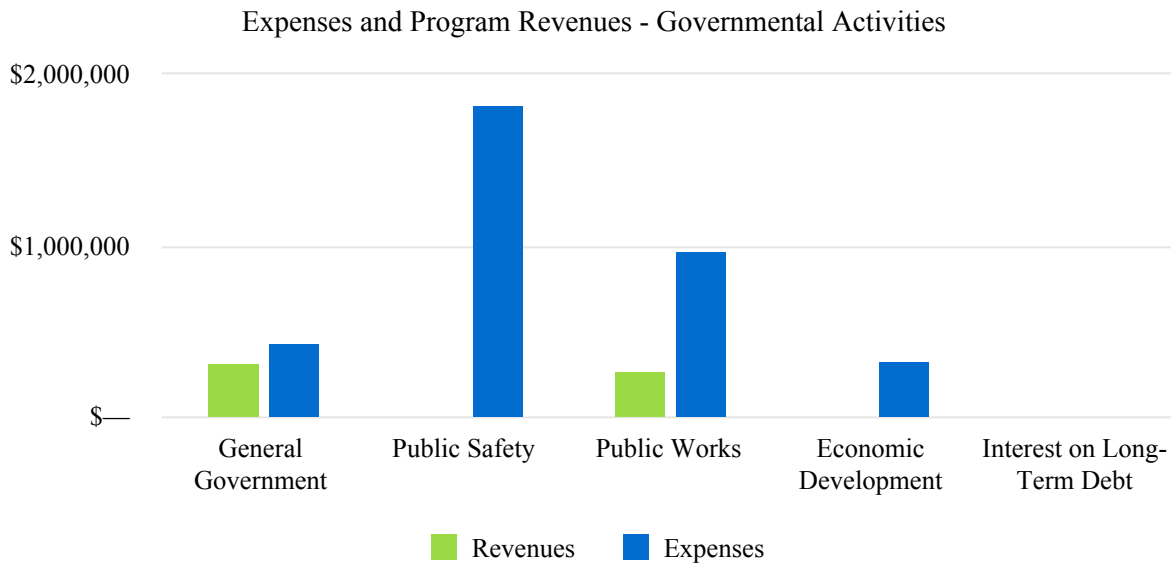
**March 31, 2022**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities - Continued**



**Business-Type Activities**

Business-Type activities received no revenues or incurred any expenses during the current fiscal year or prior fiscal year. The Water and Sewer Fund was closed into the General Fund as of March 31, 2022.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, the Village of Peotone uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Village’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The Village’s governmental funds reported combining ending fund balances of \$13,344,917, which is a decrease of \$358,781, or 2.6 percent, from last year’s total of \$13,703,698. Of the \$13,344,917, \$11,668,785, or approximately 87.4 percent, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. At March 31, 2022, unassigned fund balance in the General Fund was \$11,668,785, which represents 98.6 percent of the total fund balance of the General Fund. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 325.5 percent of total General Fund expenditures.



# VILLAGE OF PEOTONE, ILLINOIS

## Management's Discussion and Analysis

March 31, 2022

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

#### Governmental Funds - Continued

The General Fund reported a decrease in fund balance for the year of \$273,767, or 2.3 percent, due to a planned draw down of fund balance offset by sales income and property tax revenues higher than anticipated.

The Motor Fuel Tax Fund reported a decrease of \$40,776, or 5.8 percent, in the current year. This decrease was due to state revenues being lower than the expenditures spent in the current year.

The Capital Improvements Fund reported a decrease of \$162,203, or 28.1 percent in the current year, due to a planned drawdown of fund balance to fund FY2022 projects.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$3,298,323, compared to budgeted revenues of \$6,490,844. The large variance between budgeted and actual revenues was due to grant proceeds budgeted but not received.

The General Fund actual expenditures for the year were \$405,975 under budget (\$3,585,012 actual compared to \$3,990,987 budgeted). All functions, with the exception of public safety, incurred expenditures lower than budgeted.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The Village's investment in capital assets as of March 31, 2022 was \$4,842,476 (net of accumulated depreciation). This investment in capital assets includes land, transportation network, building and improvements, equipment, and vehicles.

	Capital Assets - Net of Depreciation	
	Governmental Activities	
	2022	2021
Land	\$ 109,776	19,100
Construction in Progress	34,697	—
Transportation Network	3,775,559	3,876,534
Building and Improvements	400,753	448,426
Equipment	92,321	87,546
Vehicles	429,370	455,827
Totals	<u>4,842,476</u>	<u>4,887,433</u>

This year's current major additions to capital assets in the current year were as follows:

**VILLAGE OF PEOTONE, ILLINOIS**

**Management's Discussion and Analysis**

**March 31, 2022**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued**

**Capital Assets - Continued**

Land	\$	90,676
Construction in Progress		34,697
Transportation Network		114,874
Equipment		20,388
Vehicles		48,077
		<u>308,712</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

**Debt Administration**

At year-end, the Village of Peotone had total outstanding debt of \$155,856 as compared to \$191,042 the previous year, a decrease of 18.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	Governmental Activities	
	2022	2021
Capital Leases Payable	\$ 155,856	191,042

Additional information regarding the Village's long-term debt can be found in Note 3 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2023 budget, including tax rates and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many other local municipalities, including inflation and unemployment rates.

The extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Peotone's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Annmarie Mampe, Financial Consultant/Village Treasurer, Village of Peotone, Illinois at (708) 258-3279.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VILLAGE OF PEOTONE, ILLINOIS**

**Statement of Net Position**

**March 31, 2022**

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**See Following Page**

**VILLAGE OF PEOTONE, ILLINOIS**

**Statement of Net Position**

**March 31, 2022**

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 13,444,779	—	13,444,779
Receivables - Net	1,400,581	—	1,400,581
Health Insurance Escrow	120,252	—	120,252
Prepays	95,672	—	95,672
Total Current Assets	15,061,284	—	15,061,284
Noncurrent Assets			
Capital Assets			
Nondepreciable	144,473	—	144,473
Depreciable	9,516,157	—	9,516,157
Accumulated Depreciation	(4,818,154)	—	(4,818,154)
Total Capital Assets	4,842,476	—	4,842,476
Other Assets			
Net Pension Asset - IMRF	1,268,204	—	1,268,204
Total Noncurrent Assets	6,110,680	—	6,110,680
Total Assets	21,171,964	—	21,171,964
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	3,234	—	3,234
Deferred Items - Police Pension	957,623	—	957,623
Total Deferred Outflows of Resources	960,857	—	960,857
Total Assets and Deferred Outflows of Resources	22,132,821	—	22,132,821

The notes to the financial statements are an integral part of this statement.

