

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**

**BASIC FINANCIAL STATEMENTS**

**April 30, 2022**

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

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Certified Public Accountants

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

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

Certified Public Accountants

809 W. Detweiller Drive, Suite 806  
Peoria, Illinois 61615

(309) 683-0441 Phone  
(309) 692-0492 Fax

## **Independent Auditor's Report**

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

### **Qualified and Unmodified Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights, Illinois (Village), as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

#### Qualified Opinion

In our opinion, except for the omission of the information described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Peoria Heights, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Qualified and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Peoria Heights, Illinois, 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 qualified and unmodified audit opinions.

#### Matter Giving Rise to the Qualified Opinion

The Village of Peoria Heights, Illinois' financial statements do not include the disclosures required by GASB Statement 67 *Pension Disclosures* for the Police Pension Fund. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America. The amount by which this disclosure would affect the financial statements has not been determined.



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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Peoria Heights, Illinois' 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 of Peoria Heights, Illinois' 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 budgetary comparison information and historical pension information 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.

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Peoria Heights, Illinois' basic financial statements. The combining and individual fund financial statements and schedule of property tax rates, extensions and collections and assessed valuations are 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, the combining and individual fund financial statements and schedule of property tax rates, extensions and collections and assessed valuations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of the Village of Peoria Heights, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Peoria Heights, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Peoria Heights, Illinois' internal control over financial reporting and compliance.

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

Peoria, Illinois  
November 29, 2022

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2022

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	Peoria Heights Public Library
Cash and investments	\$ 5,396,273	\$ 1,747,763	\$ 7,144,036	\$ 960,850
Property taxes receivable	1,368,306	-	1,368,306	535,273
Due from State of Illinois	749,026	-	749,026	47,042
Accounts receivable - disposal fees	67,464	-	67,464	-
Accounts receivable - other	137,814	362,072	499,886	-
Inventory	22,835	-	22,835	-
Prepaid items	15,852	17,781	33,633	8,198
Restricted assets - cash and investments	-	79,941	79,941	-
Capital assets, not being depreciated	1,986,090	38,942	2,025,032	20,000
Capital assets, net of accumulated depreciation	3,223,774	2,948,717	6,172,491	1,088,774
Net pension asset	626,170	384,596	1,010,766	-
<b>Total assets</b>	<b>13,593,604</b>	<b>5,579,812</b>	<b>19,173,416</b>	<b>2,660,137</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	205,226	126,050	331,276	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,798,830</b>	<b>\$ 5,705,862</b>	<b>\$ 19,504,692</b>	<b>\$ 2,660,137</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 117,738	\$ 20,517	\$ 138,255	\$ 5,581
Accrued payroll and vacation	171,749	26,845	198,594	-
Accrued interest payable	2,308	4,141	6,449	-
Internal balances	160,000	(160,000)	-	-
Liabilities payable from restricted assets:				
Customer service deposits	-	79,941	79,941	-
Long-term debt:				
Due within one year	161,016	174,985	336,001	-
Due beyond one year	1,871,076	1,472,765	3,343,841	-
<b>Total liabilities</b>	<b>2,483,887</b>	<b>1,619,194</b>	<b>4,103,081</b>	<b>5,581</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned property tax revenue	1,368,306	-	1,368,306	535,273
Deferred inflows related to pensions	644,894	396,097	1,040,991	-
<b>Total deferred inflows of resources</b>	<b>2,013,200</b>	<b>396,097</b>	<b>2,409,297</b>	<b>535,273</b>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	4,819,844	1,339,909	6,159,753	1,108,774
Restricted for:				
Street maintenance	480,412	-	480,412	-
Debt service	403,175	-	403,175	-
Business development	941,643	-	941,643	-
TIF redevelopment	85,518	-	85,518	-
Retirement	-	-	-	30,221
Working cash	-	-	-	99,823
Unrestricted	2,571,151	2,350,662	4,921,813	880,465
<b>Total net position</b>	<b>9,301,743</b>	<b>3,690,571</b>	<b>12,992,314</b>	<b>2,119,283</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 13,798,830</b>	<b>\$ 5,705,862</b>	<b>\$ 19,504,692</b>	<b>\$ 2,660,137</b>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended April 30, 2022

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>			
Administration and general government	\$ 954,882	\$ 295,895	\$ -
Police	2,580,640	238,505	395,815
Fire protection	295,739	-	25,660
Garbage collection	457,638	274,497	-
Streets and alleys	839,742	34,894	135,235
Community development	374,083	-	-
Interest on long-term debt	89,226	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	5,591,950	843,791	556,710
<b>Business-type activities:</b>			
Waterworks	1,209,675	1,565,264	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 6,801,625</u></b>	<b><u>\$ 2,409,055</u></b>	<b><u>\$ 556,710</u></b>
<b>Component unit:</b>			
Peoria Heights Public Library	<u>\$ 607,931</u>	<u>\$ 3,077</u>	<u>\$ 9,080</u>

General revenues:

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

Total general revenues

Change in net position

Net position:

Beginning of year

End of year

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

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Peoria Heights Public Library</u>
\$ (658,987)	\$ -	\$ (658,987)	\$ -
(1,946,320)	-	(1,946,320)	-
(270,079)	-	(270,079)	-
(183,141)	-	(183,141)	-
(669,613)	-	(669,613)	-
(374,083)	-	(374,083)	-
(89,226)	-	(89,226)	-
(4,191,449)	-	(4,191,449)	-
-	355,589	355,589	-
(4,191,449)	355,589	(3,835,860)	-
			(595,774)
1,225,092	-	1,225,092	539,962
3,182,729	-	3,182,729	-
954,849	-	954,849	-
338,610	-	338,610	153,238
247,378	-	247,378	-
245,407	-	245,407	-
106,647	-	106,647	-
4,118	1,678	5,796	1,155
23,152	-	23,152	300,250
109,323	-	109,323	15,704
6,437,305	1,678	6,438,983	1,010,309
2,245,856	357,267	2,603,123	414,535
7,055,887	3,333,304	10,389,191	1,704,748
\$ 9,301,743	\$ 3,690,571	\$ 12,992,314	\$ 2,119,283

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

April 30, 2022

ASSETS	General Fund	Police Pension Levy Fund	Tax Increment Financing Fund	Business Development District Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments	\$ 2,691,548		\$ 638,269	\$ 861,296	\$ 1,205,160	\$ 5,396,273
Property taxes receivable	43,650	464,508	860,148	-	-	1,368,306
Due from State of Illinois	661,576	-	-	66,795	20,655	749,026
Accounts receivable -disposal fees	67,464	-	-	-	-	67,464
Accounts receivable - other	105,019	-	-	-	32,795	137,814
Due from other funds	557,589	-	6,257	-	-	563,846
Inventory	22,835	-	-	-	-	22,835
Prepaid items	15,852	-	-	-	-	15,852
<b>TOTAL ASSETS</b>	<b><u>\$ 4,165,533</u></b>	<b><u>\$ 464,508</u></b>	<b><u>\$ 1,504,674</u></b>	<b><u>\$ 928,091</u></b>	<b><u>\$ 1,258,610</u></b>	<b><u>\$ 8,321,416</u></b>
<b>LIABILITIES</b>						
Accounts payable	\$ 103,456	\$ -	\$ 1,419	\$ 4,217	8,646	\$ 117,738
Accrued payroll and vacation	171,749	-	-	-	-	171,749
Due to other funds	160,000	-	557,589	-	6,257	723,846
<b>TOTAL LIABILITIES</b>	<b><u>435,205</u></b>	<b><u>-</u></b>	<b><u>559,008</u></b>	<b><u>4,217</u></b>	<b><u>14,903</u></b>	<b><u>1,013,333</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned property tax revenue	43,650	464,508	860,148	-	-	1,368,306
<b>FUND BALANCES</b>						
Nonspendable	38,687	-	-	-	-	38,687
Restricted	-	-	85,518	923,874	901,356	1,910,748
Assigned	-	-	-	-	342,351	342,351
Unassigned	3,647,991	-	-	-	-	3,647,991
Total fund balances	<u>3,686,678</u>	<u>-</u>	<u>85,518</u>	<u>923,874</u>	<u>1,243,707</u>	<u>5,939,777</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 4,165,533</u></b>	<b><u>\$ 464,508</u></b>	<b><u>\$ 1,504,674</u></b>	<b><u>\$ 928,091</u></b>	<b><u>\$ 1,258,610</u></b>	<b><u>\$ 8,321,416</u></b>

