

VILLAGE OF PEOTONE, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
MARCH 31, 2023

208 E Main Street
Peotone, IL 60448
Phone: 708.258.3279
www.villageofpeotone.com

VILLAGE OF PEOTONE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	<u>1</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>5</u>
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	<u>15</u>
Statement of Activities	<u>17</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds	<u>19</u>
Reconciliation of Total Governmental Fund Balance to the Net Position of Governmental Activities	<u>21</u>
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>23</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities	<u>25</u>
Statement of Fiduciary Net Position	<u>26</u>
Statement of Changes in Fiduciary Net Position	<u>27</u>
Notes to Financial Statements	<u>28</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	<u>61</u>
Police Pension Fund	<u>62</u>
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	<u>64</u>
Police Pension Fund	<u>66</u>
Schedule of Investment Returns	
Police Pension Fund	<u>68</u>
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefit Plan	<u>69</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	<u>70</u>
Motor Fuel Tax - Special Revenue Fund	<u>71</u>
Tax Increment Financing District #2 - Special Revenue Fund	<u>72</u>

VILLAGE OF PEOTONE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues - Budget and Actual - General Fund	<u>76</u>
Schedule of Expenditures - Budget and Actual - General Fund	<u>77</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Improvement Fund - Capital Projects Fund	<u>81</u>
Combining Balance Sheet - Nonmajor Governmental - Special Revenue Funds	<u>82</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental - Special Revenue Funds	<u>83</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Business Development - Special Revenue Fund	<u>84</u>
Tax Increment Financing District #1 - Special Revenue Fund	<u>85</u>
Consolidated Year-End Financial Report	<u>86</u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	<u>87</u>

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.



INDEPENDENT AUDITORS' REPORT

September 11, 2023

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental 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, 2023, 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, each major fund, and the aggregate remaining fund information of the Village, as of March 31, 2023, and the respective changes in financial position, and, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and *Government 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, and required pension and other post-employment benefit (OPEB) schedules, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

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, 2023. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Village's net position increased \$685,293, or 5.4 percent, as a result of this year's operations.
- During the year, government-wide revenues totaled \$5,073,049, while expenses totaled \$4,387,756, resulting in an increase to net position of \$685,293.
- The Village's net position totaled \$13,358,909 on March 31, 2023, which includes \$5,549,416 net investment in capital assets, \$1,233,050 subject to external restrictions, and \$6,576,443 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease this year of \$327,579, or 2.8 percent, resulting in ending fund balance of \$11,512,891.

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).

The government-wide financial statement distinguishes 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.

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

USING THIS ANNUAL REPORT - Continued

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 two categories: governmental 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, Tax Increment Financing District #2 Fund, and the Capital Improvement Fund, all of which are considered major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements 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.

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.

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

USING THIS ANNUAL REPORT - Continued

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.

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 the Village's, assets/deferred outflows exceeded liabilities/deferred inflows by \$13,358,909.

	Net Position	
	2023	2022
Current and Other Assets	\$ 17,512,434	16,329,488
Capital Assets	5,778,439	4,842,476
Total Assets	23,290,873	21,171,964
Deferred Outflows of Resources	1,311,329	960,857
Outflows	24,602,202	22,132,821
Current Liabilities	809,588	687,823
Noncurrent Liabilities	7,878,651	4,841,093
Total Liabilities	8,688,239	5,528,916
Deferred Inflows of Resources	2,555,054	3,930,289
Inflows	11,243,293	9,459,205
Net Position		
Net Investment in Capital Assets	5,549,416	4,686,620
Restricted	1,233,050	1,164,918
Unrestricted	6,576,443	6,822,078
Total Net Position	13,358,909	12,673,616

A portion of the Village's net position, \$5,549,416 or approximately 41.5 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.

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

An additional portion, \$1,233,050 or 9.1 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 49.2 percent, or \$6,576,443, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position	
	Governmental	
	Activities	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 505,836	418,284
Operating Grants and Contrib.	80,561	161,561
Capital Grants and Contrib.	—	7,675
General Revenues		
Property Taxes	629,316	593,112
Other Taxes	3,051,280	2,784,507
Other	806,056	7,818
Total Revenues	<u>5,073,049</u>	<u>3,972,957</u>
Expenses		
General Government	(271,824)	436,073
Public Safety	2,082,235	1,828,112
Public Works	1,545,429	970,554
Communications	104,489	124,596
Economic Development	782,553	330,911
Building	98,723	84,446
Interest on Long-Term Debt	46,151	8,152
Total Expenses	<u>4,387,756</u>	<u>3,782,844</u>
Change in Net Position		
Before Transfers	685,293	190,113
Transfers	—	12,922
Change in Net Position	685,293	203,035
Net Position - Beginning	<u>12,673,616</u>	<u>12,470,581</u>
Net Position - Ending	<u>13,358,909</u>	<u>12,673,616</u>

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

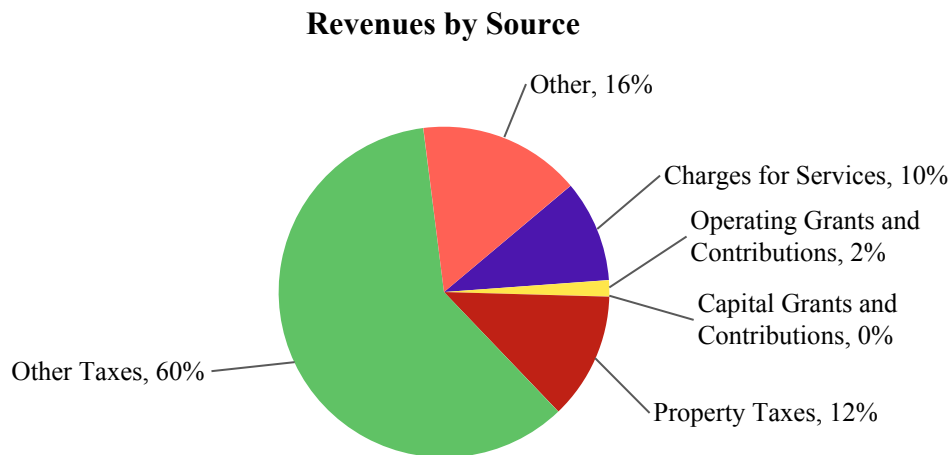
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position increased by 5.4 percent, \$13,358,909 in 2023 compared to a restated \$12,673,616 in 2022. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$6,576,443 at March 31, 2023.