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 194,998	—	194,998
Accrued Payroll	31,311	—	31,311
Escrow Deposits	201,932	—	201,932
Other Payables	192,480	—	192,480
Current Portion of Long-Term Debt	67,102	—	67,102
Total Current Liabilities	<u>687,823</u>	<u>—</u>	<u>687,823</u>
Noncurrent Liabilities			
Compensated Absences	121,477	—	121,477
Net Pension Liability - Police Pension	3,600,531	—	3,600,531
Total OPEB Liability - RBP	999,962	—	999,962
Capital Leases Payable	119,123	—	119,123
Total Noncurrent Liabilities	<u>4,841,093</u>	<u>—</u>	<u>4,841,093</u>
Total Liabilities	<u>5,528,916</u>	<u>—</u>	<u>5,528,916</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	946,777	—	946,777
Deferred Items - Police Pension	2,027,569	—	2,027,569
Property Taxes	676,629	—	676,629
Grants	279,314	—	279,314
Total Deferred Inflows of Resources	<u>3,930,289</u>	<u>—</u>	<u>3,930,289</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,459,205</u>	<u>—</u>	<u>9,459,205</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,686,620	—	4,686,620
Restricted - Drug Seizure	76,013	—	76,013
Restricted - Motor Fuel Tax	659,872	—	659,872
Restricted - Economic Development	429,033	—	429,033
Unrestricted	<u>6,822,078</u>	<u>—</u>	<u>6,822,078</u>
Total Net Position	<u>12,673,616</u>	<u>—</u>	<u>12,673,616</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF PEOTONE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended March 31, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 436,073	303,157	—	7,675
Public Safety	1,828,112	7,214	—	—
Public Works	970,554	107,913	161,561	—
Communications	124,596	—	—	—
Economic Development	330,911	—	—	—
Building	84,446	—	—	—
Interest on Long-Term Debt	8,152	—	—	—
Total Governmental Activities	3,782,844	418,284	161,561	7,675
<b>Business-Type Activities</b>				
Water and Sewer	—	—	—	—
Total Primary Government	3,782,844	418,284	161,561	7,675

General Revenues  
 Taxes  
 Property Taxes  
 Utility Taxes  
 Intergovernmental - Unrestricted  
 State Income Taxes  
 State Sales Taxes  
 Replacement Taxes  
 Other Taxes  
 Interest (Loss)  
 Miscellaneous  
 Transfers - Internal Activity

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(125,241)	—	(125,241)
(1,820,898)	—	(1,820,898)
(701,080)	—	(701,080)
(124,596)	—	(124,596)
(330,911)	—	(330,911)
(84,446)	—	(84,446)
(8,152)	—	(8,152)
(3,195,324)	—	(3,195,324)
—	—	—
(3,195,324)	—	(3,195,324)
593,112	—	593,112
262,131	—	262,131
596,709	—	596,709
1,562,612	—	1,562,612
73,086	—	73,086
289,969	—	289,969
(70,676)	—	(70,676)
78,494	—	78,494
12,922	(12,922)	—
3,398,359	(12,922)	3,385,437
203,035	(12,922)	190,113
12,470,581	12,922	12,483,503
12,673,616	—	12,673,616

The notes to the financial statements are an integral part of this statement.



**VILLAGE OF PEOTONE, ILLINOIS**

**Balance Sheet - Governmental Funds**

**March 31, 2022**

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Improvement	Nonmajor	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 12,014,829	607,855	415,542	406,553	13,444,779
Receivables - Net of Allowances					
Taxes	1,038,633	—	—	39,107	1,077,740
Other Taxes	55,232	59,899	—	—	115,131
Health Insurance Escrow	120,252	—	—	—	120,252
Prepays	95,672	—	—	—	95,672
Due from Other Governments	—	—	—	68,007	68,007
Due from Other Funds	7,882	—	—	—	7,882
<b>Total Assets</b>	<b>13,332,500</b>	<b>667,754</b>	<b>415,542</b>	<b>513,667</b>	<b>14,929,463</b>
<b>LIABILITIES</b>					
Accounts Payable	174,576	—	—	20,422	194,998
Accrued Payroll	31,311	—	—	—	31,311
Escrow Deposits	201,932	—	—	—	201,932
Other Payables	167,375	—	—	25,105	192,480
Due to Other Funds	—	7,882	—	—	7,882
<b>Total Liabilities</b>	<b>575,194</b>	<b>7,882</b>	<b>—</b>	<b>45,527</b>	<b>628,603</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	637,522	—	—	39,107	676,629
Grants	279,314	—	—	—	279,314
<b>Total Deferred Inflows of Resources</b>	<b>916,836</b>	<b>—</b>	<b>—</b>	<b>39,107</b>	<b>955,943</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,492,030</b>	<b>7,882</b>	<b>—</b>	<b>84,634</b>	<b>1,584,546</b>
<b>FUND BALANCES</b>					
Nonspendable	95,672	—	—	—	95,672
Restricted	76,013	659,872	—	429,033	1,164,918
Committed	—	—	415,542	—	415,542
Unassigned	11,668,785	—	—	—	11,668,785
<b>Total Fund Balances</b>	<b>11,840,470</b>	<b>659,872</b>	<b>415,542</b>	<b>429,033</b>	<b>13,344,917</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>13,332,500</b>	<b>667,754</b>	<b>415,542</b>	<b>513,667</b>	<b>14,929,463</b>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF PEOTONE, ILLINOIS

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities**

**March 31, 2022**

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<b>Total Governmental Fund Balances</b>	\$ 13,344,917
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 funds.	4,842,476
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.	139,703
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds. Net Pension Asset - IMRF	1,268,204
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF Deferred Items - Police Pension	(943,543) (1,069,946)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Net Pension Liability - Police Pension Total OPEB Liability - RPB Capital Leases Payable	(151,846) (3,600,531) (999,962) <u>(155,856)</u>
<b>Net Position of Governmental Activities</b>	<u><u>12,673,616</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF PEOTONE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
For the Fiscal Year Ended March 31, 2022

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Improvement	Nonmajor	Totals
<b>Revenues</b>					
Taxes	\$ 878,018	—	—	23,982	902,000
Intergovernmental	2,030,439	326,428	—	290,309	2,647,176
Licenses and Permits	218,573	—	35,632	—	254,205
Fines and Forfeitures	49,653	—	—	—	49,653
Interest Income (Loss)	(71,280)	276	193	135	(70,676)
Miscellaneous	192,920	—	—	—	192,920
Total Revenues	3,298,323	326,704	35,825	314,426	3,975,278
<b>Expenditures</b>					
General Government	698,243	—	—	—	698,243
Public Safety	1,899,377	—	—	—	1,899,377
Public Works	584,087	367,480	—	—	951,567
Communications	124,596	—	—	—	124,596
Economic Development	134,450	—	—	196,461	330,911
Building	84,446	—	—	—	84,446
Capital Outlay	14,922	—	198,028	—	212,950
Debt Service					
Principal Retirement	35,186	—	—	—	35,186
Interest and Fiscal Charges	9,705	—	—	—	9,705
Total Expenditures	3,585,012	367,480	198,028	196,461	4,346,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(286,689)	(40,776)	(162,203)	117,965	(371,703)
<b>Other Financing Sources</b>					
Transfers In	12,922	—	—	—	12,922
Net Change in Fund Balances	(273,767)	(40,776)	(162,203)	117,965	(358,781)
Fund Balances - Beginning	12,114,237	700,648	577,745	311,068	13,703,698
Fund Balances - Ending	11,840,470	659,872	415,542	429,033	13,344,917

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PEOTONE, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended March 31, 2022**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (358,781)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	308,712
Depreciation Expense	(353,669)
Disposals - Cost	(143,607)
Disposals - Accumulated Depreciation	143,607

Some revenues not collected as of the year end are not considered available revenues in the governmental funds. These are the amounts that were not considered available in the current year. (2,321)

An increase in a net pension asset is not considered to be an increase in financial assets in the governmental funds.  
Change in Net Pension Asset - IMRF 535,493

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.  
Change in Deferred Items - IMRF (358,877)  
Change in Deferred Items - Police Pension (832,099)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.  
Change in Compensated Absences (12,281)  
Change in Net Pension Liability - Police Pension 1,234,106  
Change in Total OPEB Liability - RBP 6,013  
Retirement of Debt 35,186

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 1,553

**Changes in Net Position of Governmental Activities** 203,035

**VILLAGE OF PEOTONE, ILLINOIS**

**Statement of Net Position - Proprietary Fund**

**March 31, 2022**

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	<u>Water and Sewer</u>
<b>ASSETS</b>	
None	\$ —
<b>LIABILITIES</b>	
None	<u>—</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF PEOTONE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund  
For the Fiscal Year Ended March 31, 2022

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	Water and Sewer
Operating Revenues	
Charges for Services	\$ —
Operating Expenses	
Operations	—
Operating Income Before Transfers	—
Transfers Out	(12,922)
Net Position - Beginning	12,922
Net Position - Ending	—

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The notes to the financial statements are an integral part of this statement.