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

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

**April 30, 2022**

Total fund balances - governmental funds \$ 5,939,777

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

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

Cost	\$ 11,144,159	
Accumulated depreciation	<u>(5,934,295)</u>	5,209,864

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

Deferred outflows of resources	205,226	
Net pension asset	626,170	
Deferred inflows of resources	<u>(644,894)</u>	186,502

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at April 30, 2022 consist of the following:

Loans payable	(432,705)	
Bonds payable	(1,599,387)	
Accrued interest payable	<u>(2,308)</u>	<u>(2,034,400)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,301,743**

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



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

**GOVERNMENTAL FUNDS**

Year Ended April 30, 2022

	<u>General</u> <u>Fund</u>	Police Pension Levy <u>Fund</u>	Tax Increment Financing <u>Fund</u>	Business Development District <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>REVENUES</b>						
Property taxes	\$ 124,417	\$ 396,298	\$ 704,377	\$ -	\$ -	\$ 1,225,092
Intergovernmental:						
State sales tax	939,635	-	-	-	52,903	992,538
Home rule sales tax	949,720	-	-	-	71,790	1,021,510
Local use tax	233,245	-	-	-	-	233,245
State income taxes	954,849	-	-	-	-	954,849
Business development sales tax	-	-	-	424,530	50,913	475,443
Motor fuel tax allotments	-	-	-	-	245,407	245,407
Personal property replacement taxes	474,376	-	-	-	-	474,376
Telecommunication tax	59,793	-	-	-	-	59,793
Video gaming tax	247,378	-	-	-	-	247,378
Other taxes	46,854	-	-	-	-	46,854
State and federal grants	421,475	-	-	-	135,235	556,710
Licenses and permits	162,040	-	-	-	34,894	196,934
Intergovernmental agreement	99,712	-	-	-	-	99,712
Food and beverage tax	357,236	-	-	-	102,757	459,993
Franchise fees	126,629	-	-	-	-	126,629
Waste disposal fee	274,497	-	-	-	-	274,497
Fines	138,793	-	-	-	-	138,793
Charges for services	7,226	-	-	-	-	7,226
Land lease	47,847	-	-	-	-	47,847
Donations/Memorials	23,152	-	-	-	-	23,152
Interest	3,000	-	243	259	616	4,118
Miscellaneous	61,476	-	-	-	-	61,476
Total revenues	<u>5,753,350</u>	<u>396,298</u>	<u>704,620</u>	<u>424,789</u>	<u>694,515</u>	<u>7,973,572</u>
<b>EXPENDITURES</b>						
Current						
Administration	718,877	-	266,417	-	-	985,294
Police department	2,135,170	396,298	-	-	-	2,531,468
Fire protection	274,542	-	-	-	-	274,542
Garbage collection and recycling	457,638	-	-	-	-	457,638
Streets and alleys	508,885	-	-	-	339,898	848,783
Community development	-	-	-	67,751	306,332	374,083
Capital outlay	397,078	-	-	-	-	397,078
Debt service	69,453	-	-	-	276,335	345,788
Total expenditures	<u>4,561,643</u>	<u>396,298</u>	<u>266,417</u>	<u>67,751</u>	<u>922,565</u>	<u>6,214,674</u>
Excess (deficiency) of revenues over expenditures	<u>1,191,707</u>	<u>-</u>	<u>438,203</u>	<u>357,038</u>	<u>(228,050)</u>	<u>1,758,898</u>

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

**GOVERNMENTAL FUNDS**

Year Ended April 30, 2022

	<u>General Fund</u>	<u>Police Pension Levy Fund</u>	<u>Tax Increment Financing Fund</u>	<u>Business Development District Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	13,488	-	-	-	324,137	337,625
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>(289,137)</u>	<u>(13,488)</u>	<u>-</u>	<u>(337,625)</u>
Total other financing sources (uses)	<u>(21,512)</u>	<u>-</u>	<u>(289,137)</u>	<u>(13,488)</u>	<u>324,137</u>	<u>-</u>
Net change in fund balance	1,170,195	-	149,066	343,550	96,087	1,758,898
<b>FUND BALANCE (DEFICIT)</b>						
Beginning of year	<u>2,516,483</u>	<u>-</u>	<u>(63,548)</u>	<u>580,324</u>	<u>1,147,620</u>	<u>4,180,879</u>
End of year	<u>\$ 3,686,678</u>	<u>\$ -</u>	<u>\$ 85,518</u>	<u>\$ 923,874</u>	<u>\$ 1,243,707</u>	<u>\$ 5,939,777</u>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

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

Year Ended April 30, 2022

Total net change in fund balances - governmental funds \$ 1,758,898

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

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

Capital outlay	\$ 397,078	
Depreciation expense	<u>(328,939)</u>	\$ 68,139

Repayment of long-term debt is recorded as expenditures  
in the governmental funds, but the repayments reduce  
long-term debt in the statement of activities 213,012

Interest on long-term debt is reported when paid in the  
governmental funds. However, in the Statement of  
Activities, interest expense is recorded when incurred. 43,550

Governmental funds report pension contributions as  
expenditures when made. However, in the Statement  
of Activities, pension expense is the cost of benefits  
earned, adjusted for member contributions, the  
recognition of changes in deferred inflows and  
outflows of resources related to pensions as follows:

Net pension asset	362,082	
Deferred outflows of resources due to pensions	(113,038)	
Deferred inflows of resources due to pensions	<u>(86,787)</u>	<u>162,257</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL  
ACTIVITIES** \$ 2,245,856

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUND - ENTERPRISE FUND  
WATERWORKS FUND

April 30, 2022

	<b><u>Business-type Activities</u></b>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 1,747,763
Accounts receivable, net of allowance of \$45,000	362,072
Due from other funds	160,000
Prepaid expenses	17,781
Total current assets	<u>2,287,616</u>
Restricted assets	
Cash and investments	<u>79,941</u>
Capital assets, not being depreciated	38,942
Capital assets, net of accumulated depreciation	<u>2,948,717</u>
Total capital assets	<u>2,987,659</u>
Net pension asset	<u>384,596</u>
Total assets	5,739,812
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>126,050</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 5,865,862</u></b>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**WATERWORKS FUND**

**April 30, 2022**

	<b><u>Business-type Activities</u></b>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 20,517
Accrued payroll and vacation	26,845
Accrued interest payable	4,141
Current portion of long-term debt	174,985
Total current liabilities	<u>226,488</u>
Liabilities payable from restricted assets	
Customer service deposits	<u>79,941</u>
Long-term liabilities:	
Notes payable	907,210
IEPA loan payable	565,555
Total long-term liabilities	<u>1,472,765</u>
Total liabilities	<u>1,779,194</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	<u>396,097</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,339,909
Unrestricted	2,350,662
Total net position	<u>3,690,571</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 5,865,862</u></u>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**

**PROPRIETARY FUND - ENTERPRISE FUND**  
**WATERWORKS FUND**

**Year Ended April 30, 2022**

	<b><u>Business-type</u></b> <b><u>Activities</u></b>
<b>OPERATING REVENUES</b>	
Water sales	\$ 1,552,030
Service connection fees	3,565
Miscellaneous revenues	9,669
Total operating revenues	<u>1,565,264</u>
<b>OPERATING EXPENSES</b>	
Wages and benefits	373,696
Operations	79,240
Plant maintenance	172,934
Office expenses	138,577
Administration	67,446
Depreciation	334,737
Total operating expenses	<u>1,166,630</u>
Operating income	<u>398,634</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	1,678
Interest expense	<u>(43,045)</u>
Total nonoperating revenues (expenses)	<u>(41,367)</u>
<b>CHANGE IN NET POSITION</b>	<b>357,267</b>
<b>NET POSITION</b>	
Beginning of year	<u>3,333,304</u>
End of year	<u><u>\$ 3,690,571</u></u>

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

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

Year Ended April 30, 2022

	<b><u>Business-type Activities</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,545,026
Miscellaneous revenues received	9,669
Cash payments to suppliers and vendors for goods and services	(456,893)
Cash payments to employees for services and benefits	(463,851)
Net cash provided by operating activities	<u>633,951</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on long-term debt	(170,465)
Acquisition of capital assets	(127,900)
Interest paid	(41,753)
Net cash used in capital and related financing activities	<u>(340,118)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>1,678</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	295,511
 <b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	<u>1,532,193</u>
End of year	<u>\$ 1,827,704</u>
 Cash and investment as reported on the Statement of Net Position:	
Cash and investments	\$ 1,747,763
Restricted cash and investments	<u>79,941</u>
	<u>\$ 1,827,704</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**WATERWORKS FUND**  
**Year Ended April 30, 2022**