Governmental Activities

Revenues for governmental activities totaled \$5,073,049, while the cost of all governmental functions totaled \$4,387,756. This results in a surplus of \$685,293. In 2022, revenues of \$3,972,957 exceeded expenses of \$3,782,844, resulting in a surplus of \$203,035. The surplus in 2023 was due to the recognition of ARPA revenues in the amount of approximately \$559,000, offset by road improvement project spending exceeding revenues within the Village's Motor Fuel Tax Fund. Available fund balance provided partial funding for this project.

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.



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.

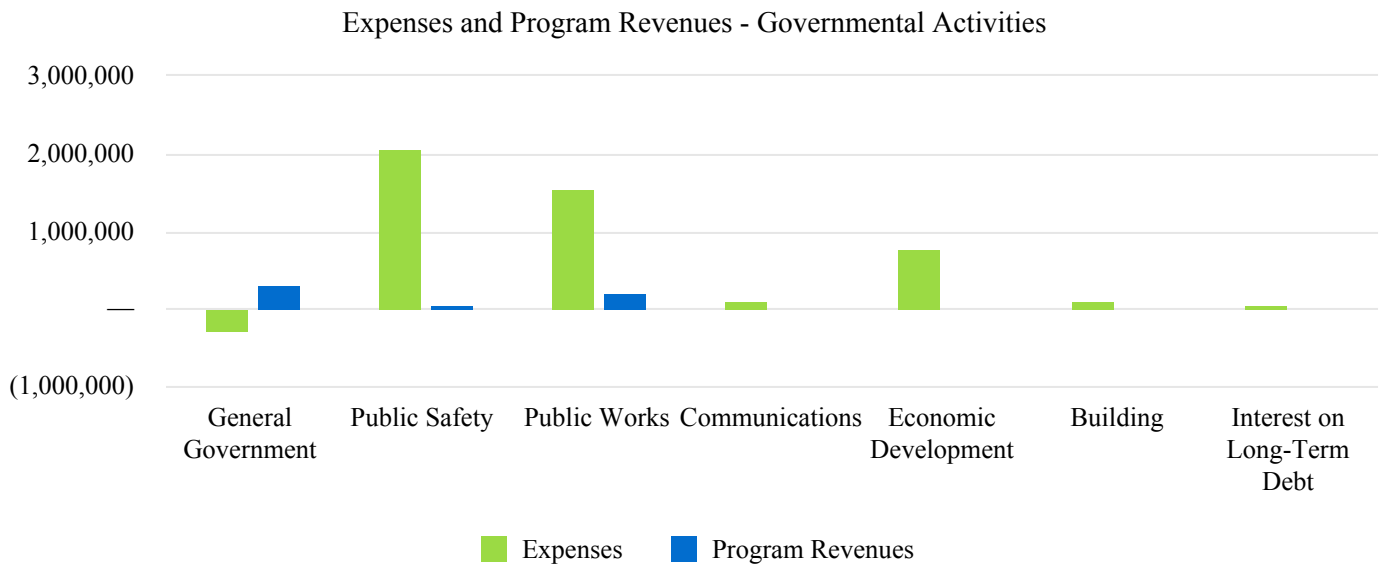
VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued



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 \$15,948,850, which is an increase of \$2,603,933, or 19.5 percent, from last year's total of \$13,344,917. Of the \$15,948,850, \$11,225,891, or approximately 70.4 percent, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. At March 31, 2023, unassigned fund balance in the General Fund was \$11,225,891, which represents 97.5 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 236.0 percent of total General Fund expenditures.

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The General Fund reported a decrease in fund balance for the year of \$327,579, or 2.8 percent, due to a planned draw down on fund balance of approximately \$1.2 million, offset by the recognition of APRA revenues, as well as use, income and utility tax revenues higher than anticipated.

The Motor Fuel Tax Fund reported a decrease of \$246,356, or 37.3 percent, in the current year. This decrease was due to state revenues being lower than the expenditures spent in the current year.

The Tax Increment Financing District #2 Fund reported an increase of \$3,028,701, or 15,705.0 percent in the current year, due to an issuance of General Obligation Bonds.

The Capital Improvements Fund reported a decrease of \$10,565, or 2.5 percent in the current year, due to a planned drawdown of fund balance to fund FY2023 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 \$4,429,372, compared to budgeted revenues of \$6,468,707. 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 \$3,082,527 under budget (\$4,756,951 actual compared to \$7,839,478 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, 2023 was \$5,778,439 (net of accumulated depreciation). This investment in capital assets includes land, transportation network, building and improvements, equipment, and vehicles.

	Capital Assets - Net of Depreciation	
	2023	2022
Land	\$ 119,503	109,776
Construction in Progress	155,477	34,697
Transportation Network	4,539,048	3,775,559
Building and Improvements	381,834	400,753
Equipment	76,641	92,321
Vehicles	505,936	429,370
Totals	<u>5,778,439</u>	<u>4,842,476</u>

VILLAGE OF PEOTONE, ILLINOIS

Management's Discussion and Analysis

March 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

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

Land	\$	9,727
Construction in Progress		155,477
Transportation Network		884,149
Building and Improvements		30,268
Vehicles		167,163
		<u>1,246,784</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 \$3,174,123 as compared to \$155,856 the previous year, an increase of 1936.6 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2023	2022
Leases	\$ 119,123	155,856
General Obligation Bonds	3,055,000	—
	<u>3,174,123</u>	<u>155,856</u>

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 Board and staff considered many factors when setting the fiscal-year 2024 budget, including current and potential revenue sources and the significant capital projects the Village is currently undertaking. In addition, the Village considered the general and local economy and the effects inflation and unemployment of the Village's various revenue sources.

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

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, 2023

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Statement of Net Position

March 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 15,770,275
Receivables - Net	1,522,216
Health Insurance Escrow	120,252
Prepays	99,691
Total Current Assets	<u>17,512,434</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	274,980
Depreciable	10,674,362
Accumulated Depreciation	(5,170,903)
Total Noncurrent Assets	<u>5,778,439</u>
Total Assets	<u>23,290,873</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	426,362
Deferred Items - Police Pension	884,967
Total Deferred Outflows of Resources	<u>1,311,329</u>
Total Assets and Deferred Outflows of Resources	<u>24,602,202</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 310,874
Accrued Payroll	43,360
Escrow Deposits	151,992
Other Payables	199,391
Accrued Interest Payable	40,141
Current Portion of Long-Term Debt	63,830
Total Current Liabilities	<u>809,588</u>
Noncurrent Liabilities	
Compensated Absences	102,707
Leases Payable	80,970
Net Pension Liability - IMRF	46,113
Net Pension Liability - Police Pension	3,640,208
General Obligation Bonds	3,055,000
Total OPEB Liability - RBP	953,653
Total Noncurrent Liabilities	<u>7,878,651</u>
Total Liabilities	<u>8,688,239</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	282,066
Deferred Items - Police Pension	1,554,724
Property Taxes	718,264
Total Deferred Inflows of Resources	<u>2,555,054</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,243,293</u>
NET POSITION	
Net Investment in Capital Assets	5,549,416
Restricted - Drug Seizure	76,013
Restricted - Building Permit Escrow	51,229
Restricted - Vehicle Fund	60,067
Restricted - Motor Fuel Tax	413,516
Restricted - Economic Development	632,225
Unrestricted	<u>6,576,443</u>
Total Net Position	<u><u>13,358,909</u></u>