VILLAGE OF PEOTONE, ILLINOIS

Statement of Cash Flows - Proprietary Fund  
For the Fiscal Year Ended March 31, 2022

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	<u>Water and Sewer</u>
Cash Flows from Operating Activities	
Payments to Suppliers	\$ (4,775)
Cash Flows from Noncapital Financing Activities	
Transfers Out	<u>(12,922)</u>
Net Change in Cash and Cash Equivalents	(17,697)
Cash and Cash Equivalents - Beginning	<u>17,697</u>
Cash and Cash Equivalents - Ending	<u>—</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	—
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Increase (Decrease) in Current Liabilities	<u>(4,775)</u>
Net Cash Provided by Operating Activities	<u>(4,775)</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PEOTONE, ILLINOIS**

**Statement of Fiduciary Net Position  
For the Fiscal Year Ended March 31, 2022**

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	<u>Pension Trust Police Pension</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,304,782
Investments	
Mutual Funds	<u>287,742</u>
Total Assets	<u><u>2,592,524</u></u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>2,592,524</u></u>

The notes to the financial statements are an integral part of this statement.



VILLAGE OF PEOTONE, ILLINOIS

Statement of Fiduciary Net Position  
For the Fiscal Year Ended March 31, 2022

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	Pension Trust
	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 600,909
Contributions - Plan Members	60,626
Total Contributions	<u>661,535</u>
Investment Income	
Interest Earned	23,631
Net Change in Fair Value	—
	<u>23,631</u>
Less Investment Expenses	—
Net Investment Income	<u>23,631</u>
Total Additions	<u>685,166</u>
Deductions	
Administration	10,786
Benefits	191,211
	<u>201,997</u>
Total Deductions	<u>201,997</u>
Change in Fiduciary Net Position	483,169
Net Position Restricted for Pensions	
Beginning	<u>2,109,355</u>
Ending	<u><u>2,592,524</u></u>

The notes to the financial statements are an integral part of this statement.

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Peotone (Village), Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include public safety, public works, economic development, and administration.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the primary government, the Village of Peotone.

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

#### BASIS OF PRESENTATION

##### Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, economic development, public safety, and public work services are classified as governmental activities. The Village's water and sewer services are classified as business-type activities. The business-type activities were closed into governmental activities at year-end, due to the prior sale of the utility.

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Government-Wide Financial Statements - Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, culture and recreation, community development, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

#### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

*General Fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains four special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

*Capital projects funds* are used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets. The Village maintains one capital projects fund and it is considered major. The Capital Improvement Fund is used to account for developer fees intended to fund major capital improvements and for certain other monies received that are related to capital asset purchases.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

*Enterprise Funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund: Water and Sewer Fund. The Water and Sewer Fund accounts for the utility deposits of residents of the Village and other commercial users. At year-end, this fund was closed into the General Fund.

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

*Pension Trust Funds* are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

The Village's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants), and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations.

Proprietary funds recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for 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.

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Cash and Investments - Continued

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

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 to \$100,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Capital Assets - Continued

Transportation Network	10 - 40 Years
Buildings and Improvements	30 - 50 Years
Equipment	5 - 15 Years
Vehicles	5 - 15 Years

##### Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.



**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued**

**Long-Term Obligations - Continued**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt 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.

**Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

The Village Board receives a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of the annual appropriation ordinance. Responsibility for control of and amendments to the budget rests with the Village Board. The Village budget was adopted on May 24, 2021.

The Village is has adopted operating budgets for all funds, except the Water and Sewer Fund.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND**

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Tax Increment Financing District #1	\$ 27,906

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

The Illinois Trust (IIIT) was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

#### Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$6,839,007 and the bank balances totaled \$6,841,050.

*Investments.* The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	\$ 2,041,330	—	747,788	1,293,542	—
Illinois Funds	115,023	115,023	—	—	—
IMET	9,601	9,601	—	—	—
Illinois Trust	4,439,818	4,439,818	—	—	—
Totals	6,605,772	4,564,442	747,788	1,293,542	—

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

#### Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

*Investments - Continued.* The Village has the following recurring fair value measurements as of March 31, 2022:

- U.S. Treasury Securities of \$2,041,330 are valued using quoted market prices (Level 1 inputs)
- Illinois Funds of \$115,023, IMET of \$9,601, and Illinois Trust of \$4,439,818 which are measured at the net asset value per share as determined by the pool.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not limit investing maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy does not further limit its investment choices. At year-end, the Village's investment in the Illinois Funds, IMET, and Illinois Trust were rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy limits the exposure deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limit to be secured with collateral pledged by the applicable financial institution to the extent of 110% of the value of the deposit in excess of the FDIC insured amount. At year-end, the entire amount of the bank balance of deposits is covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Village's investment in the Illinois Fund, Illinois Trust, and IMET are not subject to custodial credit risk.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy limits time deposits to no more than 10% of any single financial institution's total deposits. It also limits any investment category to no more than 40% of the Village's portfolio with the exception of cash equivalents and treasury securities. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

#### Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$2,304,782 and the bank balances totaled \$2,310,435. The Fund also has \$287,742 invested in mutual funds, which are measured using quoted market prices (Level 1 inputs).

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

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NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

**Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk - Continued**

*Interest Rate Risk.* The Fund's investment policy states assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

*Custodial Credit Risk - Deposits.* In the case of deposits, the Fund's assets may be invested in savings accounts or certificates of deposit of an national or state bank, even if Fund assets on deposit in such institutions will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by the the Fund's investment exceed such insurance or guarantee limits is collateralized by the fund which shall be maintained and credited to the fund on the records of the custodial bank. The Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims y the custodian which are subordinate to the Fund's claims to rights to these securities. At March 31, 2022, \$210,642 of the bank balance of the deposits was not covered by federal depository or equivalent insurance.

*Custodial Credit Risk - Investments.* The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Pension Fund, to act as custodian for its securities and collateral. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

*Credit Risk.* The Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code.

*Concentration Risk.* The Fund's investment policy states that the Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Coplid Statutes, 40 ILCS 5/1-113.2 through 113.4. Additionally, at year-end the Fund had \$287,742 invested in mutual funds. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. At year-end, the Fund has no investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities	55.00%	5.00% - 6.00%
Fixed Income	28.00%	1.30%
Real Estate	9.00%	6.20%
Alternative Investments	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk - Continued

Concentration Risk - Continued. Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in April 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of March 31, 2022 are listed in the table above.