	<b><u>Business-type Activities</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 398,634
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	334,737
Pension income	(101,095)
Change in operating assets and liabilities:	
Accounts receivable	(11,719)
Prepaid expenses	(2,915)
Accounts payable	4,219
Accrued payroll and vacation	10,940
Liabilities payable from restricted assets	<u>1,150</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <b>\$ <u>633,951</u></b>

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



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

**April 30, 2022**

**ASSETS**

Cash and cash equivalents	\$ 448,348
Investments, at fair value	
U.S. Treasury Obligations	1,094,257
U.S. Agency Obligations	263,128
Corporate Bonds	939,630
Mutual funds	<u>1,731,381</u>
	4,028,396
 <b>Total assets</b>	 <b><u>\$ 4,476,744</u></b>

**LIABILITIES**

Accounts payable and accrued liabilities	<u>3,207</u>
 <b>Net position restricted for pension benefits</b>	 <b><u>\$ 4,473,537</u></b>

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

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PEORIA HEIGHTS POLICE PENSION FUND

Year Ended April 30, 2022

**Additions:**

Contributions:		
Employer	\$	711,298
Plan members		<u>152,334</u>
<b>Total contributions</b>		<u>863,632</u>
Investment income:		
Interest		40,739
Dividends		48,358
Realized loss from sale of investments		(200,702)
Net depreciation in fair value of investments		<u>(164,478)</u>
		(276,083)
Less investment expenses		<u>(11,080)</u>
Total investment loss		<u>(287,163)</u>
<b>Total additions</b>		<u>576,469</u>

**Deductions:**

Pension benefits paid:		
Retirement		170,269
Surviving spouse		<u>24,485</u>
Total benefits paid		<u>194,754</u>
Refund of contributions		<u>91,637</u>
Transfer to other Illinois Public Employee Fund		<u>60,176</u>
Administrative expenses:		
Accounting and legal		17,354
Clerical fees		5,040
Other		<u>2,518</u>
Total administrative expenses		<u>24,912</u>
<b>Total deductions</b>		<u>371,479</u>
Net increase		204,990

**Net position restricted for pension benefits:**

Beginning of year		<u>4,268,547</u>
End of year	\$	<u>4,473,537</u>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

The following is a summary of the more significant policies.

**(a) Financial Reporting Entity**

For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2600.105, the Village of Peoria Heights, Illinois, is a primary government in that it is a village with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

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

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

The Peoria Heights Public Library audited financial statements can be obtained from the Library at 816 E. Glen Avenue, Peoria Heights, Illinois 61616.

**(b) Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities, including the discretely presented component unit) report information on all of the nonfiduciary activities of the Village and its component units. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for budgetary purposes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes which must be collected within 60 days to be considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

**(d) Financial Statement Presentation**

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

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

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

Business Development District Fund - This special revenue fund accounts for business district sales tax revenues collected and expenditures for improvements and administrative costs within the business development districts within the Village of Peoria Heights, Illinois.

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

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

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

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows, which are similar to those often found in the private sector. The only proprietary fund of the Village is classified as an enterprise fund.

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

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

Pension Trust Fund - The pension trust fund accounts for the assets of the Village's police pension plan fund, which accumulates resources for retirement, death and disability benefits to the police of the Village or their beneficiaries.

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

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

**(e) Budget Policy**

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

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

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**(f) Cash and Investments**

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

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

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

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

**(g) Inventory**

Inventory is stated at the lower of cost or market on a first-in, first-out (FIFO) basis.

**(h) Property Taxes**

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

Property taxes levied for the 2021 levy year have been recognized as assets, net of an estimated uncollectible amount of 2 percent, and related deferred inflows of resources as these taxes will be collected and are planned for budget purposes to be used in fiscal year 2023.

**(i) Interfund Receivables**

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



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**(j) Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with a useful life greater than one year and an initial, individual cost of more than \$1,500 for equipment and \$20,000 for buildings and improvements and infrastructure assets.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Infrastructure assets are being accounted for prospectively beginning in 2005, as permitted by Governmental Accounting Standards Board Statement No. 34.

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

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

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

**(k) Deferred Outflows of Resources**

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**(l) Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the Village's government-wide statements, property tax revenue remains as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which they are levied and budgeted for. Additionally, the Village has deferred inflows related to pension expense to be recognized in future periods.

**(m) Pensions**

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

**(n) Compensated Absences**

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

**(o) Long-term Liabilities**

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**(p) Statement of Cash Flows**

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

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

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

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

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

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

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

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

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

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

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

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

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

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

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

As of April 30, 2022, the Village (primary government) had the following cash and investments on the Statement of Net Position:

Cash and investments	\$ 7,144,036
Restricted cash and investments	<u>79,941</u>
Total cash and investments	<u>\$ 7,223,977</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

At April 30, 2022, cash and investment consisted of the following:

Demand deposits and cash on hand	\$ 3,182,181
Certificates of deposit	392,473
Illinois Funds Money Market Fund	<u>3,649,323</u>
 Total cash and investments	 <u>\$ 7,223,977</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does have a deposit policy for custodial credit risk. As of April 30, 2022, the bank balance of the Village's deposits, which includes demand deposits, money market funds, and certificates of deposit, was \$3,637,817. Of the bank balance, \$2,892,780 was covered by federal depository insurance and \$745,037 was exposed to custodial credit risk as follows: \$91,917 was covered by pledged collateral held by the financial institution's trust department or agent in the Village's name and \$653,120 was uninsured and uncollateralized.

The Illinois Funds of \$3,649,323, have not been included in deposits above. The Illinois Funds are pooled investments held by the State of Illinois but not in the Village's name.

Illinois Funds

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

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. State law limits which types of securities that the Village can invest in. At April 30, 2022, the Illinois Funds are rated AAAM by Standard & Poor's.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

Concentration Risk

Concentration risk is the risk associated with not having a diversified investment portfolio to reduce the risk of loss due to over concentration in a specific maturity, issuer, or class of securities. The Village does not have an investment policy that addresses concentration risk. At April 30, 2022, the Village had approximately 51 percent of its cash and investments invested in the Illinois Funds.

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

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

**Deposits**

The Fund’s investment policy requires all amounts deposited with financial institutions in excess of any Federal Deposit Insurance Corporation (FDIC) insurance be collateralized by eligible securities. As of April 30, 2022, the Fund’s bank balance was \$448,348. Of the bank balance, \$340,749 was covered by FDIC insurance and \$107,599 was subject to custodial credit risk and was uninsured and uncollateralized.

**Investments**

The Illinois Compiled Statutes limit Pension Funds with a net position of \$2.5 million or more investments in equities, mutual funds and variable annuities to 45 percent of the Fund’s net position. Securities in any one company should not exceed 5 percent of the total fund. The following table presents the investments of the Pension Trust Fund’s as of April 30, 2022:

<u>Investment Type</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>	<u>Fair Value Hierarchy Level</u>
U.S. Treasury Obligations	\$ 1,094,257	N/A	3.37	Level 2
U.S. Agency Obligations	263,128	N/A	5.39	Level 2
Corporate Bonds	939,630	Aa1 to Baa2	4.12	Level 2
Mutual Funds	<u>1,731,381</u>	N/A	N/A	Level 1
Total investments	<u>\$ 4,028,396</u>			

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the US Government or obligations explicitly guaranteed by the US Government are not considered to have credit risk

(2) Interest rate risk is estimated using the weighted average years to maturity method.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

**Fair Value Measurements**

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

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

Level 2            Inputs to the valuation methodology include:

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

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

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

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

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does have a deposit policy for custodial credit risk. As of April 30, 2022, the bank balance, excluding the Illinois Funds, of the Library's deposits were \$719,948. Of the bank balance, \$555,638 was covered by Federal depository insurance, and \$164,310, was exposed to custodial credit risk and was uninsured and uncollateralized. The Illinois Funds Money Market Funds with a balance of \$249,427, are included in cash and investments on the statement of net position at April 30, 2022 but not included in the custodial credit risk analysis above. As of April 30, 2022, the Library's cash and investments were comprised of the following:

Demand deposits	\$ 656,789
Certificate of deposit	54,634
Illinois funds	249,427
Total cash and investments	\$ 960,850

**NOTE 3 - CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the governmental activities for the year ended April 30, 2022 was as follows:

	<b><u>April 30,</u></b> <b><u>2021</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>April 30,</u></b> <b><u>2022</u></b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	<u>\$ 1,986,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,986,090</u>
Capital assets being depreciated:				
Building and improvements	4,965,332	-	-	4,965,332
Equipment	<u>3,995,591</u>	<u>397,078</u>	<u>(199,932)</u>	<u>4,192,737</u>
Total capital assets being depreciated	8,960,923	397,078	(199,932)	9,158,069
Less accumulated depreciation	<u>5,805,288</u>	<u>328,939</u>	<u>(199,932)</u>	<u>5,934,295</u>
Net capital assets being depreciated	<u>3,155,635</u>	<u>68,139</u>	<u>-</u>	<u>3,223,774</u>
<b>Governmental activities capital assets, net</b>	<u><b>\$ 5,141,725</b></u>	<u><b>\$ 68,139</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 5,209,864</b></u>



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**Primary Government (continued)**

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

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

Administration	\$ 142,627
Police	79,141
Fire	42,275
Streets	<u>64,896</u>

**Total depreciation expense – governmental activities** **\$ 328,939**

Capital asset activity for the business-type activities for the year ended April 30, 2022 was as follows:

	<b>April 30, 2021</b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>April 30, 2022</b>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ <u>38,942</u>	\$ -	\$ -	\$ <u>38,942</u>
	<u>38,942</u>	<u>-</u>	<u>-</u>	<u>38,942</u>
Capital assets being depreciated:				
Water tower	3,635,632	-	-	3,635,632
Fire hydrants and service connections	122,988	-	-	122,988
Meters	696,049	-	-	696,049
Vehicles and equipment	839,660	127,900	(10,000)	957,560
Pump house equipment	553,280	-	-	553,280
Wells	833,637	-	-	833,637
Reservoir	33,105	-	-	33,105
Water mains	3,589,115	-	-	3,589,115
Stand pipe	<u>135,208</u>	<u>-</u>	<u>-</u>	<u>135,208</u>
	<u>10,438,674</u>	<u>127,900</u>	<u>(10,000)</u>	<u>10,556,574</u>
Less accumulated depreciation	<u>7,283,120</u>	<u>334,737</u>	<u>(10,000)</u>	<u>7,607,857</u>
Total capital assets being depreciated, net	<u>3,155,554</u>	<u>(206,837)</u>	<u>-</u>	<u>2,948,717</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 3,194,496</u></b>	<b><u>\$ (206,837)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,987,659</u></b>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**Discretely Presented Component Unit**

Capital asset activity for the Peoria Heights Public Library for the year ended April 30, 2022 was as follows:

	<u>April 30,</u> <u>2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30,</u> <u>2022</u>
Capital assets not being depreciated:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets being depreciated:				
Buildings and improvements	1,919,143	-	-	1,919,143
Furniture and fixtures	144,607	-	-	144,607
Equipment	164,563	13,948	(19,136)	159,375
Books	191,845	40,414	(36,523)	195,736
Total capital assets being depreciated	2,420,158	54,362	(55,659)	2,418,861
Less accumulated depreciation	1,287,189	98,557	(55,659)	1,330,087
Net capital assets being depreciated	1,132,969	(44,195)	-	1,088,774
<b>Capital assets, net</b>	<u>\$ 1,152,969</u>	<u>\$ (44,195)</u>	<u>\$ -</u>	<u>\$ 1,108,774</u>

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

Amounts due from the State of Illinois at April 30, 2022 for the Village's major and nonmajor funds are as follows:

	<u>Governmental Activities</u>		
	<u>General</u>	<u>Business Development</u>	<u>Nonmajor Funds</u>
Sales tax	\$ 141,882	\$ -	\$ -
Home rule sales tax	146,797	-	-
Income tax	187,533	-	-
Use tax	37,385	-	-
Replacement tax	116,995	-	-
Motor fuel tax	-	-	20,655
Business district tax	-	66,795	-
Video gaming tax	21,690	-	-
Other	9,294	-	-
<b>Total</b>	<u>\$ 661,576</u>	<u>\$ 66,795</u>	<u>\$ 20,655</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

**NOTE 5 - LONG-TERM DEBT**

**Primary Government – Governmental Activities**

Changes in long-term debt for governmental activities for the year ended April 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Illinois Finance Authority Loan	\$ 62,500	\$ -	\$ 12,500	\$ 50,000	\$ 12,500
Notes payable	458,216	-	75,512	382,705	78,516
Bonds payable	<u>1,724,387</u>	<u>-</u>	<u>125,000</u>	<u>1,599,387</u>	<u>70,000</u>
	<u>\$ 2,245,103</u>	<u>\$ -</u>	<u>\$ 213,012</u>	<u>\$ 2,032,092</u>	<u>\$ 161,016</u>

Long-term debt at April 30, 2022 is comprised of the following:

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

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

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

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

Taxable General Obligation Bonds, series 2016 dated April 28, 2016, original issue amount of \$1,850,000. The purchase price for the bonds were paid in multiple advances as funds were drawn down from a Bank. The issue provided for serial retirement of principal due each April 28, through 2036. Interest was due on April 28 and October 28 of each year, (interest was capitalized through April 28, 2018) at an interest rate of 5.125 percent. During the year ended April 30, 2022, the Village refunded with the Taxable General Obligation Bonds, series 2022.

Taxable General Obligation Bonds, series 2022 dated February 3, 2022, original issue amount of \$1,664,387. The issue provides for serial retirement of principal due each April 28, commencing April 28, 2022, through 2036. Interest is due on April 28 and October 28 of each year, at an interest rate of 2.80 percent.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

The Village has pledged a portion of future sales and business development district tax revenue related to the Trefzger’s Bakery project, from the Community Development Fund, to repay the \$1,850,000 Taxable General Obligation Bonds, series 2022. The 2022 series bonds are payable from a portion of sales and business district tax revenues through April 2036. Principal and interest totaling \$245,350 was paid on the bonds from the pledged revenues for the year ended April 30, 2022.

The annual debt service requirements to maturity for the Illinois Finance Authority Loan as of April 30, 2022, is as follows:

<b>Year Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 12,500	\$ -	\$ 12,500
2024	12,500	-	12,500
2025	12,500	-	12,500
2026	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Total	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>

The annual debt service requirements to maturity for notes payable as of April 30, 2022, is as follows:

<b>Year Ending <u>April 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 78,516	\$ 9,422	\$ 87,938
2024	62,313	7,236	69,549
2025	48,351	5,581	53,932
2026	32,364	4,372	36,736
2027	<u>161,161</u>	<u>3,471</u>	<u>164,632</u>
Total	<u>\$ 382,705</u>	<u>\$ 30,082</u>	<u>\$ 412,787</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

The annual debt service requirements to maturity for bonds payable as of April 30, 2022, is as follows:

<b>Year Ending April 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 70,000	\$ 44,783	\$ 114,783
2024	75,000	42,823	117,823
2025	80,000	40,723	120,723
2026	85,000	38,483	123,483
2027	95,000	36,103	131,103
2028 - 2032	580,000	136,835	716,835
2033 - 2036	<u>614,387</u>	<u>43,752</u>	<u>658,139</u>
 Total	 <u>\$ 1,599,387</u>	 <u>\$ 383,502</u>	 <u>\$ 1,982,889</u>

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

**Primary Government – Business-type Activities**

Changes in long-term debt for business-type activities for the year ended April 30, 2022 were as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Ending Balance</u></b>	<b><u>Due Within One Year</u></b>
<b>Business-type activities:</b>					
Illinois Environmental Protection Agency loan	\$ 683,857	\$ -	\$ 58,782	\$ 625,075	\$ 59,519
Notes payable	<u>1,134,358</u>	<u>-</u>	<u>111,683</u>	<u>1,022,675</u>	<u>115,466</u>
	<u>\$ 1,818,215</u>	<u>\$ -</u>	<u>\$ 170,465</u>	<u>\$ 1,647,750</u>	<u>\$ 174,985</u>

Business-type activities long-term debt at April 30, 2022 is comprised of the following:

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

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

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

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

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

The annual requirements to amortize the Illinois Environmental Protection Agency loan as of April 30, 2022, including interest are as follows:

<b>Year Ending April 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 59,519	\$ 7,629	\$ 67,148
2024	60,266	6,882	67,148
2025	61,021	6,127	67,148
2026	61,787	5,361	67,148
2027	62,561	4,587	67,148
2028 -2032	<u>319,921</u>	<u>10,962</u>	<u>330,883</u>
Total	<u>\$ 625,075</u>	<u>\$ 41,548</u>	<u>\$ 666,623</u>

The annual debt service requirements to maturity for notes payable as of April 30, 2022, are as follows:

<b>Year Ending April 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 115,466	\$ 29,605	\$ 145,071
2024	119,109	25,962	145,071
2025	119,843	22,207	142,050
2026	106,132	18,722	124,854
2027	109,382	15,472	124,854
2028 - 2031	<u>452,743</u>	<u>27,747</u>	<u>480,490</u>
Total	<u>\$ 1,022,675</u>	<u>\$ 139,715</u>	<u>\$1,162,390</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