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Activities

March 31, 2023

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Change in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ (271,824)	308,470	—	—	580,294
Public Safety	2,082,235	66,807	—	—	(2,015,428)
Public Works	1,545,429	130,559	80,561	—	(1,334,309)
Communications	104,489	—	—	—	(104,489)
Economic Development	782,553	—	—	—	(782,553)
Building	98,723	—	—	—	(98,723)
Interest on Long-Term Debt	46,151	—	—	—	(46,151)
Total Primary Government	4,387,756	505,836	80,561	—	(3,801,359)

General Revenues

Taxes

Property Taxes 629,316

Utility Taxes 313,415

Intergovernmental - Unrestricted

State Income Taxes 670,549

State Sales Taxes 1,662,354

Replacement Taxes 95,809

Other Taxes 309,153

Grants 563,334

Interest 124,158

Miscellaneous 118,564

4,486,652

Change in Net Position 685,293

Net Position - Beginning 12,673,616

Net Position - Ending 13,358,909

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

VILLAGE OF PEOTONE, ILLINOIS

Balance Sheet - Governmental Funds

March 31, 2023

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Balance Sheet - Governmental Funds

March 31, 2023

	<u>General</u>
ASSETS	
Cash and Investments	\$ 11,762,432
Receivables - Net of Allowances	
Taxes	1,058,686
Other Taxes	146,385
Accounts	—
Health Insurance Escrow	120,252
Prepays	99,691
Due from Other Governments	—
Due from Other Funds	<u>111,412</u>
Total Assets	<u><u>13,298,858</u></u>
LIABILITIES	
Accounts Payable	310,874
Accrued Payroll	43,360
Escrow Deposits	151,992
Other Payables	174,286
Due to Other Funds	<u>436,499</u>
Total Liabilities	1,117,011
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>668,956</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>1,785,967</u></u>
FUND BALANCES	
Nonspendable	99,691
Restricted	187,309
Committed	—
Unassigned	<u>11,225,891</u>
Total Fund Balances	<u><u>11,512,891</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u><u>13,298,858</u></u></u>

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

	Special Revenue		Capital Projects		
Motor Fuel Tax	Tax Increment Financing District #2		Capital Improvement	Nonmajor	Totals
408,491	3,048,236		435,245	115,871	15,770,275
—	15,453		—	33,855	1,107,994
12,907	—		—	—	159,292
—	—		—	61,237	61,237
—	—		—	—	120,252
—	—		—	—	99,691
—	—		—	53,990	53,990
—	—		—	436,499	547,911
421,398	3,063,689		435,245	701,452	17,920,642
—	—		—	—	310,874
—	—		—	—	43,360
—	—		—	—	151,992
—	—		—	25,105	199,391
7,882	250		30,268	73,012	547,911
7,882	250		30,268	98,117	1,253,528
—	15,453		—	33,855	718,264
7,882	15,703		30,268	131,972	1,971,792
—	—		—	—	99,691
413,516	3,047,986		—	569,480	4,218,291
—	—		404,977	—	404,977
—	—		—	—	11,225,891
413,516	3,047,986		404,977	569,480	15,948,850
421,398	3,063,689		435,245	701,452	17,920,642

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, 2023

Total Governmental Fund Balances	\$ 15,948,850
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.	5,778,439
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
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	144,296
Deferred Items - Police Pension	(669,757)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(128,384)
Accrued Interest Payable	(40,141)
Issuance of Debt	(3,055,000)
Net Pension Liability - IMRF	(46,113)
Net Pension Liability - Police Pension	(3,640,208)
Total OPEB Liability - RPB	(953,653)
Leases	(119,123)
Net Position of Governmental Activities	<u><u>13,358,909</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 Balances - Governmental Funds
For the Fiscal Year Ended March 31, 2023**

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended March 31, 2023

	<u>General</u>
Revenues	
Taxes	\$ 952,038
Intergovernmental	2,779,564
Licenses and Permits	230,197
Fines and Forfeitures	114,318
Interest Income	97,906
Miscellaneous	255,349
Total Revenues	<u>4,429,372</u>
Expenditures	
General Government	726,517
Public Safety	2,158,711
Public Works	1,088,867
Communications	104,489
Economic Development	484,373
Building	98,723
Capital Outlay	52,528
Debt Service	
Principal Retirement	36,733
Interest and Fiscal Charges	6,010
Total Expenditures	<u>4,756,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(327,579)
Other Financing Sources	
Debt Issuance	<u>—</u>
Net Change in Fund Balances	(327,579)
Fund Balances - Beginning	<u>11,840,470</u>
Fund Balances - Ending	<u><u>11,512,891</u></u>

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

Special Revenue		Capital Projects			
Motor Fuel Tax	Tax Increment Financing District #2	Capital Improvement	Nonmajor	Totals	
—	15,733	—	22,843	990,614	
187,153	—	—	367,160	3,333,877	
—	—	24,536	—	254,733	
—	—	—	—	114,318	
208	25,740	167	137	124,158	
—	—	—	—	255,349	
187,361	41,473	24,703	390,140	5,073,049	
—	—	—	—	726,517	
—	—	—	—	2,158,711	
433,717	—	—	—	1,522,584	
—	—	—	—	104,489	
—	67,772	—	230,408	782,553	
—	—	—	—	98,723	
—	—	35,268	—	87,796	
—	—	—	—	36,733	
—	—	—	—	6,010	
433,717	67,772	35,268	230,408	5,524,116	
(246,356)	(26,299)	(10,565)	159,732	(451,067)	
—	3,055,000	—	—	3,055,000	
(246,356)	3,028,701	(10,565)	159,732	2,603,933	
659,872	19,285	415,542	409,748	13,344,917	
413,516	3,047,986	404,977	569,480	15,948,850	

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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 2,603,933

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	1,246,784
Depreciation Expense	(295,800)
Disposals - Cost	(101,679)
Disposals - Accumulated Depreciation	86,658

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	1,087,839
Change in Deferred Items - Police Pension	400,189

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	23,462
Change in Net Pension Liability - IMRF	(1,314,317)
Change in Net Pension Liability - Police Pension	(39,677)
Change in Total OPEB Liability - RBP	46,309
Issuance of Debt	(3,055,000)
Retirement of Debt	36,733

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.