Rate of Return

For the year ended March 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.69%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
General	Motor Fuel Tax	\$ 7,882

Interfund balances are advances in anticipation of receipts.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Water and Sewer	\$ 12,922

Transfers are used to close out the Water and Sewer Fund into the General Fund at year-end.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 19,100	90,676	—	109,776
Construction in Progress	—	34,697	—	34,697
	<u>19,100</u>	<u>125,373</u>	<u>—</u>	<u>144,473</u>
Depreciable Capital Assets				
Transportation Network	7,507,193	114,874	—	7,622,067
Building and Improvements	535,432	—	—	535,432
Equipment	516,902	20,388	50,513	486,777
Vehicles	916,898	48,077	93,094	871,881
	<u>9,476,425</u>	<u>183,339</u>	<u>143,607</u>	<u>9,516,157</u>
Less Accumulated Depreciation				
Transportation Network	3,630,659	215,849	—	3,846,508
Building and Improvements	87,006	47,673	—	134,679
Equipment	429,356	15,613	50,513	394,456
Vehicles	461,071	74,534	93,094	442,511
	<u>4,608,092</u>	<u>353,669</u>	<u>143,607</u>	<u>4,818,154</u>
Total Net Depreciable Capital Assets	<u>4,868,333</u>	<u>(170,330)</u>	<u>—</u>	<u>4,698,003</u>
Total Net Capital Assets	<u>4,887,433</u>	<u>(44,957)</u>	<u>—</u>	<u>4,842,476</u>

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS - Continued**

**Governmental Activities - Continued**

Depreciation expense was charged to governmental activities as follows:

General Government	\$	3,940
Public Safety		330,742
Public Works		<u>18,987</u>
		<u><u>353,669</u></u>

**LONG-TERM DEBT**

**Capital Lease**

The Village has entered into a lease agreement as lessee for financing the acquisition of a street sweeper. Capital assets of \$266,997 have been added to equipment. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded as a liability of the General Fund at the present value of the future minimum lease payments as of the inception date.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Lease Payment</u>
2023	\$ 42,753
2024	42,753
2025	42,753
2026	<u>42,753</u>
	171,012
Interest Portion	<u>(15,156)</u>
Principal Balance	<u><u>155,856</u></u>

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Long-Term Liability Activity**

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts within One Year
Governmental Activities					
Compensated Absences	\$ 139,565	24,562	12,281	151,846	30,369
Net Pension Liability - Police Pension	4,834,637	—	1,234,106	3,600,531	—
Total OPEB Liability - RBP	1,005,975	—	6,013	999,962	—
Capital Leases Payable	191,042	—	35,186	155,856	36,733
	<u>6,171,219</u>	<u>24,562</u>	<u>1,287,586</u>	<u>4,908,195</u>	<u>67,102</u>

For governmental activities, payments on the compensated absences, the net pension liability, the total OPEB liability, and the capital leases are being made by the General Fund.

**Legal Debt Margin**

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2021	<u>\$ 100,539,971</u>
Legal Debt Limit - 8.625% of Assessed Value	8,671,572
Amount of Debt Applicable to Limit	<u>155,856</u>
Legal Debt Margin	<u>8,515,716</u>



# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### TAX ABATEMENTS

The Village is authorized by the State of Illinois under 65 ILCS 5/8-11-20 to enter into economic incentive agreements in order to encourage the development and redevelopment of land within their corporate limits. The Village has entered into sales tax rebate agreements with Bult Motors, Inc., Dralle Chevrolet, and Terry's Lincoln Ford Mercury of Peotone.

The agreement with James A. and Pearl F. Bult (the developer) was entered into March 12, 2007 and runs for a period of 20 years. Under the agreement, the Village rebates a percentage of the sales tax generated by Bult Motors, Inc. d/b/a Pearl Chrysler, Dodge and Jeep. The percentage rebated ranges from 90% in the first year of the agreement to 50% in years five to twenty. The total rebate amount is not to exceed the lesser of \$2,000,000 or the actual cost of the project. Sales tax rebates expense for 2022 totaled \$77,943 for an accumulated rebate of \$563,670.

The agreement with Dralle Chevrolet was entered into on September 10, 2012 and runs for a period of 10 years. Under the agreement, the Village rebates 50% of the sales tax generated over an incentive base of \$100,000 for the first year of the agreement. The incentive base increases by the consumer price index each year. The total rebate is not to exceed the lesser of \$1,200,000 or the actual cost of the project. Sales tax rebate expense for 2022 totaled \$54,514 for an accumulated rebate of \$394,430.

The agreement with Terry's Lincoln Ford Mercury of Peotone (Terry's) was entered into on February 24, 2014 and runs for a period of 10 years. Under the agreement, the Village rebates a percentage of the sales tax generated by Terry's over an incentive base of \$167,200 for the first year of the agreement. The percentage rebated ranges from 90% in the first year of the agreement to 50% in years five to ten. The total rebate is not to exceed the lesser of \$750,000 or the actual cost of the project. Sales tax rebate expense for 2022 totaled \$2,035 for an accumulated rebate of \$159,520.

The Village also abates property taxes in various Tax Increment Financing (TIF) districts that were created under the Illinois Tax Increment Allocation Redevelopment Act (TIF Act) (65 ILCS 5/11-74.4).

The property taxes for the additional assessed valuation on new commercial property or improved existing commercial properties in these districts is paid to a TIF district. These funds are available for eligible costs as defined in the TIF Act, including development or redevelopment projects within the TIF district.

The total TIF abatements from the Village during the year ended March 31, 2022 were approximately \$6,370.

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of March 31, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,842,476
Less Capital Related Debt:	
Capital Lease	<u>(155,856)</u>
Net Investment in Capital Assets	<u><u>4,686,620</u></u>

#### FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Nonspendable.* Consists of resources that cannot be spent because they are either; a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitution or enabling legislation.

*Committed.* Consists of resources contracted (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Village Board to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

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

*Unassigned.* Consists of the residual net resources of the General Fund that have not been restricted, committed, or assigned, as well as deficit fund balances of any other governmental fund.

*Minimum Fund Balance Policy.* The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating expenditures, net of capital projects expenditures.

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS - Continued**

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Improvement	Nonmajor	Totals
Nonspendable					
Prepays	\$ 95,672	—	—	—	95,672
Restricted					
Drug Seizure	76,013	—	—	—	76,013
Motor Fuel Tax	—	659,872	—	—	659,872
Economic Development	—	—	—	429,033	429,033
	76,013	659,872	—	429,033	1,164,918
Committed					
Capital Improvements	—	—	415,542	—	415,542
Unassigned	11,668,785	—	—	—	11,668,785
Total Fund Balances	11,840,470	659,872	415,542	429,033	13,344,917

**NET POSITION RESTATEMENT**

Beginning net position was restated to correct errors in the recognition of prior year liabilities and deferred outflows/inflows of resources. The following is a summary of net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 13,837,163	12,470,581	(1,366,582)

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 4 - OTHER INFORMATION

#### RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial insurance to manage these risks.

In August 2018, the Village joined the Southwest Agency for Health Management (SWAHM) which participates in the Intergovernmental Personnel Benefits Cooperative (IPBC), a cooperative formed for the purpose of administering personnel health benefit programs for its member units' employees. The SWAHM Board of Directors is represented by a delegate from each of the members.

SWAHM members' costs of the IPBC Administrative Fund and Benefit Pool, as calculated by IPBC, are shared by each member in the same proportion as its participating employees bear to the total participating employees of SWAHM. Responsibility for the Benefit Pool Costs are calculated as follows:

	PPO	HMO
Member Responsible	Claims under \$30,000	Claims under \$75,000
Shared Among Members of IPBC	Claims between \$30,000 and \$125,000	
Reinsured	Claims over \$125,000	Claims over \$75,000

As of March 31, 2022, the Village's account balance in the cooperative is \$120,252 which is available to pay future claims. This amount has been recorded as the health insurance escrow in the General Fund.