**Legal Debt Margin – Primary Government**

The legal debt margin of the Village at April 30, 2022 is as follows:

Assessed valuation - 2021 levy	<u>\$ 95,890,766</u>
Statutory debt limitation (8.625 percent of assessed valuation)	\$ 8,270,579
Less debt, excluding EPA loan	<u>3,054,767</u>
<b>Legal debt margin</b>	<b><u>\$ 5,215,812</u></b>

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

Interfund transfers:

Interfund transfers are defined as the flow of assets without equivalent flows of assets in return. The composition of interfund transfers for the year ended April 30, 2022 is as follows:

<u>Fund Transfer In</u>	<u>Fund Transfer Out</u>	<u>Amount</u>
Community Development	Tax Increment Financing	<u>\$ 289,137</u>
General	Business Development District	<u>\$ 13,488</u>
Capital Improvement	General	<u>\$ 35,000</u>

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

Individual fund interfund receivable and payable balances:

Individual fund interfund receivables and payables at April 30, 2022 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>General:</b>		
Tax Increment Financing	\$ 557,589	\$ -
Waterworks	<u>-</u>	<u>160,000</u>
	<u>557,589</u>	<u>160,000</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

Individual fund interfund receivable and payable balances (continued):

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>Tax Increment Financing:</b>		
General	\$ -	\$ 557,589
Community Development	<u>6,257</u>	<u>-</u>
	<u>6,257</u>	<u>557,589</u>
<b>Nonmajor Governmental Funds:</b>		
Tax Increment Financing	<u>-</u>	<u>6,257</u>
Total governmental activities	<u>563,846</u>	<u>723,846</u>
<b>Waterworks:</b>		
General	<u>160,000</u>	<u>-</u>
	<u>\$ 723,846</u>	<u>\$ 723,846</u>

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

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

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

- a. Excesses of expenditures over budget in individual funds at April 30, 2022 are as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess Actual Over Budget</u>
General	<u>\$ 4,143,356</u>	<u>\$ 4,561,643</u>	<u>\$ 418,287</u>

- b. Deficit fund balances of individual funds.

There were no funds that had a deficit fund balance at April 30, 2022:



VILLAGE OF PEORIA HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2022

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

Illinois Municipal Retirement Fund

**Plan Description**

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

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

**Benefits Provided**

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

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

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

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

Illinois Municipal Retirement Fund (Continued)

**Employees Covered by Benefit Terms**

As of December 31, 2021, the following employees (Village of Peoria Heights including the Peoria Heights Public Library) were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	30
Inactive Plan Members entitled to but not yet receiving benefits	19
Active Plan Members	20
<b>Total</b>	69

**Contributions**

As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2021 was 9.00%. For the fiscal year ended April 30, 2022, the Village’s portion of the contribution to the plan was \$65,367. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using 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.
- There were no benefit changes during the year.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

Illinois Municipal Retirement Fund (Continued)

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39%	4.50%
International Equity	15%	5.75%
Fixed Income	25%	2.00%
Real Estate	10%	5.90%
Alternative Investments	10%	4.30-8.10%
Cash Equivalents	<u>1%</u>	1.70%
Total	<u>100%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

Illinois Municipal Retirement Fund (Continued)

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

The following table shows the components of the change in the Village's net pension (asset) liability for the calendar year ended December 31, 2021 for Regular Plan members:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension (Asset) Liability</b>
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
<b>Balances at December 31, 2020</b>	\$ 6,338,876	\$ 6,749,524	\$ (410,648)
<b>Changes for the year:</b>			
Service Cost	93,928	-	93,928
Interest on the Total Pension Liability	451,321	-	451,321
Changes of Benefit Terms	-	-	-
Differences Between Expected and Experience of the Total Pension	131,579	-	131,579
Changes of Assumptions	-	-	-
Contributions - Employer	-	92,334	(92,334)
Contributions - Employees	-	68,725	(68,725)
Net Investment Income	-	1,138,130	(1,138,130)
Benefit Payments, including Refunds of Employee Contributions	(321,455)	(321,455)	-
Other (Net Transfer)	-	(22,243)	22,243
Net Changes	<u>355,373</u>	<u>955,491</u>	<u>(600,118)</u>
<b>Balances at December 31, 2021</b>	<u>\$ 6,694,249</u>	<u>\$ 7,705,015</u>	<u>\$ (1,010,766)</u>

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

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

	<b>(6.25%) 1% Lower</b>	<b>(7.25%) Current Discount Rate</b>	<b>(8.25%) 1% Higher</b>
Net pension liability (asset)	<u>\$ (242,121)</u>	<u>\$ (1,010,766)</u>	<u>\$ (1,603,771)</u>

**Net Pension Liability**

The Village's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2022, the Village recognized pension income of \$198,121. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 162,958	\$ 7,764
Changes of assumptions	10,209	40,914
Net difference between projected and actual earnings on pension plan investments	<u>138,634</u>	<u>992,313</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>311,801</u>	<u>1,040,991</u>
<b>Pension Contributions made subsequent to the Measurement Date</b>	<u>19,475</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$ 331,276</u>	<u>\$ 1,040,991</u>

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

\$19,475 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2023.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

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

Illinois Municipal Retirement Fund (Continued)

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

<u>Year Ending</u> <u>December 31,</u>	<u>Net Deferred</u> <u>Outflows</u> <u>Of Resources</u>
2022	\$ (126,855)
2023	(287,309)
2024	(183,944)
2025	<u>(131,082)</u>
	<u>\$ (729,190)</u>

Police Pension Fund

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

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

Benefits and refunds of the Fund are recognized when due and payable in accordance with the Plan. The Village's annual pension cost for the current and prior years and related information for the Fund is not available as of April 30, 2022.

**NOTE 9 – FUND BALANCES/NET ASSETS**

Restricted fund balances/net assets represent amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation. At April 30, 2022, the Village's (primary government) net position/fund balances were restricted for the following purposes:

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

**NOTE 9 – FUND BALANCES/NET ASSETS (CONTINUED)**

Motor Fuel Tax Fund – street maintenance and improvements	\$ 480,412
Community Development Fund – payment of long-term debt	403,175
Community Development Fund – improvements and payments under certain redevelopment agreements	17,769
Tax Increment Financing Fund – improvements within the various TIF districts	85,518
Business Development Fund – improvements within the business development district	<u>923,874</u>
<b>Total</b>	<b><u>\$1,910,748</u></b>

Assigned fund balances represent amounts constrained by the Village’s intent to use them for a specific purpose. At April 30, 2022, the Village’s fund balances were assigned for the following purposes:

Capital Improvement Fund – improvements to the Village’s properties	\$ 250,000
Local Improvement Fund – improvements to property within the Village	9,520
Motor Fuel Tax Fund – street maintenance	<u>82,831</u>
<b>Total</b>	<b><u>\$ 342,351</u></b>

**NOTE 10 - COMMITMENTS**

Collection and Disposal of Refuse and Recycling Contract

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

Year ending April 30:

2023	\$ 465,648
2024	<u>313,992</u>
<b>Total</b>	<b><u>\$ 779,640</u></b>

The total expenditures under this contract for the year ended April 30, 2022 were \$457,638.

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

**NOTE 10 – COMMITMENTS (CONTINUED)**

Dispatch Services

The Village has contracted with a local government to provide dispatch services for the period May 8, 2018 through December 31, 2023. The minimum commitments under this contract are as follows:

Year ending April 30:

2023	\$ 227,996
2024	<u>156,984</u>
Total	<u>\$ 384,980</u>

The total expenditures under this contract for the year ended April 30, 2022 were \$217,136.

**NOTE 11 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts, theft of, damages to and destruction of assets, errors and omissions, injuries to employees, natural disasters, and medical claims of its employees and their dependents. The Village purchases commercial insurance for all risks of loss. During the year ended April 30, 2022, there were no significant reductions in insurance coverage. Settled claims from these risks have not exceeded the commercial coverage in any of the past three fiscal years.

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

The Village enters into redevelopment agreements from time to time with local businesses in order to draw and retain business in the Village. The Village had entered into five (5) redevelopment agreements and made the following payments for eligible project cost reimbursements for the year ended April 30, 2022:

- the portion of real estate taxes collected in the Peoria Heights TIF District #1 related to a certain property are to be transferred annually to the Village's Community Development Fund to make the debt service payments on the bonds issued to develop the said property. During the year ended April 30, 2022, \$69,501 was transferred to the Community Development Fund.
- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #3 less TIF administrative costs, are to be paid to a developer up to a maximum of \$1,158,327 for reimbursement of eligible development costs. During the year ended April 30, 2022, \$86,746 was paid to the developer from the TIF Fund. Total reimbursements paid since the inception of the agreement are \$160,528.