(40,141)

Changes in Net Position of Governmental Activities

685,293

VILLAGE OF PEOTONE, ILLINOIS

Statement of Fiduciary Net Position

March 31, 2023

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,483,449
Investments	
Illinois Police Officers Pension Investment Fund	<u>1,439,921</u>
Total Assets	2,923,370
LIABILITIES	
Accounts Payable	<u>375</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>2,922,995</u></u>

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Changes in Fiduciary Net Position

March 31, 2023

	Pension Trust <hr/> Police Pension <hr/>
Additions	
Contributions - Employer	\$ 591,972
Contributions - Plan Members	<u>60,717</u>
Total Contributions	<u>652,689</u>
Investment Income	
Investment Expense	(622)
Net Change in Fair Value	<u>(3,763)</u>
Total Additions	<u>648,304</u>
Deductions	
Administration	15,554
Benefits	<u>302,279</u>
Total Deductions	<u>317,833</u>
Change in Fiduciary Net Position	330,471
Net Position Restricted for Pensions	
Beginning	<u>2,592,524</u>
Ending	<u><u>2,922,995</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, 2023

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

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 governmental. The Village's general government, economic development, public safety, and public work services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns is: (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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Financial Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (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) 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 two major categories: governmental and fiduciary. The emphasis in fund financial statements is on the major funds. 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

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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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. The Tax Increment Financing District #2, a major 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.

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.

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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, governmental is 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.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

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 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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

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.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a 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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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:

Transportation Network	10 - 50 Years
Buildings and Improvements	7 - 30 Years
Equipment	5 - 40 Years
Vehicles	5 - 20 Years

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.

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, 2023

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 March 28, 2022.

The Village has adopted operating budgets for all funds.

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 #2	\$ 57,272

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental activities totaled \$4,030,363 and the bank balances totaled \$3,979,631.

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	\$ 5,002,042	3,025,686	741,144	1,235,212	—
Illinois Funds	49,396	49,396	—	—	—
IMET	9,574	9,574	—	—	—
Illinois Trust	6,678,900	6,678,900	—	—	—
Totals	11,739,912	9,763,556	741,144	1,235,212	—

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

Investments - Continued. The Village has the following recurring fair value measurements as of March 31, 2023:

- U.S. Treasury Securities of \$5,002,042 are valued using quoted market prices (Level 1 inputs)
- Illinois Funds of \$49,396, IMET of \$9,574, and Illinois Trust of \$6,678,900 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).

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on May 9, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$1,483,449 and the bank balances totaled \$1,483,449.

Custodial Credit Risk. 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 the custodian which are subordinate to the Fund's claims to rights to these securities. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$1,439,921 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended March 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2022 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 BALANCES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Motor Fuel Tax	\$ 7,882
General	TIF #2	250
General	Capital Improvement	30,268
General	Nonmajor Governmental	72,762
General	Nonmajor Governmental	250
Nonmajor Governmental	General	<u>436,499</u>
		<u><u>547,911</u></u>

Interfund balances are advances in anticipation of receipts.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 109,776	9,727	—	119,503
Construction in Progress	34,697	155,477	34,697	155,477
	<u>144,473</u>	<u>165,204</u>	<u>34,697</u>	<u>274,980</u>
Depreciable Capital Assets				
Transportation Network	7,622,067	918,846	—	8,540,913
Building and Improvements	535,432	30,268	—	565,700
Equipment	537,290	—	18,447	518,843
Vehicles	964,975	167,163	83,232	1,048,906
	<u>9,659,764</u>	<u>1,116,277</u>	<u>101,679</u>	<u>10,674,362</u>
Less Accumulated Depreciation				
Transportation Network	3,846,508	155,357	—	4,001,865
Building and Improvements	134,679	49,187	—	183,866
Equipment	444,969	15,680	18,447	442,202
Vehicles	535,605	75,576	68,211	542,970
	<u>4,961,761</u>	<u>295,800</u>	<u>86,658</u>	<u>5,170,903</u>
Total Net Depreciable Capital Assets	<u>4,698,003</u>	<u>820,477</u>	<u>15,021</u>	<u>5,503,459</u>
Total Net Capital Assets	<u>4,842,476</u>	<u>985,681</u>	<u>49,718</u>	<u>5,778,439</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 3,940
Public Safety	269,015
Public Works	<u>22,845</u>
	<u>295,800</u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Leases Payable

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 leases expire at various dates through 2026. The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2024	\$ 38,153	4,600
2025	39,629	3,124
2026	41,341	1,412
	119,123	9,136

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,055,000 General Obligation Refunding Bonds of 2022, due in annual installments of \$40,000 to \$295,000, plus interest at 4.84% through maturity on December 1, 2042.	\$ —	3,055,000	—	3,055,000

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 151,846	23,262	46,724	128,384	25,677
Net Pension Liability/(Asset) - IMRF	(1,268,204)	1,314,317	—	46,113	—
Net Pension Liability - Police Pension	3,600,531	39,677	—	3,640,208	—
Total OPEB Liability - RBP	999,962	—	46,309	953,653	—
General Obligation Bonds	—	3,055,000	—	3,055,000	—
Leases Payable	155,856	—	36,733	119,123	38,153
	<u>3,639,991</u>	<u>4,432,256</u>	<u>129,766</u>	<u>7,942,481</u>	<u>63,830</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. The general obligation bonds is being paid out of the Tax increment Financing District #2 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 - 2022	<u>\$ 109,777,206</u>
Legal Debt Limit - 5.00% of Assessed Value	5,488,860
Amount of Debt Applicable to Limit	<u>119,123</u>
Legal Debt Margin	<u><u>5,369,737</u></u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2024	\$ —	140,058
2025	—	140,058
2026	40,000	147,862
2027	90,000	147,862
2028	100,000	145,926
2029	105,000	136,730
2030	115,000	131,648
2031	125,000	126,082
2032	135,000	120,032
2033	145,000	113,498
2034	155,000	106,480
2035	170,000	98,978
2036	180,000	90,750
2037	195,000	82,038
2038	210,000	72,600
2039	225,000	62,436
2040	240,000	51,546
2041	255,000	39,930
2042	275,000	27,588
2043	295,000	14,278
Totals	<u>3,055,000</u>	<u>1,996,380</u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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 2023 totaled \$70,474 for an accumulated rebate of \$634,144.

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 2023 totaled \$51,147 for an accumulated rebate of \$445,577.

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 2023 totaled \$17,376 for an accumulated rebate of \$176,896.

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, 2023 were approximately \$6,370.

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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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.