The Village's payments are recorded in the financial statements as expenditures/expenses in the appropriate funds and reflect its share of premium payments and any deficits of SWAHM. Dividends declared by IPBC allocable to SWAHM are available to reduce future premium.

#### INTERGOVERNMENT PUBLIC SAFETY AGREEMENT

The Village entered into an agreement in February 2017 with various governmental entities within Will County for maintenance and operations of a centralized public safety communications system for a minimum duration of twenty years. The Village paid \$124,596 to Laraway Communications during the year.

#### CONTINGENT LIABILITIES

##### Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF) and a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan. Separate report is issued for the Police Pension Plans and may be obtained by writing to the Village at 208 East Main Street, Peotone, IL 60448.

IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the two pension plans is:

	Net Pension			Pension
	Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows	Expenses/ (Revenues)
IMRF	\$ (1,268,204)	3,234	(946,777)	(148,131)
Police Pension	3,600,531	957,623	(2,027,569)	198,902
	<u>2,332,327</u>	<u>960,857</u>	<u>(2,974,346)</u>	<u>50,771</u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*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).

IMRF provides two tiers of pension benefits. 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, with a maximum salary cap of \$106,800 at January 1, 2011. 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.

*Plan Membership.* As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	27
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>8</u>
Total	<u><u>42</u></u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% 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. For the year-ended March 31, 2022, the Village's contribution rate was 6.41% of covered payroll.

*Net Pension (Asset).* The Village's net pension (asset) was measured as of December 31, 2021. The total pension (asset) used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For nondisabled 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 scale 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 scale 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 scale MP-2020.

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:

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

*Actuarial Assumptions - Continued.*

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	(0.85%)
Domestic Equities	37.00%	2.85%
International Equities	18.00%	3.85%
Real Estate	9.00%	4.05%
Blended	7.00%	0.70% - 4.80%
Cash and Cash Equivalents	1.00%	(1.45%)

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asset) of the Village calculated using the discount rate as well as what the Village's net pension (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Net Pension (Asset)	\$ (653,285)	(1,268,204)	(1,754,528)



VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 5,311,126	6,043,837	(732,711)
Changes for the Year:			
Service Cost	53,489	—	53,489
Interest on the Total Pension Liability	372,781	—	372,781
Difference Between Expected and Actual Experience of the Total Pension Liability	(113,778)	—	(113,778)
Changes of Assumptions	—	—	—
Contributions - Employer	—	34,087	(34,087)
Contributions - Employees	—	20,452	(20,452)
Net Investment Income	—	1,035,273	(1,035,273)
Benefit Payments, Including Refunds of Employee Contributions	(392,132)	(392,132)	—
Other (Net Transfer)	—	(241,827)	241,827
Net Changes	(79,640)	455,853	(535,493)
Balances at December 31, 2021	5,231,486	6,499,690	(1,268,204)

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

For the year ended March 31, 2022, the Village recognized pension revenue of \$148,131. At March 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(84,031)	(84,031)
Change in Assumptions	—	(17,098)	(17,098)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(845,648)	(845,648)
Total Pension Expense to be Recognized in Future Periods	—	(946,777)	(946,777)
Pension Contributions Made Subsequent to the Measurement Date	3,234	—	3,234
Total Deferred Amounts Related to IMRF	3,234	(946,777)	(943,543)

\$3,234 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (261,672)
2024	(350,978)
2025	(210,508)
2026	(123,619)
2027	—
Thereafter	—
Total	(946,777)

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At March 31, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>4</u>
Total	<u><u>17</u></u>

*Benefits Provided.* The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Plan Descriptions - Continued**

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended March 31, 2022 the Village's contribution was 98.23% of covered payroll.

*Concentrations.* At year end, the Pension Plan has no investments over 5 percent of plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of March 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	3.50% - 11.00%
Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale.

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.00%, while the prior valuation used a discount rate of 4.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (6.00%)	1% Increase (5.50%)
Net Pension Liability	\$ 4,517,466	3,600,531	2,853,248

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at March 31, 2021	\$ 6,943,992	2,109,355	4,834,637
Changes for the Year:			
Service Cost	249,229	—	249,229
Interest on the Total Pension Liability	319,393	—	319,393
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	296,856	—	296,856
Changes of Assumptions	(1,425,204)	—	(1,425,204)
Contributions - Employer	—	600,909	(600,909)
Contributions - Employees	—	60,625	(60,625)
Net Investment Income	—	23,632	(23,632)
Benefit Payments, Including Refunds of Employee Contributions	(191,211)	(191,211)	—
Other (Net Transfer)	—	(10,786)	10,786
Net Changes	(750,937)	483,169	(1,234,106)
Balances at March 31, 2022	6,193,055	2,592,524	3,600,531

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

For the year ended March 31, 2022, the Village recognized pension expense of \$198,902. At March 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 342,012	(822,781)	(480,769)
Change in Assumptions	546,837	(1,204,788)	(657,951)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	68,774	—	68,774
Total Deferred Amounts Related to Police Pension	<u>957,623</u>	<u>(2,027,569)</u>	<u>(1,069,946)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (169,439)
2024	(188,201)
2025	(258,767)
2026	(251,051)
2027	(193,581)
Thereafter	<u>(8,907)</u>
Total	<u><u>(1,069,946)</u></u>

# VILLAGE OF PEOTONE, ILLINOIS

## Notes to the Financial Statements

March 31, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

*Plan Description.* The Village's defined benefit OPEB plan, Village of Peotone's Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* The Village provides post-employment health care and life insurance benefits to its retirees. To be eligible for implicit benefits, an employee must qualify for retirement under the Village's retirement plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual. The retirees pay 100% of the blended premium.

*Plan Membership.* As of March 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>18</u>
Total	<u>19</u>

##### Total OPEB Liability

The Village's total OPEB liability was measured as of March 31, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the March 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:



VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

*Actuarial Assumptions and Other Inputs - Continued.*

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.73%
Healthcare Cost Trend Rates	Starting at 7.00% for HMO and 7.30% for PPO with an ultimate rate of 4.00% for 2032 and later.
Retirees' Share of Benefit-Related Costs	100% of the Blended Cost of Coverage

The discount rate was based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate.

Mortality rates were based on the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighed per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at March 31, 2021	\$ 1,005,975
Changes for the Year:	
Service Cost	33,046
Interest on the Total OPEB Liability	23,484
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(49,261)
Benefit Payments	<u>(13,282)</u>
Net Changes	<u>(6,013)</u>
Balance at March 31, 2022	<u>999,962</u>

**VILLAGE OF PEOTONE, ILLINOIS**

**Notes to the Financial Statements**

**March 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The discount rate used to measure the total pension liability was 2.73%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.73%)	Current Discount Rate (2.73%)	1% Increase (3.73%)
Total OPEB Liability	\$ 1,129,175	999,962	892,714

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rates as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 888,699	999,962	1,132,683

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended March 31, 2022, the Village recognized OPEB expense of \$7,269. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expenses, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