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

**NOTE 12 – TAX ABATEMENTS/REDEVELOPMENT AGREEMENTS (CONTINUED)**

- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #1 less TIF administrative costs, 71% abatement of municipal sales tax and home rule sales taxes and 100% abatement of business development sales tax are to be paid to a developer up to a maximum of \$1,587,610 for reimbursement of eligible development costs. During the year ended April 30, 2022, \$136,656 was paid to the developer. Total reimbursements paid since the inception of the agreement are \$414,739.
  
- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #1 less TIF administrative costs and 75% abatement of municipal sales and home rule sales taxes are to be paid to a developer up to a maximum of \$1,200,000 for reimbursement of eligible development costs. During the year ended April 30, 2022, \$78,709 was paid to the developer. Total reimbursements paid since the inception of the agreement are \$190,923.
  
- the real estate tax increment collected on a certain property in the Peoria Heights TIF District #2 less TIF administrative costs and 80% abatement of municipal sales and home rule sales taxes are to be paid to a developer up to a maximum of \$55,814 for reimbursement of eligible development costs. During the year ended April 30, 2022, \$2,116 was paid to the developer. Total reimbursements paid since the inception of the agreement are \$3,027.

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

**NOTE 13 – SUBSEQUENT EVENTS**

Management evaluated subsequent events through November 29, 2022, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**

VILLAGE OF PEORIA HEIGHTS, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
GENERAL FUND AND POLICE PENSION LEVY FUND  
Year Ended April 30, 2022

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 124,533	\$ 124,417	\$ (116)
Intergovernmental:			
Sales tax	785,000	939,635	154,635
Home rule sales tax	805,000	949,720	144,720
Local use tax	220,000	233,245	13,245
State income taxes	635,000	954,849	319,849
Personal property replacement taxes	154,250	474,376	320,126
Telecommunication tax	80,000	59,793	(20,207)
Video gaming tax	125,000	247,378	122,378
Other taxes	24,500	46,854	22,354
State and federal grants	99,000	421,475	322,475
Licenses and permits	151,000	162,040	11,040
Intergovernmental agreement	91,500	99,712	8,212
Food and beverage tax	295,000	357,236	62,236
Franchise fees	117,500	126,629	9,129
Waste disposal fee	270,000	274,497	4,497
Fines	116,250	138,793	22,543
Charges for services	3,000	7,226	4,226
Land lease	44,250	47,847	3,597
Donations	-	23,152	23,152
Interest	3,505	3,000	(505)
Miscellaneous	14,800	61,476	46,676
Total revenues	4,159,088	5,753,350	1,594,262
<b>EXPENDITURES</b>			
Administration	738,475	718,877	19,598
Police department	1,837,500	2,135,170	(297,670)
Fire protection	291,850	274,542	17,308
Garbage collection and recycling	457,638	457,638	-
Streets and alleys	598,656	508,885	89,771
Community development	-	-	-
Capital outlay	170,000	397,078	(227,078)
Debt service	49,237	69,453	(20,216)
Total expenditures	4,143,356	4,561,643	(418,287)
Net change in fund balance	15,732	1,191,707	1,175,975
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	13,488	(13,488)
Transfers out	-	(35,000)	35,000
Total other financing sources (uses)	-	(21,512)	21,512
Net change in fund balance	\$ 15,732	1,170,195	1,197,487
<b>FUND BALANCE</b>			
Beginning of year		2,516,483	
End of year		\$ 3,686,678	

**Police Pension Levy Fund**

<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 423,000	\$ 396,298	\$ (26,702)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>423,000</u>	<u>396,298</u>	<u>(26,702)</u>
-	-	-
423,000	396,298	26,702
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>423,000</u>	<u>396,298</u>	<u>26,702</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>-</u>	<u>-</u>
	-	
	<u>\$ -</u>	

**Village of Peoria Heights  
Illinois Municipal Retirement Fund  
Required Supplemental Information  
Year Ended April 30, 2022**

(Unaudited - See Accompanying Independent Auditor's Report)

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

Calendar Year Ended December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 93,928	\$ 103,640	\$ 92,451
Interest on the Total Pension Liability	451,321	434,629	407,569
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	131,579	113,851	160,001
Changes of Assumptions	-	(93,022)	-
Benefit Payments, including Refunds of Employee Contributions	<u>(321,455)</u>	<u>(326,568)</u>	<u>(258,175)</u>
<b>Net Change in Total Pension Liability</b>	355,373	232,530	401,846
<b>Total Pension Liability - Beginning</b>	<u>6,338,876</u>	<u>6,106,346</u>	<u>5,704,500</u>
<b>Total Pension Liability – Ending (A)</b>	<u>\$ 6,694,249</u>	<u>\$ 6,338,876</u>	<u>\$ 6,106,346</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 92,334	\$ 78,647	\$ 63,750
Contributions - Employees	68,725	44,239	43,598
Net Investment Income	1,138,130	822,400	960,738
Benefit Payments, including Refunds of Employee Contributions	(321,455)	(326,568)	(258,175)
Other (Net Transfer)	<u>(22,243)</u>	<u>91,939</u>	<u>(2,424)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	955,491	710,657	807,487
<b>Plan Fiduciary Net Position - Beginning</b>	<u>6,749,524</u>	<u>6,038,867</u>	<u>5,231,380</u>
<b>Plan Fiduciary Net Position – Ending (B)</b>	<u>\$ 7,705,015</u>	<u>\$ 6,749,524</u>	<u>\$ 6,038,867</u>
<b>Net Pension (Asset) Liability - Ending (A) - (B)</b>	<u>\$ (1,010,766)</u>	<u>\$ (410,648)</u>	<u>\$ 67,479</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<u>115.10%</u>	<u>106.48%</u>	<u>98.89%</u>
<b>Covered Valuation Payroll</b>	<u>\$ 1,025,942</u>	<u>\$ 983,079</u>	<u>\$ 968,838</u>
<b>Net Pension (Asset) Liability as a Percentage of Covered Valuation Payroll</b>	<u>-98.52%</u>	<u>-41.77%</u>	<u>6.96%</u>

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

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

**Village of Peoria Heights  
Illinois Municipal Retirement Fund  
Required Supplemental Information  
Year Ended April 30, 2022**

(Unaudited - See Accompanying Independent Auditor's Report)

**Schedule of Employer Contributions  
Calendar Years Ended December 31, 2021 through 2015**

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2021	\$ 92,335	\$ 92,334	\$ 1	\$ 1,025,942	9.00%
2020	78,646	78,647	(1)	983,079	8.00
2019	63,750	63,750	-	968,838	6.58
2018	102,713	102,712	1	1,179,249	8.71
2017	128,989	128,989	-	1,329,779	9.70
2016	113,362	113,361	1	1,119,071	10.13
2015	113,219	113,219	-	1,114,357	10.16

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate\**

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2021 Contribution Rates:**

Actuarial Cost Method: Aggregate entry age normal  
 Amortization Method: Level percentage of payroll, closed  
 Remaining Amortization Period: Taxing bodies: 22-year closed period  
 Asset Valuation Method: 5-year smoothed market; 20% corridor  
 Wage Growth: 3.25%  
 Price Inflation: 2.50%  
 Salary Increases: 3.35% to 14.25%, including inflation  
 Investment Rate of Return: 7.25%  
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.  
 Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.

**Village of Peoria Heights  
Illinois Municipal Retirement Fund  
Required Supplemental Information  
Year Ended April 30, 2022**

(Unaudited - See Accompanying Independent Auditor's Report)

**Schedule of Employer Contributions  
Calendar Years Ended December 31, 2021 through 2015**

**Methods and Assumptions Used to Determine 2021 Contribution Rates (Continued):**

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

***Other Information:***

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

\* Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation; note two year lag between valuation and rate setting.