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	\$ 99,691	—	—	—	99,691
Restricted					
Drug Seizure	76,013	—	—	—	76,013
Building Permit Escrow	51,229	—	—	—	51,229
Vehicle Fund	60,067	—	—	—	60,067
Motor Fuel Tax	—	413,516	—	—	413,516
Economic Development	—	—	—	3,617,466	3,617,466
	187,309	413,516	—	3,617,466	4,218,291
Committed					
Capital Improvements	—	—	404,977	—	404,977
Unassigned	11,225,891	—	—	—	11,225,891
Total Fund Balances	11,512,891	413,516	404,977	3,617,466	15,948,850

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 5,778,439
Plus: Unspent Bond Proceeds	2,945,100
Less Capital Related Debt:	
General Obligation Bonds	(3,055,000)
Leases Payable	<u>(119,123)</u>
Net Investment in Capital Assets	<u>5,549,416</u>

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:

	<u>PPO</u>	<u>HMO</u>
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, 2023, 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.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

INTERGOVERNMENTAL 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 \$107,144 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.

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.

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. 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 Liabilities	Deferred Outflows	Deferred Inflows	Pension Expenses
IMRF	\$ 46,113	426,362	(282,066)	235,079
Police Pension	3,640,208	884,967	(1,554,724)	231,460
	<u>3,686,321</u>	<u>1,311,329</u>	<u>(1,836,790)</u>	<u>466,539</u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	23
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>7</u>
Total	<u><u>38</u></u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2023, the Village's contribution rate was 1.95% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2022. 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, 2022, 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	2.75%
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, 2023

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	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

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 liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 632,022	46,113	(418,609)

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2021	\$ 5,231,486	6,499,690	(1,268,204)
Changes for the Year:			
Service Cost	44,499	—	44,499
Interest on the Total Pension Liability	368,249	—	368,249
Difference Between Expected and Actual Experience of the Total Pension Liability	(449,038)	—	(449,038)
Changes of Assumptions	—	—	—
Contributions - Employer	—	12,898	(12,898)
Contributions - Employees	—	38,724	(38,724)
Net Investment Income	—	(922,624)	922,624
Benefit Payments, Including Refunds of Employee Contributions	(348,871)	(348,871)	—
Other (Net Transfer)	—	(479,605)	479,605
Net Changes	(385,161)	(1,699,478)	1,314,317
Balances at December 31, 2022	4,846,325	4,800,212	46,113

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

For the year ended March 31, 2023, the Village recognized pension expense of \$235,079. At March 31, 2023, 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, 2023

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	\$ —	(282,066)	(282,066)
Change in Assumptions	—	—	—
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	425,372	—	425,372
Total Pension Expense to be Recognized in Future Periods	425,372	(282,066)	143,306
Pension Contributions Made Subsequent to the Measurement Date	990	—	990
 Total Deferred Amounts Related to IMRF	 426,362	 (282,066)	 144,296

\$990 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 30, 2024. 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
2024	\$ (262,736)
2025	(16,616)
2026	149,519
2027	273,139
2028	—
Thereafter	—
Total	143,306

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2023, 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 $\frac{1}{2}$ 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 $\frac{1}{2}$ 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., $\frac{1}{2}$ 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 1st 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 $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2023 the Village's contribution was 96.17% 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, 2023, 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, 2023

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%, 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 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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 4,639,057	3,640,208	2,828,185

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2022	\$ 6,193,055	2,592,524	3,600,531
Changes for the Year:			
Service Cost	191,962	—	191,962
Interest on the Total Pension Liability	367,219	—	367,219
Changes of Benefit Terms	(3,921)	—	(3,921)
Difference Between Expected and Actual Experience of the Total Pension Liability	90,586	—	90,586
Changes of Assumptions	26,581	—	26,581
Contributions - Employer	—	591,972	(591,972)
Contributions - Employees	—	60,717	(60,717)
Net Investment Income	—	(4,385)	4,385
Benefit Payments, Including Refunds of Employee Contributions	(302,279)	(302,279)	—
Other (Net Transfer)	—	(15,554)	15,554
Net Changes	370,148	330,471	39,677
Balances at March 31, 2023	6,563,203	2,922,995	3,640,208

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

For the year ended March 31, 2023, the Village recognized pension expense of \$231,460. At March 31, 2023, 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, 2023

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	\$ 302,712	(604,588)	(301,876)
Change in Assumptions	402,852	(950,136)	(547,284)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	179,403	—	179,403
Total Deferred Amounts Related to Police Pension	<u>884,967</u>	<u>(1,554,724)</u>	<u>(669,757)</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 (Inflows) of Resources
2024	\$ (131,801)
2025	(202,365)
2026	(194,652)
2027	(137,180)
2028	(376)
Thereafter	<u>(3,383)</u>
Total	<u>(669,757)</u>

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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, 2023, 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, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the March 31, 2023 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, 2023

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	3.72%
Healthcare Cost Trend Rates	Starting at 7.00% for HMO and 7.30% for PPO with an ultimate rate of 5.00% 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

	Total OPEB Liability
Balance at March 31, 2022	\$ 999,962
Changes for the Year:	
Service Cost	31,314
Interest on the Total OPEB Liability	27,113
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(91,142)
Benefit Payments	(13,594)
Net Changes	(46,309)
Balance at March 31, 2023	953,653

VILLAGE OF PEOTONE, ILLINOIS

Notes to the Financial Statements

March 31, 2023

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 3.72%, while the prior year used a discount rate of 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 (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	\$ 1,062,188	953,653	862,174

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	\$ 848,160	953,653	1,079,148

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

For the year ended March 31, 2023, the Village recognized OPEB revenue of \$32,715. 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.

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, 2023**

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%
2023	8,601	8,601	—	441,452	1.95%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using 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.

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, 2023

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	278,776	207,025	(71,751)	531,055	38.98%
2020	343,130	210,855	(132,275)	540,888	38.98%
2021	573,823	585,070	11,247	564,383	103.67%
2022	639,784	600,909	(38,875)	611,756	98.23%
2023	598,643	591,972	(6,671)	615,550	96.17%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	4.50%
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, 2023

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Illinois Municipal Retirement Fund