**SUBSEQUENT EVENT**

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$558,628 to be received in two installments. On September 2, 2021, the Village received their first installment of \$279,314. On September 20, 2022, the Village received their second installment of \$279,314.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions  
    Illinois Municipal Retirement Fund  
    Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
    Illinois Municipal Retirement Fund  
    Police Pension Fund
- Schedule of Investment Returns  
    Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability  
    Retiree Benefit Plan
- Budgetary Comparison Schedule  
    General Fund  
    Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF PEOTONE, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
March 31, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 48,228	\$ 48,228	\$ —	\$ 523,629	9.21%
2017	56,357	56,357	—	553,792	10.18%
2018	51,411	51,411	—	517,774	9.93%
2019	43,425	43,425	—	492,832	8.81%
2020	40,717	40,717	—	544,972	7.47%
2021	45,386	45,386	—	521,238	8.71%
2022	28,485	28,485	—	444,483	6.41%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF PEOTONE, ILLINOIS**

**Police Pension Fund**

**Schedule of Employer Contributions**

**March 31, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 159,091	\$ 171,034	\$ 11,943	\$ 462,998	36.94%
2017	256,039	186,247	(69,792)	445,706	41.79%
2018	311,138	163,970	(147,168)	464,014	35.34%
2019	343,130	207,025	(136,105)	531,055	38.98%
2020	573,823	210,855	(362,968)	540,888	38.98%
2021	639,784	585,071	(54,713)	564,383	103.67%
2022	598,643	600,909	2,266	611,756	98.23%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed fair Value
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	6.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF PEOTONE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the Employer's Net Pension Liability**

**March 31, 2022**

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**See Following Page**

**VILLAGE OF PEOTONE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the Employer's Net Pension Liability/(Asset)**

**March 31, 2022**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 57,086
Interest	363,687
Differences Between Expected and Actual Experience	77,144
Change of Assumptions	6,048
Benefit Payments, Including Refunds of Member Contributions	<u>(269,056)</u>
Net Change in Total Pension Liability	234,909
Total Pension Liability - Beginning	<u>4,955,146</u>
 Total Pension Liability - Ending	 <u><u>5,190,055</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 47,269
Contributions - Members	26,549
Net Investment Income	24,394
Benefit Payments, Including Refunds of Member Contributions	<u>(269,056)</u>
Other (Net Transfer)	<u>46,005</u>
Net Change in Plan Fiduciary Net Position	(124,839)
Plan Net Position - Beginning	<u>4,976,400</u>
 Plan Net Position - Ending	 <u><u>4,851,561</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ 338,494</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  93.48%
 Covered Payroll	 \$ 532,300
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	  63.59%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
59,336	55,401	49,566	43,481	55,030	53,489
378,750	391,649	397,882	369,791	378,790	372,781
69,125	154,736	(452,316)	50,838	(74,554)	(113,778)
(6,126)	(181,655)	137,159	—	(70,116)	—
(325,968)	(341,775)	(326,431)	(341,127)	(350,395)	(392,132)
175,117	78,356	(194,140)	122,983	(61,245)	(79,640)
5,190,055	5,365,172	5,443,528	5,249,388	5,372,371	5,311,126
5,365,172	5,443,528	5,249,388	5,372,371	5,311,126	5,231,486
55,350	51,260	47,728	37,201	50,108	34,087
26,564	25,764	22,303	24,530	24,888	20,452
329,255	923,940	(366,294)	953,775	824,734	1,035,273
(325,968)	(341,775)	(326,431)	(341,127)	(350,395)	(392,132)
150,714	(83,495)	(226,174)	58,934	(53,113)	(241,827)
235,915	575,694	(848,868)	733,313	496,222	455,853
4,851,561	5,087,476	5,663,170	4,814,302	5,547,615	6,043,837
5,087,476	5,663,170	4,814,302	5,547,615	6,043,837	6,499,690
277,696	(219,642)	435,086	(175,244)	(732,711)	(1,268,204)
94.82%	104.03%	91.71%	103.26%	113.80%	124.24%
541,588	510,052	495,611	541,510	553,062	454,501
51.27%	(43.06%)	87.79%	(32.36%)	(132.48%)	(279.03%)



**VILLAGE OF PEOTONE, ILLINOIS**

**Police Pension Fund**  
**Schedule of Changes in the Employer's Net Pension Liability**  
**March 31, 2022**

	<u>3/31/2016</u>
Total Pension Liability	
Service Cost	\$ 169,872
Interest	240,898
Changes of Benefit Terms	—
Differences Between Expected and Actual Experience	8,423
Change of Assumptions	533,675
Benefit Payments, Including Refunds of Member Contributions	<u>(162,576)</u>
Net Change in Total Pension Liability	790,292
Total Pension Liability - Beginning	<u>4,899,249</u>
 Total Pension Liability - Ending	 <u><u>5,689,541</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 171,034
Contributions - Members	43,775
Net Investment Income	10,089
Benefit Payments, Including Refunds of Member Contributions	<u>(162,576)</u>
Other (Net Transfer)	<u>(6,013)</u>
Net Change in Plan Fiduciary Net Position	56,309
Plan Net Position - Beginning	<u>1,172,785</u>
 Plan Net Position - Ending	 <u><u>1,229,094</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 4,460,447</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  21.60%
 Covered Payroll	 \$ 462,998
 Employer's Net Pension Liability as a Percentage of Covered Payroll	  963.38%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

3/31/2017	3/31/2018	3/31/2019	3/31/2020	3/31/2021	3/31/2022
194,947	169,918	236,285	200,252	239,543	249,229
280,291	237,441	283,740	304,341	333,042	319,393
—	—	—	11,940	—	—
(412,151)	410,077	(183,234)	(378,911)	(690,576)	296,856
(222,498)	379,020	124,621	668,009	—	(1,425,204)
(167,446)	(172,436)	(177,547)	(215,391)	(198,826)	(191,211)
(326,857)	1,024,020	283,865	590,240	(316,817)	(750,937)
5,689,541	5,362,684	6,386,704	6,670,569	7,260,809	6,943,992
5,362,684	6,386,704	6,670,569	7,260,809	6,943,992	6,193,055
186,247	163,970	207,025	210,855	585,070	600,909
46,794	47,724	49,630	55,370	56,598	60,626
26,093	48,312	31,359	18,912	118,415	23,631
(167,446)	(172,436)	(177,547)	(215,391)	(198,826)	(191,211)
(6,335)	(8,113)	(9,025)	(7,794)	(9,200)	(10,786)
85,353	79,457	101,442	61,952	552,057	483,169
1,229,094	1,314,447	1,393,904	1,495,346	1,557,298	2,109,355
1,314,447	1,393,904	1,495,346	1,557,298	2,109,355	2,592,524
4,048,237	4,992,800	5,175,223	5,703,511	4,834,637	3,600,531
24.51%	21.83%	22.42%	21.45%	30.38%	41.86%
445,706	464,014	531,055	540,888	564,383	611,756
908.28%	1076.00%	974.52%	1054.47%	856.62%	(588.56%)

**VILLAGE OF PEOTONE, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns**

**March 31, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2016	N/A
2017	N/A
2018	N/A
2019	N/A
2020	N/A
2021	N/A
2022	(0.69%)