**COMBINING AND INDIVIDUAL FUND STATEMENTS**

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2022

ASSETS	Special Revenue		Capital Projects		Total
	Motor Fuel Tax Fund	Community Development Fund	Capital Improvement Fund	Local Improvement Fund	
Cash and investments	\$ 551,234	\$ 394,406	\$ 250,000	\$ 9,520	\$ 1,205,160
Accounts receivable	-	32,795	-	-	32,795
Due from State of Illinois	20,655	-	-	-	20,655
<b>TOTAL ASSETS</b>	<u>\$ 571,889</u>	<u>\$ 427,201</u>	<u>\$ 250,000</u>	<u>\$ 9,520</u>	<u>\$ 1,258,610</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 8,646	\$ -	\$ -	\$ -	\$ 8,646
Due to other funds	-	6,257	-	-	6,257
<b>TOTAL LIABILITIES</b>	<u>8,646</u>	<u>6,257</u>	<u>-</u>	<u>-</u>	<u>14,903</u>
<b>FUND BALANCES</b>					
Restricted	480,412	420,944	-	-	901,356
Assigned	82,831	-	250,000	9,520	342,351
Total fund balances	<u>563,243</u>	<u>420,944</u>	<u>250,000</u>	<u>9,520</u>	<u>1,243,707</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 571,889</u>	<u>\$ 427,201</u>	<u>\$ 250,000</u>	<u>\$ 9,520</u>	<u>\$ 1,258,610</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

Year Ended April 30, 2022

	Special Revenue		Capital Projects		Total
	Motor Fuel Tax Fund	Community Development Fund	Capital Improvement Fund	Local Improvement Fund	
<b>REVENUES</b>					
Intergovernmental:					
Motor fuel tax allotments	\$ 245,407	\$ -	\$ -	\$ -	\$ 245,407
State sales tax	-	52,903	-	-	52,903
Home rule sales tax	-	71,790	-	-	71,790
Business development sales tax	-	50,913	-	-	50,913
State and federal grants	135,235	-	-	-	135,235
Licenses and permits	34,894	-	-	-	34,894
Food and beverage tax	-	102,757	-	-	102,757
Interest income	439	177	-	-	616
Total revenues	<u>415,975</u>	<u>278,540</u>	<u>-</u>	<u>-</u>	<u>694,515</u>
<b>EXPENDITURES</b>					
Current					
Streets and alleys	339,898	-	-	-	339,898
Community development	-	306,332	-	-	306,332
Debt service	-	276,335	-	-	276,335
Total expenditures	<u>339,898</u>	<u>582,667</u>	<u>-</u>	<u>-</u>	<u>922,565</u>
Excess (deficiency) of revenues over expenditures	76,077	(304,127)	-	-	(228,050)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	289,137	35,000	-	324,137
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>289,137</u>	<u>35,000</u>	<u>-</u>	<u>324,137</u>
Net change in fund balance	76,077	(14,990)	35,000	-	96,087
<b>FUND BALANCE</b>					
Beginning of year	<u>487,166</u>	<u>435,934</u>	<u>215,000</u>	<u>9,520</u>	<u>1,147,620</u>
End of year	<u>\$ 563,243</u>	<u>\$ 420,944</u>	<u>\$ 250,000</u>	<u>\$ 9,520</u>	<u>\$ 1,243,707</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

GENERAL FUND

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

Year Ended April 30, 2022

With Comparative Figures for Year Ended April 30, 2021

	2022		2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 124,533	\$ 124,417	\$ 123,857
Intergovernmental:			
State sales tax	785,000	939,635	810,027
Home rule sales tax	805,000	949,720	779,293
Local use tax	220,000	233,245	276,940
State income tax	635,000	954,849	747,230
Personal property replacement tax	154,250	474,376	217,629
Telecommunication tax	80,000	59,793	74,884
Video gaming tax	125,000	247,378	119,764
Other taxes	24,500	46,854	25,205
State and federal grants	99,000	421,475	508,964
Total intergovernmental	<u>2,927,750</u>	<u>4,327,325</u>	<u>3,559,936</u>
Licenses and permits	151,000	162,040	137,163
Intergovernmental agreement	91,500	99,712	68,167
Food and beverage tax	295,000	357,236	266,770
Franchise fees	117,500	126,629	126,320
Waste disposal fee	270,000	274,497	273,511
Fines	116,250	138,793	206,599
Charges for services	3,000	7,226	-
Land lease	44,250	47,847	48,153
Donations	-	23,152	2,620
Interest	3,505	3,000	5,146
Miscellaneous	14,800	61,476	14,025
Total revenues	<u>4,159,088</u>	<u>5,753,350</u>	<u>4,832,267</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

GENERAL FUND

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

Year Ended April 30, 2022

With Comparative Figures for Year Ended April 30, 2021

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>EXPENDITURES</b>			
Current			
Administration	738,475	718,877	637,856
Police department	1,837,500	2,135,170	2,065,503
Fire protection	291,850	274,542	207,056
Garbage collection and recycling	457,638	457,638	449,628
Streets and alleys	598,656	508,885	455,181
Community development	-	-	263,488
Capital outlay	170,000	397,078	76,370
Debt service	49,237	69,453	96,787
	<u>4,143,356</u>	<u>4,561,643</u>	<u>4,251,869</u>
Excess of revenues over expenditures	15,732	1,191,707	580,398
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	13,488	-
Transfers out	-	(35,000)	-
	<u>-</u>	<u>(21,512)</u>	<u>-</u>
Total other financing sources (uses)	-	(21,512)	-
Net change in fund balance	<u>\$ 15,732</u>	1,170,195	580,398
<b>FUND BALANCE</b>			
Beginning of year		<u>2,516,483</u>	<u>1,936,085</u>
End of year		<u>\$ 3,686,678</u>	<u>\$ 2,516,483</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

POLICE PENSION LEVY FUND

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

Year Ended April 30, 2022

With Comparative Figures for Year Ended April 30, 2021

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Property taxes	\$ 423,000	\$ 396,298	\$ 376,053
<b>EXPENDITURES</b>			
Current - Police department			
Police pension	<u>423,000</u>	<u>396,298</u>	<u>376,053</u>
Net change in fund balance	<u>\$ -</u>	-	-
<b>FUND BALANCE</b>			
Beginning of year		<u>-</u>	<u>-</u>
End of year		<u>\$ -</u>	<u>\$ -</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**COMMUNITY DEVELOPMENT FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**

Year Ended April 30, 2022  
With Comparative Figures for Year Ended April 30, 2021

	<u>2022</u>					<u>Total</u>	<u>2021</u> <u>Total</u>
	<u>Trefzgers</u>	<u>4500 N. Prospect</u>	<u>Heritage Expansion</u>	<u>Duryea Apartments</u>	<u>GMG Jr Corporation</u>		
<b>REVENUES</b>							
Intergovernmental:							
State sales tax	32,883	7,662	10,414	-	1,944	52,903	33,288
Home rule sales tax	45,218	11,264	15,308	-	-	71,790	47,787
Business development sales tax	<u>30,146</u>	<u>10,561</u>	<u>10,206</u>	<u>-</u>	<u>-</u>	<u>50,913</u>	<u>31,858</u>
	<u>108,247</u>	<u>29,487</u>	<u>35,928</u>	<u>-</u>	<u>1,944</u>	<u>175,606</u>	<u>112,933</u>
Food and beverage tax	68,578	13,791	20,388	-	-	102,757	62,369
Interest income	<u>177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177</u>	<u>343</u>
Total revenues	<u>177,002</u>	<u>43,278</u>	<u>56,316</u>	<u>-</u>	<u>1,944</u>	<u>278,540</u>	<u>175,645</u>
<b>EXPENDITURES</b>							
Community development:							
Development agreements	-	136,656	78,709	86,746	2,116	304,227	259,422
Professional services	2,105	-	-	-	-	2,105	2,211
Debt service:							
Principal	125,000	29,428	-	-	-	154,428	28,685
Interest	<u>120,350</u>	<u>1,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,907</u>	<u>46,487</u>
Total expenditures	<u>247,455</u>	<u>167,641</u>	<u>78,709</u>	<u>86,746</u>	<u>2,116</u>	<u>582,667</u>	<u>336,805</u>
Deficiency of revenues over expenditures	<u>(70,453)</u>	<u>(124,363)</u>	<u>(22,393)</u>	<u>(86,746)</u>	<u>(172)</u>	<u>(304,127)</u>	<u>(161,160)</u>
<b>OTHER FINANCING SOURCES</b>							
Transfer in	<u>69,501</u>	<u>110,318</u>	<u>22,400</u>	<u>86,746</u>	<u>172</u>	<u>289,137</u>	<u>273,811</u>
Total other financing sources	<u>69,501</u>	<u>110,318</u>	<u>22,400</u>	<u>86,746</u>	<u>172</u>	<u>289,137</u>	<u>273,811</u>
Net change in fund balance	(952)	(14,045)	7	-	-	(14,990)	112,651
<b>FUND BALANCE</b>							
Beginning of year	<u>404,127</u>	<u>23,459</u>	<u>8,348</u>	<u>-</u>	<u>-</u>	<u>435,934</u>	<u>323,283</u>
End of year	<u>\$ 403,175</u>	<u>\$ 9,414</u>	<u>\$ 8,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,944</u>	<u>\$ 435,934</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