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

March 31, 2023

	<u>12/31/2015</u>	<u>12/31/2016</u>
Total Pension Liability		
Service Cost	\$ 57,086	59,336
Interest	363,687	378,750
Differences Between Expected and Actual Experience	77,144	69,125
Change of Assumptions	6,048	(6,126)
Benefit Payments, Including Refunds of Member Contributions	<u>(269,056)</u>	<u>(325,968)</u>
Net Change in Total Pension Liability	234,909	175,117
Total Pension Liability - Beginning	<u>4,955,146</u>	<u>5,190,055</u>
 Total Pension Liability - Ending	 <u>5,190,055</u>	 <u>5,365,172</u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 47,269	55,350
Contributions - Members	26,549	26,564
Net Investment Income	24,394	329,255
Benefit Payments, Including Refunds of Member Contributions	<u>(269,056)</u>	<u>(325,968)</u>
Other (Net Transfer)	<u>46,005</u>	<u>150,714</u>
Net Change in Plan Fiduciary Net Position	(124,839)	235,915
Plan Net Position - Beginning	<u>4,976,400</u>	<u>4,851,561</u>
 Plan Net Position - Ending	 <u>4,851,561</u>	 <u>5,087,476</u>
 Employer's Net Pension Liability/(Asset)	 <u>\$ 338,494</u>	 <u>277,696</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 93.48%	 94.82%
 Covered Payroll	 \$ 532,300	 541,588
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	 63.59%	 51.27%

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

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
55,401	49,566	43,481	55,030	53,489	44,499
391,649	397,882	369,791	378,790	372,781	368,249
154,736	(452,316)	50,838	(74,554)	(113,778)	(449,038)
(181,655)	137,159	—	(70,116)	—	—
(341,775)	(326,431)	(341,127)	(350,395)	(392,132)	(348,871)
78,356	(194,140)	122,983	(61,245)	(79,640)	(385,161)
5,365,172	5,443,528	5,249,388	5,372,371	5,311,126	5,231,486
5,443,528	5,249,388	5,372,371	5,311,126	5,231,486	4,846,325
51,260	47,728	37,201	50,108	34,087	12,898
25,764	22,303	24,530	24,888	20,452	38,724
923,940	(366,294)	953,775	824,734	1,035,273	(922,624)
(341,775)	(326,431)	(341,127)	(350,395)	(392,132)	(348,871)
(83,495)	(226,174)	58,934	(53,113)	(241,827)	(479,605)
575,694	(848,868)	733,313	496,222	455,853	(1,699,478)
5,087,476	5,663,170	4,814,302	5,547,615	6,043,837	6,499,690
5,663,170	4,814,302	5,547,615	6,043,837	6,499,690	4,800,212
(219,642)	435,086	(175,244)	(732,711)	(1,268,204)	46,113
104.03%	91.71%	103.26%	113.80%	124.24%	99.05%
510,052	495,611	541,510	553,062	454,501	429,922
(43.06%)	87.79%	(32.36%)	(132.48%)	(279.03%)	(10.73%)

VILLAGE OF PEOTONE, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

March 31, 2023

	<u>3/31/2016</u>	<u>3/31/2017</u>
Total Pension Liability		
Service Cost	\$ 169,872	194,947
Interest	240,898	280,291
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	8,423	(412,151)
Change of Assumptions	533,675	(222,498)
Benefit Payments, Including Refunds of Member Contributions	(162,576)	(167,446)
Net Change in Total Pension Liability	790,292	(326,857)
Total Pension Liability - Beginning	4,899,249	5,689,541
Total Pension Liability - Ending	<u>5,689,541</u>	<u>5,362,684</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 171,034	186,247
Contributions - Members	43,775	46,794
Net Investment Income	10,089	26,093
Benefit Payments, Including Refunds of Member Contributions	(162,576)	(167,446)
Other (Net Transfer)	(6,013)	(6,335)
Net Change in Plan Fiduciary Net Position	56,309	85,353
Plan Net Position - Beginning	1,172,785	1,229,094
Plan Net Position - Ending	<u>1,229,094</u>	<u>1,314,447</u>
Employer's Net Pension Liability	<u>\$ 4,460,447</u>	<u>4,048,237</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.60%	24.51%
Covered Payroll	\$ 462,998	445,706
Employer's Net Pension Liability as a Percentage of Covered Payroll	963.38%	908.28%

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

3/31/2018	3/31/2019	3/31/2020	3/31/2021	3/31/2022	3/31/2023
169,918	236,285	200,252	239,543	249,229	191,962
237,441	283,740	304,341	333,042	319,393	367,219
—	—	11,940	—		(3,921)
410,077	(183,234)	(378,911)	(690,576)	296,856	90,586
379,020	124,621	668,009	—	(1,425,204)	26,581
(172,436)	(177,547)	(215,391)	(198,826)	(191,211)	(302,279)
1,024,020	283,865	590,240	(316,817)	(750,937)	370,148
5,362,684	6,386,704	6,670,569	7,260,809	6,943,992	6,193,055
6,386,704	6,670,569	7,260,809	6,943,992	6,193,055	6,563,203
163,970	207,025	210,855	585,070	600,909	591,972
47,724	49,630	55,370	56,598	60,626	60,717
48,312	31,359	18,912	118,415	23,631	(4,385)
(172,436)	(177,547)	(215,391)	(198,826)	(191,211)	(302,279)
(8,113)	(9,025)	(7,794)	(9,200)	(10,786)	(15,554)
79,457	101,442	61,952	552,057	483,169	330,471
1,314,447	1,393,904	1,495,346	1,557,298	2,109,355	2,592,524
1,393,904	1,495,346	1,557,298	2,109,355	2,592,524	2,922,995
4,992,800	5,175,223	5,703,511	4,834,637	3,600,531	3,640,208
21.83%	22.42%	21.45%	30.38%	41.86%	44.54%
464,014	531,055	540,888	564,383	611,756	615,550
1076.00%	974.52%	1054.47%	856.62%	(588.56%)	(591.37%)

VILLAGE OF PEOTONE, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

March 31, 2023

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%)
2023	1.06%

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, 2023

	3/31/2022	3/31/2023
Total OPEB Liability		
Service Cost	\$ 33,046	31,314
Interest	23,484	27,113
Difference Between Expected and Actual Experience	—	—
Change of Assumptions or Other Inputs		
Benefit Payments	(49,261)	(91,142)
Other Changes	(13,282)	(13,594)
Net Change in Total OPEB Liability	(6,013)	(46,309)
Total OPEB Liability - Beginning	1,005,975	999,962
Total OPEB Liability - Ending	999,962	953,653
Covered-Employee Payroll	\$ 1,037,329	1,036,977
Total OPEB Liability as a Percentage of Covered-Employee Payroll	96.40%	91.96%

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.

Changes of Assumptions. Change of assumption related to the discount rate were made in 2022 and 2023 .