N/A - Not Available

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF PEOTONE, ILLINOIS**

**Retiree Benefit Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**March 31, 2022**

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	<u>3/31/2022</u>
Total OPEB Liability	
Service Cost	\$ 33,046
Interest	23,484
Difference Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	
Benefit Payments	(49,261)
Other Changes	<u>(13,282)</u>
Net Change in Total OPEB Liability	(6,013)
Total OPEB Liability - Beginning	<u>1,005,975</u>
Total OPEB Liability - Ending	<u><u>999,962</u></u>
Covered-Employee Payroll	\$ 1,037,329
Total OPEB Liability as a Percentage of Covered-Employee Payroll	96.40%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended March 31, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 872,680	872,680	878,018
Intergovernmental	5,222,459	5,222,459	2,030,439
Licenses and Permits	210,750	210,750	218,573
Fines and Forfeitures	50,000	50,000	49,653
Interest Income (Loss)	50,955	50,955	(71,280)
Miscellaneous	84,000	84,000	192,920
Total Revenues	6,490,844	6,490,844	3,298,323
Expenditures			
General Government	716,911	716,911	698,243
Public Safety	1,867,387	1,867,387	1,899,377
Public Works	729,753	729,753	584,087
Communications	139,500	139,500	124,596
Economic Development	164,725	164,725	134,450
Building	116,936	116,936	84,446
Capital Outlay	42,000	42,000	14,922
Debt Service			
Principal Retirement	170,250	170,250	35,186
Interest and Fiscal Charges	43,525	43,525	9,705
Total Expenditures	3,990,987	3,990,987	3,585,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,499,857	2,499,857	(286,689)
Other Financing Sources			
Transfers In	—	—	12,922
Net Change In Fund Balance	2,499,857	2,499,857	(273,767)
Fund Balance - Beginning			12,114,237
Fund Balance - Ending			11,840,470

**VILLAGE OF PEOTONE, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended March 31, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ —	—	164,867
Grants	—	—	161,561
Interest Income	—	—	276
Total Revenues	—	—	326,704
Expenditures			
Public Works			
Transportation	614,786	614,786	367,480
Net Change In Fund Balance	<u>(614,786)</u>	<u>(614,786)</u>	(40,776)
Fund Balance - Beginning			<u>700,648</u>
Fund Balance - Ending			<u>659,872</u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Consolidated Year-End Financial Report

## INDIVIDUAL FUND DESCRIPTIONS

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### GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

#### Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

#### Business Development District Fund

The Business District Fund is used to account for sales tax raised within the Business District to pay for actions and activities to eradicate the blighting conditions found in this portion of the Village and assist in development of the Business District.

#### Tax Increment Financing District #1 Fund

The Tax Increment Financing (TIF) District #1 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's TIF District #1.

#### Tax Increment Financing District #2 Fund

The Tax Increment Financing (TIF) District #2 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's TIF District #2.

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## **INDIVIDUAL FUND DESCRIPTIONS - Continued**

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### **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

#### **Capital Improvement Fund**

The Capital Improvement Fund is used to account for developer fees intended to fund major capital improvements and for certain other monies received that are related to capital asset purchases.

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### **ENTERPRISE FUND**

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

#### **Water and Sewer Fund**

The Water and Sewer Fund is used to account for the operations of water and sewer services for the citizens of the Village. This fund was closed into the General Fund as of March 31, 2022.

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### **PENSION TRUST FUND**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

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VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended March 31, 2022

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 574,680	574,680	569,130
Utility Taxes	250,000	250,000	262,131
Road and Bridge Taxes	48,000	48,000	46,757
	<u>872,680</u>	<u>872,680</u>	<u>878,018</u>
Intergovernmental			
Personal Replacement Taxes	35,000	35,000	73,086
Income Tax	450,000	450,000	596,709
Sales Tax	1,200,000	1,200,000	1,272,303
Gaming Tax	70,000	70,000	80,666
Grants	3,467,459	3,467,459	7,675
	<u>5,222,459</u>	<u>5,222,459</u>	<u>2,030,439</u>
Licenses and Permits	<u>210,750</u>	<u>210,750</u>	<u>218,573</u>
Fines and Forfeitures			
Police Collections	5,000	5,000	7,214
Fines	45,000	45,000	42,439
	<u>50,000</u>	<u>50,000</u>	<u>49,653</u>
Interest Income (Loss)	<u>50,955</u>	<u>50,955</u>	<u>(71,280)</u>
Miscellaneous			
Franchise Agreements	75,000	75,000	107,913
Reimbursement	—	—	6,513
Miscellaneous	9,000	9,000	78,494
	<u>84,000</u>	<u>84,000</u>	<u>192,920</u>
Total Revenues	<u>6,490,844</u>	<u>6,490,844</u>	<u>3,298,323</u>

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended March 31, 2022

	Budget		Actual
	Original	Final	
General Government			
Salaries	\$ 223,249	223,249	226,273
Social Security and Medicare	17,079	17,079	17,339
Illinois Municipal Retirement	14,314	14,314	12,582
Unemployment Tax	500	500	358
Employee's Health Insurance	87,985	87,985	97,691
Maintenance - Buildings	3,000	3,000	3,353
Maintenance - Equipment	9,500	9,500	5,304
General Insurance	19,000	19,000	20,537
Telephone/Fax	8,000	8,000	7,848
Utilities	1,000.00	1,000.00	—
Rental	750	750	500
Travel	6,000	6,000	3,526
Postage	2,800	2,800	3,098
Printing/Publishing	10,000	10,000	6,335
Legal Fees	70,000	70,000	52,658
Auditing Services	19,000	19,000	19,715
Engineering	25,000	25,000	19,150
Other Professional Services	30,000	30,000	42,280
Training	3,600	3,600	2,140
Dues/Subscriptions	10,655	10,655	10,505
Community Relations	1,500	1,500	617
Office Supplies	4,000	4,000	3,695
Other Supplies	2,500	2,500	2,241
Sundry Expenditures	1,000	1,000	901
Christmas in the Village	10,000	10,000	9,183
Sales Tax Rebate	136,479	136,479	130,414
	716,911	716,911	698,243
Public Safety			
Police			
Salaries	822,850	822,850	823,764
Social Security and Medicare	62,948	62,948	63,482
Illinois Municipal Retirement	3,457	3,457	3,031
Unemployment Tax	1,200	1,200	1,205
Employee's Health Insurance	203,802	203,802	206,074
Pension Expenditures	557,160	557,160	600,909
Maintenance - Buildings	3,500	3,500	2,513

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended March 31, 2022

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police - Continued			
Maintenance - Equipment	\$ 35,000	35,000	32,919
General Insurance	62,000	62,000	60,453
Telephone/Fax	9,200	9,200	11,418
Utilities	600	600	412
Rental	1,000	1,000	500
Travel	500	500	585
Postage	1,200	1,200	416
Printing/Publishing	1,500	1,500	693
Legal Fees	20,000	20,000	17,100
Other Professional Services	21,100	21,100	18,681
Animal Control	500	500	398
Training	7,000	7,000	7,372
Dues/Subscriptions	6,520	6,520	6,054
Office Supplies	4,000	4,000	2,893
Other Supplies	8,300	8,300	4,774
Uniforms and Maintenance	5,000	5,000	2,717
Food/Prisoners	50	50	114
Gas and Oil	25,000	25,000	28,784
Sundry Expenditures	500	500	256
	<u>1,863,887</u>	<u>1,863,887</u>	<u>1,897,517</u>
ESDA Department			
Maintenance - Buildings	500	500	—
Maintenance - Equipment	2,500	2,500	1,860
Sundry Expenditures	500	500	—
	<u>3,500</u>	<u>3,500</u>	<u>1,860</u>
Total Public Safety	<u>1,867,387</u>	<u>1,867,387</u>	<u>1,899,377</u>
Public Works			
Salaries	238,059	238,059	218,961
Social Security and Medicare	18,212	18,212	16,462
Illinois Municipal Retirement	17,855	17,855	12,872
Unemployment Tax	750	750	407
Employee's Health Insurance	82,697	82,697	93,605

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended March 31, 2022

	Budget		Actual
	Original	Final	
Public Works - Continued			
Maintenance - Street Lights	\$ 6,000	6,000	632
Maintenance - Building	3,000	3,000	1,976
Maintenance - Equipment	30,000	30,000	15,163
Maintenance - Streets	37,000	37,000	7,801
Maintenance - Sidewalks	30,800	30,800	294
Snow/Leaf Removal	4,000	4,000	5,055
Ground Upkeep	1,000	1,000	804
General Insurance	48,200	48,200	47,862
Telephone/Fax	13,360	13,360	14,398
Utilities	2,000	2,000	37
Street Lighting	70,000	70,000	64,640
Rental	1,500	1,500	500
Travel	500	500	—
Printing/Publishing	1,000	1,000	895
Engineering Fees	30,000	30,000	11,606
Other Professional Services	55,520	55,520	33,605
Training	1,000	1,000	—
Dues/Subscriptions	700	700	496
Other Supplies	10,000	10,000	10,258
Uniforms	5,500	5,500	3,517
Gas and Oil	16,000	16,000	18,741
Sundry Expenditures	500	500	—
Drainage Assessment Fees	4,600	4,600	3,500
	<u>729,753</u>	<u>729,753</u>	<u>584,087</u>
Communications			
Maintenance - Equipment	1,000	1,000	—
Other Professional Services	138,500	138,500	124,596
	<u>139,500</u>	<u>139,500</u>	<u>124,596</u>
Economic Development			
Travel	500	500	—
Printing/Publishing	12,000	12,000	4,910
Legal Fees	19,000	19,000	12,196

**VILLAGE OF PEOTONE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended March 31, 2022**

	Budget		Actual
	Original	Final	
Economic Development - Continued			
Engineering	\$ 100,000	100,000	105,180
Other Professional Services	20,000	20,000	—
Training	1,000	1,000	—
Dues/Subscriptions	6,225	6,225	5,250
Other Supplies	6,000	6,000	6,914
	<u>164,725</u>	<u>164,725</u>	<u>134,450</u>
Building			
Salaries	21,090	21,090	9,601
Social Security and Medicare	1,614	1,614	810
Illinois Municipal Retirement	232	232	—
Unemployment Tax	100	100	71
Maintenance - Buildings	1,000	1,000	—
Maintenance - Equipment	1,500.00	1,500.00	—
General Insurance	1,500	1,500	1,326
Telephone/Fax	600	600	98
Travel	200	200	—
Postage	1,000	1,000	199
Printing/Publishing	3,000	3,000	568
Legal Fees	2,000	2,000	1,570
Other Professional Services	80,500	80,500	70,017
Training	1,000	1,000	—
Dues/Subscriptions	700	700	—
Office Supplies	200	200	30
Other Supplies	200	200	156
Gas and Oil	500	500	—
	<u>116,936</u>	<u>116,936</u>	<u>84,446</u>
Capital Outlay	<u>42,000</u>	<u>42,000</u>	<u>14,922</u>
Debt Service			
Principal Retirement	170,250	170,250	35,186
Interest and Fiscal Charges	43,525	43,525	9,705
	<u>213,775</u>	<u>213,775</u>	<u>44,891</u>
Total Expenditures	<u>3,990,987</u>	<u>3,990,987</u>	<u>3,585,012</u>

VILLAGE OF PEOTONE, ILLINOIS

Capital Improvement - Capital Projects Fund Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended March 31, 2022

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	Budget		Actual
	Original	Final	
Revenues			
Licenses and Permits	\$ 25,150	25,150	35,632
Interest Income	—	—	193
Total Revenues	<u>25,150</u>	<u>25,150</u>	<u>35,825</u>
Expenditures			
Capital Outlay	<u>399,000</u>	<u>399,000</u>	<u>198,028</u>
Net Change in Fund Balance	<u>(373,850)</u>	<u>(373,850)</u>	(162,203)
Fund Balance - Beginning			<u>577,745</u>
Fund Balance - Ending			<u><u>415,542</u></u>

**VILLAGE OF PEOTONE, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**March 31, 2022**

	Business Development District	Tax Increment Financing District #1	Tax Increment Financing District #2	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 338,818	48,450	19,285	406,553
Receivables - Net of Allowances				
Taxes	—	23,374	15,733	39,107
Due from Other Governments	68,007	—	—	68,007
Total Assets	406,825	71,824	35,018	513,667
<b>LIABILITIES</b>				
Accounts Payable	20,422	—	—	20,422
Other Payable	25,105	—	—	25,105
Total Liabilities	45,527	—	—	45,527
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	—	23,374	15,733	39,107
Total Liabilities and Deferred Inflows of Resources	45,527	23,374	15,733	84,634
<b>FUND BALANCES</b>				
Restricted	361,298	48,450	19,285	429,033
Total Liabilities, Deferred Inflows of Resources and Fund Balances	406,825	71,824	35,018	513,667



**VILLAGE OF PEOTONE, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Fiscal Year Ended March 31, 2022**

	Business Development District	Tax Increment Financing District #1	Tax Increment Financing District #2	Totals
Revenues				
Taxes	\$ —	8,064	15,918	23,982
Intergovernmental	290,309	—	—	290,309
Interest Income	106	24	5	135
Total Revenues	290,415	8,088	15,923	314,426
Expenditures				
Economic Development	155,463	39,406	1,592	196,461
Net Change in Fund Balances	134,952	(31,318)	14,331	117,965
Fund Balances - Beginning	226,346	79,768	4,954	311,068
Fund Balances - Ending	361,298	48,450	19,285	429,033

VILLAGE OF PEOTONE, ILLINOIS

Business Development - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended March 31, 2022

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	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Sales Taxes	\$ —	—	290,309
Interest Income	—	—	106
Total Revenues	—	—	290,415
Expenditures			
Economic Development	252,500	252,500	155,463
Net Change in Fund Balance	<u>(252,500)</u>	<u>(252,500)</u>	134,952
Fund Balance - Beginning			<u>226,346</u>
Fund Balance - Ending			<u><u>361,298</u></u>

VILLAGE OF PEOTONE, ILLINOIS

Tax Increment Financing District #1 - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended March 31, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ —	—	8,064
Interest Income	—	—	24
Total Revenues	—	—	8,088
Expenditures			
Economic Development	11,500	11,500	39,406
Net Change in Fund Balance	<u>(11,500)</u>	<u>(11,500)</u>	(31,318)
Fund Balance - Beginning			<u>79,768</u>
Fund Balance - Ending			<u>48,450</u>

VILLAGE OF PEOTONE, ILLINOIS

Tax Increment Financing District #2 - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended March 31, 2022

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ —	—	15,918
Interest Income	—	—	5
Total Revenues	—	—	15,923
Expenditures			
Economic Development	9,000	9,000	1,592
Net Change in Fund Balance	<u>(9,000)</u>	<u>(9,000)</u>	14,331
Fund Balance - Beginning			<u>4,954</u>
Fund Balance - Ending			<u>19,285</u>

**VILLAGE OF PEOTONE, ILLINOIS**

**Consolidated Year-End Financial Report  
March 31, 2022**

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CSFA #	Program Name	State	Federal	Other	Total
494-00-1488	Motor Fuel Tax Program	\$ 225,220	—	—	225,220
494-00-2356	Local Rebuild Illinois Bond Program	44,755	—	—	44,755
494-42-0495	Local Surface Transportation Program	97,505	—	—	97,505
	Other Grant Programs and Activities	—	—	6,626	6,626
	All Other Costs Not Allocated	—	—	3,408,738	3,408,738
	Totals	367,480	—	3,415,364	3,782,844

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