MOTOR FUEL TAX FUND

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

Year Ended April 30, 2022

With Comparative Figures for Year Ended April 30, 2021

	2022				2021 Actual Total
	Budget	State	Local	Total	
<b>REVENUES</b>					
Intergovernmental:					
Motor fuel tax allotments	\$ 201,250	\$ 245,407	\$ -	\$ 245,407	\$ 220,410
Rebuild Illinois grant	135,235	135,235	-	135,235	202,852
Total intergovernmental	336,485	380,642	-	380,642	423,262
Licenses and permits	28,500	4,113	30,781	34,894	21,609
Interest income	250	434	5	439	562
Total revenues	365,235	385,189	30,786	415,975	445,433
<b>EXPENDITURES</b>					
Current					
Streets and alleys:					
Engineering services	25,000	28,388	4,113	32,501	17,116
Sealcoating/patching	324,500	258,369	17,528	275,897	128,030
Dues	3,000	2,380	853	3,233	784
Maintenance supplies	5,000	-	-	-	-
Snow removal	35,000	28,267	-	28,267	33,356
Total streets and alleys	392,500	317,404	22,494	339,898	179,286
Net change in fund balance	\$ (27,265)	67,785	8,292	76,077	266,147
<b>FUND BALANCE</b>					
Beginning of year		412,627	74,539	487,166	221,019
End of year		\$ 480,412	\$ 82,831	\$ 563,243	\$ 487,166



**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**TAX INCREMENT FINANCING FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**

**Year Ended April 30, 2022**  
**With Comparative Totals for Year Ended April 30, 2021**

	2022					<u>2021 Total</u>
	<u>Leisy-Pabst</u>	<u>Peoria Heights #1</u>	<u>Peoria Heights #2</u>	<u>Peoria Heights #3</u>	<u>Total</u>	
<b>REVENUES</b>						
Property taxes	\$ 20,656	\$ 379,445	\$ 76,942	\$ 227,334	\$ 704,377	\$ 624,391
Interest income	<u>35</u>	<u>108</u>	<u>63</u>	<u>37</u>	<u>243</u>	<u>410</u>
Total revenues	<u>20,691</u>	<u>379,553</u>	<u>77,005</u>	<u>227,371</u>	<u>704,620</u>	<u>624,801</u>
<b>EXPENDITURES</b>						
Current - Administration						
Administration fees	2,257	6,705	6,442	5,858	21,262	24,318
Legal fees	-	13,183	1,154	8,335	22,672	5,480
Professional fees	750	750	750	750	3,000	2,500
Village improvements	-	-	-	93,582	93,582	84,274
Peoria Heights School District	<u>4,338</u>	<u>57,681</u>	<u>16,143</u>	<u>47,739</u>	<u>125,901</u>	<u>108,574</u>
Total expenditures	<u>7,345</u>	<u>78,319</u>	<u>24,489</u>	<u>156,264</u>	<u>266,417</u>	<u>225,146</u>
Excess of revenues over expenditures	<u>13,346</u>	<u>301,234</u>	<u>52,516</u>	<u>71,107</u>	<u>438,203</u>	<u>399,655</u>
<b>OTHER FINANCING USES</b>						
Transfers out	<u>-</u>	<u>(202,219)</u>	<u>(172)</u>	<u>(86,746)</u>	<u>(289,137)</u>	<u>(273,811)</u>
Net change in fund balance	13,346	99,015	52,344	(15,639)	149,066	125,844
<b>FUND BALANCE (DEFICIT)</b>						
Beginning of year	<u>64,871</u>	<u>(39,732)</u>	<u>40,110</u>	<u>(128,797)</u>	<u>(63,548)</u>	<u>(189,392)</u>
End of year	<u>\$ 78,217</u>	<u>\$ 59,283</u>	<u>\$ 92,454</u>	<u>\$ (144,436)</u>	<u>\$ 85,518</u>	<u>\$ (63,548)</u>

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

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**BUSINESS DEVELOPMENT DISTRICT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended April 30, 2022**  
**With Comparative Figures for Year Ended April 30, 2021**

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
Business development sales tax	\$ 405,000	\$ 424,530	\$ 374,637
Interest income	350	259	327
	<u>405,350</u>	<u>424,789</u>	<u>374,964</u>
Total revenues			
<b>EXPENDITURES</b>			
Community Development:			
Professional services	20,500	35,702	7,277
Administration and public relations	21,250	-	-
Improvements and maintenance	185,000	32,049	106,669
	<u>226,750</u>	<u>67,751</u>	<u>113,946</u>
Total expenditures			
Excess of revenues over expenditures	178,600	357,038	261,018
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>93,500</u>	<u>(13,488)</u>	<u>-</u>
Total other financing sources (uses)			
	<u>93,500</u>	<u>(13,488)</u>	<u>-</u>
Net change in fund balance	<u>\$ 272,100</u>	343,550	261,018
<b>FUND BALANCE</b>			
Beginning of year		<u>580,324</u>	<u>319,306</u>
End of year		<u>\$ 923,874</u>	<u>\$ 580,324</u>

VILLAGE OF PEORIA HEIGHTS, ILLINOIS

WATERWORKS FUND

PLANT AND OPERATING EXPENSES

Year Ended April 30, 2022  
 With Comparative Figures for Year Ended April 30, 2021

	<u>2022</u>	<u>2021</u>
Salaries	\$ 360,824	\$ 297,315
Retirement expense (revenue)	(50,130)	(41,042)
Group insurance	49,106	40,146
Gasoline, oil, etc	9,073	4,950
Utilities	76,470	90,920
Maintenance and supplies:		
Vehicles	8,350	1,922
Building	1,522	6,719
Computers and software	7,777	10,247
Equipment	19,160	13,231
Utility system	134,842	74,984
Insurance	52,822	53,116
Depreciation	334,737	352,165
Operating supplies	22,683	34,821
Utility supplies	31,170	21,683
Office expenses	55,857	48,476
Engineering services	5,400	-
Audit fees	5,775	7,300
Other professional services	13,196	8,012
Laundry services	1,234	1,450
Testing services	8,131	4,769
Miscellaneous expense	<u>18,631</u>	<u>2,170</u>
 Total plant operating and expenses	 <u>\$ 1,166,630</u>	 <u>\$ 1,033,354</u>

**VILLAGE OF PEORIA HEIGHTS, ILLINOIS**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**AND ASSESSED VALUATIONS**  
**For the Levy Years 2021, 2020, and 2019**

	<u>Tax Year</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSESSED VALUATION</b>	\$ 95,890,766	\$ 94,287,440	\$ 94,682,087
<b>TAX RATES</b>			
General Corporate	0.04645	0.13208	0.13153
Police Pension	0.49430	0.42076	0.39946
<b>TOTAL</b>	0.54075	0.55284	0.53099
<b>TAX EXTENSIONS</b>			
General Corporate	\$ 44,541	\$ 124,535	\$ 124,535
Police Pension	473,988	396,724	378,217
<b>TOTAL</b>	\$ 518,529	\$ 521,259	\$ 502,752
<b>COLLECTIONS *</b>	\$ -	\$ 520,715	\$ 499,910
<b>PERCENT OF EXTENSION COLLECTED</b>		99.90%	99.43%

**TAX INCREMENT FINANCING FUND**

	<u>Tax Year</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSESSED VALUATION</b>	\$ 23,452,970	\$ 23,434,300	\$ 23,642,160
<b>TAX EXTENSION</b>	\$ 877,703	\$ 724,146	\$ 640,022
<b>COLLECTIONS *</b>	\$ -	\$ 704,377	\$ 624,391
<b>PERCENT OF EXTENSION COLLECTED</b>		97.27%	97.56%

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

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

Certified Public Accountants

809 W. Detweiller Drive, Suite 806  
Peoria, Illinois 61615

(309) 683-0441 Phone  
(309) 692-0492 Fax

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Peoria Heights, Illinois (Village), as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise Village of Peoria Heights, Illinois' basic financial statements and have issued our report thereon dated November 29, 2022.

### **Report on Internal Control over Financial Reporting<sup>c</sup>**

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

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

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

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

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

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

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

#### Management's response

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

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

#### Preparation of Financial Statements

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

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

#### Management's response

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 Peoria Heights, Illinois' Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village of Peoria Heights, Illinois' response to the findings identified in our audit and described in the accompanying findings. Village of Peoria Heights, Illinois' responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **Purpose of This Report**

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

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

Peoria, Illinois  
November 29, 2022