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 802,208	710,350	952,038
Intergovernmental	5,415,507	5,415,507	2,779,564
Licenses and Permits	187,750	187,750	230,197
Fines and Forfeitures	45,000	45,000	114,318
Interest Income	20,100	20,100	97,906
Miscellaneous	90,000	90,000	255,349
Total Revenues	<u>6,560,565</u>	<u>6,468,707</u>	<u>4,429,372</u>
Expenditures			
General Government	828,836	753,592	726,517
Public Safety	2,208,287	2,008,033	2,158,711
Public Works	1,384,039	1,258,268	1,088,867
Communications	144,650	131,850	104,489
Economic Development	3,734,308	3,394,925	484,373
Building	148,475	135,925	98,723
Capital Outlay	123,200	115,500	52,528
Debt Service			
Principal Retirement	38,902	35,365	36,733
Interest and Fiscal Charges	6,622	6,020	6,010
Total Expenditures	<u>8,617,319</u>	<u>7,839,478</u>	<u>4,756,951</u>
Net Change in Fund Balance	<u>(2,056,754)</u>	<u>(1,370,771)</u>	(327,579)
Fund Balance - Beginning			<u>11,840,470</u>
Fund Balance - Ending			<u><u>11,512,891</u></u>

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 165,680	165,680	167,829
Grants	54,496	54,496	19,324
Interest Income	200	200	208
Total Revenues	<u>220,376</u>	<u>220,376</u>	187,361
Expenditures			
Public Works			
Transportation	<u>449,750</u>	<u>449,750</u>	433,717
Net Change in Fund Balance	<u>(229,374)</u>	<u>(229,374)</u>	(246,356)
Fund Balance - Beginning			<u>659,872</u>
Fund Balance - Ending			<u>413,516</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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 16,100	16,100	15,733
Interest Income	—	5	25,740
Total Revenues	16,100	16,105	41,473
Expenditures			
Economic Development	11,550	10,500	67,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,550	5,605	(26,299)
Debt Issuance	—	—	3,055,000
Net Change in Fund Balance	4,550	5,605	3,028,701
Fund Balance - Beginning			19,285
Fund Balance - Ending			3,047,986

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

GENERAL FUND

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

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.

INDIVIDUAL FUND DESCRIPTIONS - Continued

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.

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.

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended March 31, 2023

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 504,208	412,350	590,740
Utility Taxes	250,000	250,000	313,415
Road and Bridge Taxes	48,000	48,000	47,883
	<u>802,208</u>	<u>710,350</u>	<u>952,038</u>
Intergovernmental			
Personal Replacement Taxes	89,231	89,231	95,809
Income Tax	555,000	555,000	670,549
Auto Rental Tax	50	50	—
Sales Tax	1,200,000	1,200,000	1,356,431
Gaming Tax	80,000	80,000	93,441
Grants	3,491,226	3,491,226	563,334
	<u>5,415,507</u>	<u>5,415,507</u>	<u>2,779,564</u>
Licenses and Permits	187,750	187,750	230,197
Fines and Forfeitures			
Police Collections	5,000	5,000	66,807
Fines	40,000	40,000	47,511
	<u>45,000</u>	<u>45,000</u>	<u>114,318</u>
Interest Income (Loss)	20,100	20,100	97,906
Miscellaneous			
Franchise Agreements	75,000	75,000	130,559
Reimbursement	—	—	6,226
Miscellaneous	15,000	15,000	118,564
	<u>90,000</u>	<u>90,000</u>	<u>255,349</u>
Total Revenues	<u>6,560,565</u>	<u>6,468,707</u>	<u>4,429,372</u>

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended March 31, 2023

	Budget		Actual
	Original	Final	
General Government			
Salaries	\$ 256,706	233,369	206,083
Social Security and Medicare	19,638	17,853	15,563
Illinois Municipal Retirement	9,947	9,043	3,057
Unemployment Tax	550	500	95
Employee's Health Insurance	99,752	90,684	51,455
Maintenance - Buildings	19,250	17,500	6,925
Maintenance - Equipment	14,575	13,325	5,193
General Insurance	24,750	22,500	22,970
Telephone/Fax	8,800	8,000	8,286
Utilities	1,100	1,000	23
Travel	6,600	6,000	2,058
Postage	3,630	3,330	1,797
Printing/Publishing	11,000	10,000	7,939
Legal Fees	77,000	70,000	62,667
Auditing Services	20,900	19,000	13,500
Engineering	27,500	25,000	11,310
Other Professional Services	42,900	39,000	129,943
Training	4,318	3,925	3,591
Dues/Subscriptions	13,316	12,105	11,143
Community Relations	1,650	1,500	1,445
Office Supplies	4,400	4,000	7,104
Other Supplies	2,750	2,500	196
Sundry Expenditures	1,100	1,000	2,121
Christmas in the Village	11,000	10,000	11,012
Sales Tax Rebate	145,704	132,458	141,041
Total General Government	828,836	753,592	726,517
Public Safety			
Police			
Salaries	940,694	855,176	886,377
Social Security and Medicare	71,963	65,421	67,039
Illinois Municipal Retirement	2,362	2,147	1,156
Unemployment Tax	1,320	1,200	409
Employee's Health Insurance	261,582	237,802	221,248
Pension Expenditures	626,991	569,992	592,000
Maintenance - Buildings	11,000	10,000	8,983

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended March 31, 2023

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police - Continued			
Maintenance - Equipment	\$ 55,000	50,000	152,280
General Insurance	72,600	66,000	65,814
Telephone/Fax	11,550	10,500	12,083
Utilities	1,100	1,000	404
Rental	1,100	1,000	600
Travel	1,650	1,650	—
Postage	1,320	1,200	1,814
Printing/Publishing	1,650	1,500	873
Legal Fees	22,000	20,000	21,000
Other Professional Services	29,700	27,000	41,566
Animal Control	1,650	1,500	260
Training	13,750	12,500	12,598
Dues/Subscriptions	9,400	8,545	7,899
Office Supplies	4,400	4,000	3,837
Other Supplies	4,400	4,000	6,310
Uniforms and Maintenance	7,150	6,500	12,563
Food/Prisoners	55	50	(114)
Gas and Oil	49,500	45,000	41,265
Sundry Expenditures	550	500	447
	<u>2,204,437</u>	<u>2,004,183</u>	<u>2,158,711</u>
ESDA Department			
Maintenance - Equipment	3,300	3,300	—
Sundry Expenditures	550	550	—
	<u>3,850</u>	<u>3,850</u>	<u>—</u>
Total Public Safety	<u>2,208,287</u>	<u>2,008,033</u>	<u>2,158,711</u>
Public Works			
Salaries	258,588	235,080	228,615
Social Security and Medicare	19,782	17,984	17,538
Illinois Municipal Retirement	8,902	8,093	4,388
Unemployment Tax	825	750	107
Employee's Health Insurance	116,062	105,511	106,742

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended March 31, 2023

	Budget		Actual
	Original	Final	
Public Works - Continued			
Maintenance - Street Lights	\$ 11,000	10,000	3,641
Maintenance - Building	11,000	10,000	6,120
Maintenance - Equipment	33,000	30,000	20,353
Maintenance - Streets	380,600	346,000	324,637
Maintenance - Sidewalks	125,400	114,000	122,100
Snow/Leaf Removal	11,000	10,000	1,334
Ground Upkeep	2,200	2,000	123
General Insurance	55,550	50,500	44,409
Telephone/Fax	15,950	14,500	11,114
Utilities	2,200	2,000	214
Street Lighting	77,000	70,000	63,998
Rental	2,200	2,000	600
Travel	550	550	—
Printing/Publishing	1,650	1,500	880
Engineering Fees	118,800	108,000	37,905
Other Professional Services	73,700	67,000	64,650
Training	1,100	1,000	60
Dues/Subscriptions	770	700	558
Other Supplies	13,200	12,000	9,457
Uniforms	4,400	4,000	2,359
Gas and Oil	33,000	30,000	12,725
Sundry Expenditures	550	500	740
Drainage Assessment Fees	5,060	4,600	3,500
Total Public Works	1,384,039	1,258,268	1,088,867
Communications			
Maintenance - Equipment	4,950	4,850	—
Other Professional Services	139,700	127,000	104,489
Total Communications	144,650	131,850	104,489
Economic Development			
Travel	550	500	1,000
Printing/Publishing	13,640	12,400	2,529
Legal Fees	48,400	44,000	16,672

VILLAGE OF PEOTONE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended March 31, 2023

	Budget		Actual
	Original	Final	
Economic Development - Continued			
Engineering	\$ 110,000	100,000	14,420
Other Professional Services	26,400	24,000	4,681
Training	1,100	1,100	—
Dues/Subscriptions	7,618	6,925	5,000
Other Supplies	3,526,600	3,206,000	440,071
Total Economic Development	3,734,308	3,394,925	484,373
Building			
Salaries	19,800	18,000	4,832
Social Security and Medicare	1,515	1,515	—
Unemployment Tax	110	110	—
Maintenance - Buildings	1,100	1,100	—
Maintenance - Equipment	1,650	1,500	1,950
General Insurance	2,750	2,500	1,818
Telephone/Fax	—	—	681
Travel	550	550	—
Postage	1,100	1,000	42
Printing/Publishing	1,760	1,760	—
Legal Fees	22,000	20,000	4,048
Other Professional Services	90,750	82,500	85,352
Training	1,100	1,100	—
Dues/Subscriptions	770	770	—
Office Supplies	220	220	—
Other Supplies	2,200	2,200	—
Gas and Oil	1,100	1,100	—
Total Building	148,475	135,925	98,723
Capital Outlay	123,200	115,500	52,528
Debt Service			
Principal Retirement	38,902	35,365	36,733
Interest and Fiscal Charges	6,622	6,020	6,010
Total Debt Service	45,524	41,385	42,743
Total Expenditures	8,617,319	7,839,478	4,756,951

VILLAGE OF PEOTONE, ILLINOIS

Capital Improvement - Capital Projects Fund

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

For the Fiscal Year Ended March 31, 2023

	Budget		Actual
	Original	Final	
Revenues			
Licenses and Permits	\$ 25,152	25,152	24,536
Interest Income	150	150	167
Total Revenues	<u>25,302</u>	<u>25,302</u>	<u>24,703</u>
Expenditures			
Capital Outlay	<u>244,200</u>	<u>224,000</u>	<u>35,268</u>
Net Change in Fund Balance	<u>(218,898)</u>	<u>(198,698)</u>	(10,565)
Fund Balance - Beginning			<u>415,542</u>
Fund Balance - Ending			<u><u>404,977</u></u>

VILLAGE OF PEOTONE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

March 31, 2023

	Business Development District	Tax Increment Financing District #1	Totals
ASSETS			
Cash and Investments	\$ 52,131	63,740	115,871
Receivables - Net of Allowances			
Taxes	—	33,855	33,855
Accounts	61,237	—	61,237
Due from Other Governments	53,990	—	53,990
Due from Other Funds	436,499	—	436,499
Total Assets	603,857	97,595	701,452
LIABILITIES			
Other Payable	25,105	—	25,105
Due to Other Funds	72,762	250	73,012
Total Liabilities	97,867	250	98,117
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	—	33,855	33,855
Total Liabilities and Deferred Inflows of Resources	97,867	34,105	131,972
FUND BALANCES			
Restricted	505,990	63,490	569,480
Total Liabilities, Deferred Inflows of Resources and Fund Balances	603,857	97,595	701,452

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, 2023

	Business Development District	Tax Increment Financing District #1	Totals
Revenues			
Taxes	\$ —	22,843	22,843
Intergovernmental	367,160	—	367,160
Interest Income	112	25	137
Total Revenues	<u>367,272</u>	<u>22,868</u>	<u>390,140</u>
Expenditures			
Economic Development	<u>222,580</u>	<u>7,828</u>	<u>230,408</u>
Net Change in Fund Balances	144,692	15,040	159,732
Fund Balances - Beginning	<u>361,298</u>	<u>48,450</u>	<u>409,748</u>
Fund Balances - Ending	<u><u>505,990</u></u>	<u><u>63,490</u></u>	<u><u>569,480</u></u>

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Sales Taxes	\$ 288,000	288,000	305,923
Grants	—	—	61,237
Interest Income	50	50	112
Total Revenues	<u>288,050</u>	<u>288,050</u>	<u>367,272</u>
Expenditures			
Economic Development	<u>526,000</u>	<u>526,000</u>	<u>222,580</u>
Net Change in Fund Balance	<u>(237,950)</u>	<u>(237,950)</u>	144,692
Fund Balance - Beginning			<u>361,298</u>
Fund Balance - Ending			<u><u>505,990</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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 45,000	45,000	22,843
Interest Income	50	50	25
Total Revenues	45,050	45,050	22,868
Expenditures			
Economic Development	74,800	70,700	7,828
Net Change in Fund Balance	<u>(29,750)</u>	<u>(25,650)</u>	15,040
Fund Balance - Beginning			<u>48,450</u>
Fund Balance - Ending			<u><u>63,490</u></u>

VILLAGE OF PEOTONE, ILLINOIS

**Consolidated Year-End Financial Report
March 31, 2023**

CSFA #	Program Name	State	Federal	Other	Total
420-00-2560	Rebuild Downtowns & Main Streets				
	Capital Grant	\$ 61,237	—	—	61,237
494-42-0495	Local Surface Transportation Program	—	9,827	—	9,827
	Other Grant Programs and Activities	—	558,627	4,707	563,334
	All Other Costs Not Allocated	—	—	3,753,358	3,753,358
		<hr/>			
	Totals	61,237	568,454	3,758,065	4,387,756



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

September 11, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Peotone, Illinois, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 11, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Village of Peotone, Illinois
September 11, 2023

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP