VILLAGE OF CHERRY VALLEY, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
APRIL 30, 2014

VILLAGE OF CHERRY VALLEY, ILLINOIS

Table of Contents

FINANCIAL SECTION

	Page No.
Independent Auditor's Report	1-2
General Purpose External Financial Statements	
Management's Discussion and Analysis	3-9
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position – Modified Cash Basis	10
Statement of Activities – Modified Cash Basis	11
Fund Financial Statements	
Governmental Funds	
Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis	12
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances – Modified Cash Basis	13
Proprietary Funds	
Statement of Net Position – Modified Cash Basis Enterprise Fund – Water	14
Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis – Enterprise Fund - Water	15
Statement of Cash Flows – Modified Cash Basis Enterprise Fund – Water	16
Fiduciary Funds	
Statement of Fiduciary Net Position – Modified Cash Basis Police Pension Trust Fund	17
Statement of Changes in Fiduciary Net Position – Modified Cash Basis - Police Pension Trust Fund	18
Notes to Financial Statements	19-38

Page No.

Supplementary Information

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual – General Fund 39

Schedule of Funding Progress – Illinois Municipal Retirement Fund 40

Schedule of Funding Progress – Police Pension Trust Fund 41

Schedule of Funding Progress – Post Employment Benefits Other than Pension 42

Notes to Supplementary Information 43

Combining & Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds

Combining Balance Sheet – Modified Cash Basis 44

Combining Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balances 45

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual Motor Fuel Tax Fund 46

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual Special Service Area # 2 Fund 47

Other Supplementary Financial Information

Schedule of Detailed Revenues Received and Expenditures Disbursed – Budget and Actual – General Fund 48-50

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual – Capital Projects Fund 51

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance – Budget and Actual – Debt Service Fund 52

Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Proprietary Fund Type – Water Fund 53

Schedule of Operating Expenses and Capital Outlays – Budget and Actual - Proprietary Fund Type - Water Fund 54

Schedule of Legal Debt Margin 55

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Village of Cherry Valley
Cherry Valley, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village the Cherry Valley, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Basis for Qualified Opinion on the Omission of Fixed Assets and Debt

Management has decided not to include fixed assets and debt in the financial statements. Even though these financial statements are presented in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, the inclusion of fixed assets and debt is required. The amount by which this departure would affect the assets and net position in the Statement of Net Position and the Statement of Activities, as well as assets, net position, and expenditures of the Water Fund has not been determined.

Qualified Opinion

In our opinion, except for the matter described in the "Basis for Qualified Opinion on the Omission of Fixed Assets and Debt" paragraph, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cherry Valley, Illinois, as of April 30, 2014, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Cherry Valley, Illinois' basic financial statements. The combining and individual fund financial statements and schedules on pages 44-47 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting describe in Note 1 to the financial statements. The management's discussion and analysis on pages 3-9 and budgetary comparison information on pages 39 and 48–54, as well as the additional information presented on pages 40-43 and page 55, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Freeport, Illinois
June 2, 2014

VILLAGE OF CHERRY VALLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2014
(Unaudited)

This section of the Village of Cherry Valley's Annual Financial Report presents management's discussion and analysis of the Village's financial performance during the year ended April 30, 2014 within the limitations of the Village's modified cash basis of accounting. Please read it in conjunction with the Village's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total net position of the Village was $10,743,745 at April 30, 2014. Of this amount, $7,124,583 is unrestricted and $3,487,734 is restricted for capital projects and $131,428 is restricted for street repairs. The Village increased its total net position by $1,635,092 in fiscal year 2014. This increase was primarily the result of a decrease in expenses.

- As of April 30, 2014, the Village's governmental funds reported combined ending fund balances of approximately $7,319,647. This increase of $1,353,823 from the prior year results primarily from a decrease in expenditures. In the prior year there was also an increase in ending fund balances of $1,582,739.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements, which present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

The *statement of net position* and *statement of activities* are **government-wide** financial statements that provide both short and long-term information about the Village's overall financial status.

The remaining statements are **fund financial statements** that focus on individual parts of the Village government, reporting Village operation in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the supplementary information section that further explains and supports the information in the financial statements.

The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the Village's financial statements.

The Village's financial statements are presented using a modified cash basis of accounting. This basis recognizes cash and cash equivalents and investments, net positions/fund equity, revenues and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Government-Wide Financial Statements

The government-wide financial statements report information about the Village as a whole. The statement of net position includes all of the Village's assets resulting from the use of the modified cash basis of accounting. All of the current year's revenues and expenses are accounted for in the statement of activities.

The two government-wide financial statements for the Village report the net position and how it has changed. Keeping in mind the limitations of the modified cash basis of accounting, analyzing the change in net position is one way to measure the Village's financial health or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Village's overall health, you need to consider additional nonfinancial factors such as changes in the Village's property and sales tax base.

The Village's activities relating to administration, police protection and maintenance of streets and parks are considered to be governmental-type activities. The Village's activities relating to water services are considered to be business-type activities.

Fund Financial Statements

The fund financial statements for the Village provide more detailed information about the Village's funds, focusing on its most significant or "major" funds – not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law and by bond covenants.

- The Village establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt).

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position – Modified Cash Basis

The Village's total net position, resulting from modified cash basis transactions, was higher in fiscal year 2014 than the year before, increasing approximately 18% from $9,108,653 to $10,743,745. The following provides a summary of the Village's net position at April 30, 2014 and 2013.

Table 1
Statement of Net Position
As of April 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Cash and cash equivalents $	20,116	57,410	2,113	2,788	22,229	60,198
Investments	7,299,531	5,908,414	3,421,985	3,140,041	10,721,516	9,048,455
Total assets	7,319,647	5,965,825	3,424,098	3,142,829	10,743,745	9,108,653
Liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net position:						
Restricted for high-ways and streets	131,428	189,733	-	-	131,428	189,733
Restricted for capital projects	3,487,734	2,570,994	-	-	3,487,734	2,570,994
Unrestricted	3,700,485	3,205,097	3,424,098	3,142,829	7,124,583	6,347,926
Total net position $	7,319,647	5,965,824	3,424,098	3,142,829	10,743,745	9,108,653

The increase in the Village's financial position is attributable to an overall decrease in expenditures.

Changes in Net Position – Modified Cash Basis

The Village's total revenues were $7,929,482. This is a decrease from the prior year of $1,212,115 or approximately 13%. Municipal sales taxes comprise approximately 73% of the Village's revenue and approximately 7% of revenue was from other taxes. Approximately 12% of revenue is obtained from fees charged for services. The remainder of revenue is comprised of miscellaneous revenue, investment earnings and grants.

The total cost of all programs and services was $6,294,390 for the year ended April 30, 2014. This is a decrease from the prior year of $559,901. The Village's expenses are predominantly related to the maintenance of streets and parks, police protection, maintenance and improvement of the waterworks system and the service of debt.

Statement of Changes In Net Position

The following chart provides a summary of the Village's changes in net position (resulting from modified cash basis transactions) for the year ended April 30, 2014:

Table 2
Changes in Net Position
For the Years Ended April 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
RECEIPTS						
Program receipts:						
Charges for services	$ 250,614	243,300	927,017	1,020,883	1,177,631	1,264,183
Operating grants	-	-	-	-	-	-
Capital grants	35,383	11,093	-	-	35,383	11,093
General receipts:						
Sales taxes	5,814,697	5,905,525	-	-	5,814,697	5,905,525
Income taxes	305,750	333,247	-	-	305,750	333,247
Telecommunication taxes	92	43,961	-	-	92	43,961
Other taxes	283,219	243,415	-	-	283,219	243,415
Investment income	11,730	10,058	6,511	10,078	18,241	20,136
Miscellaneous	179,287	940,348	115,182	379,689	294,469	1,320,037
Total receipts	6,880,772	7,730,949	1,048,710	1,410,650	7,929,482	9,141,597
EXPENDITURES						
General government	716,144	678,124	-	-	716,144	678,124
Public safety	2,080,955	1,997,014	-	-	2,080,955	1,997,014
Public works	2,422,610	2,645,482	-	-	2,422,610	2,645,482
Debt - principal	275,000	765,000	-	-	275,000	765,000
Debt - interest	32,240	62,590	-	-	32,240	62,590
Water	-	-	767,441	706,081	767,441	706,081
Total expenditures	5,526,949	6,148,210	767,441	706,081	6,294,390	6,854,291
Excess of revenues over expenditures	1,353,823	1,582,739	281,269	704,568	1,635,092	2,287,306
Other financing sources (uses)	-	-	-	(1,576,000)	-	(1,576,000)
Changes in net position	1,353,823	1,582,739	281,269	(871,432)	1,635,092	711,306
Beginning net position	5,965,824	4,383,085	3,142,829	4,014,261	9,108,653	8,397,346
Ending net position	$ 7,319,647	5,965,824	3,424,098	3,142,829	10,743,745	9,108,652

For more detailed information see the Statement of Activities.

The following table presents the cost of the three major Village activities (public safety, public works and water service) along with administration and the service of debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the Village's taxpayers by each of these functions.

	Total Cost of Services 2014	Net Cost of Services 2014
Public safety	$ 2,080,955	1,874,937
Public works	2,422,610	2,422,610
Water	767,441	(159,576)
Administration	716,144	636,165
Debt principal payments	275,000	275,000
Interest on debt	32,240	32,240
	$ 6,294,390	5,081,376

The cost of all activities this year was $6,294,390. Individuals who directly participated or benefited from a program offering paid for approximately $1,213,014.

The net cost of services was primarily financed by Village taxpayers through municipal sales taxes, other taxes and other miscellaneous revenues, which totaled $6,716,468.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The financial performance of the Village is also reflected in its governmental and business-type funds throughout the fund financial statements. The Village completed the year with a total governmental fund balance of $7,319,647, an increase of $1,353,823 from the prior year's total governmental fund balance of $5,965,824. A significant portion of this change is due to a decrease in expenses.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the General Fund was $3,599,237. The fund balance of the Village's General Fund increased by $497,360 during the current fiscal year.

The Debt Service Fund total fund balance at year-end was $101,248 all of which is reserved for the payment of debt service. The net decrease in fund balance during the year was $1,972. The Village made general obligation bond principal payments of $275,000 and interest payments of $32,240.

The Capital Projects Fund total fund balance at year-end was $3,487,734. There was a net increase in fund balance of $916,740 from 2013. This increase is mainly due to the additional 1% sales tax. The payments began in October of 2011. The tax is for a five year period with an effective date of July 1, 2011.

The Village completed the year with a net position of $3,424,098 in its Water Fund, a business-type fund, a $281,268 increase from the prior year balance of $3,142,829. The increase is mainly due to a decrease in bond payments.

General Fund Budgetary Highlights

Over the course of the year, the Village amended the operating budget once. Differences between the original budget and the final amended budget for the General Fund were not significant.

Although the Village's final budget for the general fund anticipated that revenues would surpass expenses by $83,670, the actual reports for the year show a surplus of $497,360.

DEBT ADMINISTRATION

Long-term Obligations

At April 30, 2014, the Village had $570,000 outstanding in general obligation bonds in the governmental activities funds and $2,905,000 in the business type activities fund. This is a combined decrease of $665,000 from the prior year. See Note 4 to the basic financial statements for more details.

The following table shows the Village's outstanding long-term obligations:

Table 3
Outstanding Long-Term Debt

GOVERNMENTAL ACTIVITIES		April 30, 2013	Net Change	April 30, 2014
General obligation bonds	$	845,000	(275,000)	570,000
Compensated absences		227,000	(59,000)	168,000
Intergovernmental agreement		150,000	(150,000)	-
Police pension underfunding		4,304	(4,304)	-
Post employment benefit underfunding		25,203	-	25,203
Total outstanding long-term debt	$	1,251,507	(488,304)	763,203

BUSINESS-TYPE ACTIVITIES		April 30, 2013	Net Change	April 30, 2014
General obligation bonds	$	3,295,000	(390,000)	2,905,000
Compensated absences		9,700	800	10,500
Total outstanding long-term debt	$	3,304,700	(389,200)	2,915,500

Although the 2005A G.O. Alternate Revenue Bond (included in business-type activities) is still outstanding, it should be noted that $2,335,000 in state and local government series (SLGS) securities were purchased in the fiscal year ending April 30, 2013 in order to advance refund this bond when callable in 2015.

During 2014, the Village did not experience any negative changes in its credit rating or limitation.

ECONOMIC FACTORS

The Village's main source of revenue is the retail sales tax, which accounts for the major portion of the Village's overall revenue stream. Moreover, the additional 1% sales tax implemented in 2012, used to fund the Capital Improvement Plan, has helped to lessen the strain that these projects previously had on the Village's General Fund. Recently passed State Statutes have allowed for the introduction of video gaming terminals within the Village, and this source of new revenue is also helping to shore up general fund balances. As a result of both new developments and additional revenue streams now available to the Village, general fund revenues are stabilized. Furthermore, community and regional programs that encourage economic development are providing a benefit to the Village as new development brings value and jobs to the Village. The continued participation in these programs will result in continued economic development, which will help stabilize our financial outlook for the coming years.

This past fiscal year is a forbearer of future fiscal years as the Village works to become development-friendly and welcome the ability to generate the revenues needed to fund the programs that provide for the health, safety and welfare of the community.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Karen Melloch, Treasurer, Village of Cherry Valley, 806 East State Street, Cherry Valley, Illinois, 61016.

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Net Position - Modified Cash Basis

April 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Assets:			
Cash and cash equivalents	$ 20,116	2,113	22,229
Investments	7,299,531	3,421,985	10,721,516
Total assets	7,319,647	3,424,098	10,743,745
Liabilities and Net Position			
Liabilities:	-	-	-
Net Position:			
Restricted:			
Highways and streets	131,428	-	131,428
Capital projects	3,487,734	-	3,487,734
Unrestricted	3,700,485	3,424,098	7,124,583
Total net position	$ 7,319,647	3,424,098	10,743,745

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Activities - Modified Cash Basis

For the Year Ended April 30, 2014

Functions/Programs		Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:								
General government	$	716,144	44,596	35,383	-	(636,165)	-	(636,165)
Public safety		2,080,955	206,018	-	-	(1,874,937)	-	(1,874,937)
Public works		2,422,610	-	-	-	(2,422,610)	-	(2,422,610)
Debt principal payments		275,000	-	-	-	(275,000)	-	(275,000)
Interest		32,240	-	-	-	(32,240)	-	(32,240)
Total governmental activities		5,526,949	250,614	35,383	-	(5,240,952)	-	(5,240,952)
Business-type activities:								
Water								
Total business-type activities		767,441	927,017	-	-	-	159,576	159,576
Total	$	6,294,390	1,177,631	35,383	-	(5,240,952)	159,576	(5,081,376)
General revenues:								
Taxes:								
Taxes - municipal sales						5,814,697	-	5,814,697
Taxes - state income						305,750	-	305,750
Taxes - other						283,311	-	283,311
Investment income						11,730	6,511	18,241
Miscellaneous						179,287	115,182	294,469
Total general revenues						6,594,775	121,693	6,716,468
Change in net position						1,353,823	281,269	1,635,092
Net position:								
Beginning						5,965,824	3,142,829	9,108,653
Ending						$ 7,319,647	3,424,098	10,743,745

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
Governmental Funds

April 30, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 8,854	-	4,834	6,428	20,116
Investments	3,590,383	101,248	3,482,900	125,000	7,299,531
Total assets	3,599,237	101,248	3,487,734	131,428	7,319,647
Liabilities:	-	-	-	-	-
Fund balances:					
Restricted for:					
Debt Service	-	101,248	-	-	101,248
Special Revenue	-	-	-	131,428	131,428
Committed to:					
Capital projects funds	-	-	3,485,824	-	3,485,824
Assigned to:					
Cherry Valley Festival Days	-	-	1,910	-	1,910
Unassigned:					
General Fund	3,599,237	-	-	-	3,599,237
Total fund balances	3,599,237	101,248	3,487,734	131,428	7,319,647
Total liabilities and fund balances	$ 3,599,237	101,248	3,487,734	131,428	7,319,647

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended April 30, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues received:					
Intergovernmental					
Taxes - municipal sales	$ 3,268,750	-	2,545,947	-	5,814,697
Taxes - other	501,875	-	-	87,186	589,061
Licenses, fees, and permits	248,887	-	-	-	248,887
Impact fees	-	-	1,727	-	1,727
Interest	6,333	28	5,159	210	11,730
Other	214,670	-	-	-	214,670
Total revenues	4,240,515	28	2,552,833	87,396	6,880,772
Expenditures disbursed:					
Current:					
General government	710,065	-	-	-	710,065
Public safety	2,049,135	-	-	-	2,049,135
Public works	892,751	-	-	-	892,751
Capital outlay	91,204	-	1,330,853	145,701	1,567,758
Debt service:					-
Principal	-	275,000	-	-	275,000
Interest	-	32,240	-	-	32,240
Total expenditures	3,743,155	307,240	1,330,853	145,701	5,526,949
Excess (deficiency) of revenues over (under) expenditures	497,360	(307,212)	1,221,980	(58,305)	1,353,823
Other financing sources (uses)					
Transfers in	-	305,240	-	-	305,240
Transfers out	-	-	(305,240)	-	(305,240)
Total other financing sources (uses)	-	305,240	(305,240)	-	-
Net change in fund balance	497,360	(1,972)	916,740	(58,305)	1,353,823
Fund balances:					
Beginning	3,101,877	103,220	2,570,994	189,733	5,965,824
Ending	$ 3,599,237	101,248	3,487,734	131,428	7,319,647

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Net Position - Modified Cash Basis
Enterprise Fund - Water

April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	Water Fund	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 2,113	2,788
Investments	3,421,985	3,140,041
Total assets	3,424,098	3,142,829
Liabilities and Net Position		
Liabilities	-	-
Net Position:		
Restricted net position – capital projects	-	-
Unrestricted net position	3,424,098	3,142,829
Total net position	$ 3,424,098	3,142,829

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Revenues, Expenses,
and Changes in Net Position - Modified Cash Basis
Enterprise Fund - Water

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	Water Fund	
	2014	2013
Operating revenues:		
User fees	$ 914,822	1,006,684
Hookup fees	7,890	11,046
Service initiation	4,305	3,153
Miscellaneous	115,182	379,688
Total operating revenues	1,042,199	1,400,571
Operating expenses:		
Personnel and personnel services	227,961	199,025
Contractual services	111,617	115,144
Commodities	60,914	53,413
Other	54,290	27,630
Total operating expenses	454,782	395,212
Operating income (loss)	587,417	1,005,359
Non-operating revenues (expenses):		
Capital outlay	(57,766)	(53,291)
Debt service - principal	(235,000)	(150,000)
Debt service - interest	(19,893)	(107,578)
Interest income	6,511	10,078
Total non-operating revenues (expenses)	(306,148)	(300,791)
Other financing sources (uses):		
Payment to refunded bond escrow agent	-	(2,521,670)
Premium on bond issuance	-	11,953
Refunding bond proceeds	-	960,000
Bond issue costs	-	(26,283)
Total other financing sources (uses)	-	(1,576,000)
Change in net position	281,269	(871,432)
Net Position:		
Net Position - beginning	3,142,829	4,014,261
Net Position - ending	$ 3,424,098	3,142,829

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Cash Flows - Modified Cash Basis

Enterprise Fund - Water

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	Water Fund	
	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 1,042,199	1,400,571
Payments to suppliers	(226,821)	(196,187)
Payments to employees	(227,961)	(199,025)
Net cash flows from operating activities	587,417	1,005,359
Cash flows from capital and related financing activities:		
Payment of revenue bond principal and notes payable	(235,000)	(150,000)
Purchase of fixed assets	(57,766)	(53,291)
Interest paid	(19,893)	(107,578)
Payment to refunded bond escrow agent	-	(2,521,670)
Premium on bond issuance	-	11,953
Refunding bond proceeds	-	960,000
Bond issue costs	-	(26,283)
Net cash flows from capital financing activities	(312,659)	(1,886,869)
Cash flows from investing activities:		
Purchase of investments	(7,109,145)	(8,682,456)
Sales of investments	6,827,201	9,553,099
Interest on investments	6,511	10,078
Net cash flows from investing activities	(275,433)	880,721
Net (decrease) increase in cash and cash equivalents	(675)	(789)
Cash and cash equivalents, beginning of year	2,788	3,577
Cash and cash equivalents, end of year	$ 2,113	2,788

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Fiduciary Net Position - Modified Cash Basis

Police Pension Trust Fund

April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	Police Pension	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	$ 20,476	22,586
Investments	2,472,596	2,296,749
Accrued interest	5,538	10,512
Total assets	2,498,610	2,329,847
Liabilities and Net Position		
Liabilities	-	-
	-	-
Net position:		
Assets held in trust for pension benefits	2,498,610	2,329,847
Total net position	$ 2,498,610	2,329,847

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Police Pension Trust Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	Police Pension	
	2014	2013
Additions:		
Contributions:		
Employer	$ 443,787	376,000
Employee	89,262	91,192
Total contributions	533,049	467,192
Net investment income	54,166	75,306
Realized (loss) gain	(46,684)	36,031
Investment fees	(12,201)	(10,408)
Total investment income	(4,719)	100,929
Total additions	528,330	568,121
Deductions:		
General administration	24,939	14,765
Pension benefits	334,628	229,847
Total deductions	359,567	244,612
Change in net position	168,763	323,509
Net position - beginning	2,329,847	2,006,338
Net position - ending	$ 2,498,610	2,329,847

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity and Nature of Operations:

The Village of Cherry Valley (Village) is a municipal corporation located in Winnebago and Boone Counties, Illinois, which is governed by an elected president and a six-member board of trustees. The Village provides services to the residents of Cherry Valley that include maintenance of streets and parks, police protection and water services.

In accordance with the Codification of Governmental Accounting Standards, the basic financial statements include all funds for which the Village is financially accountable. The Village has also considered all other potential organizations for which the nature and significance of their relationships with the Village are such that exclusion would cause the Village's financial statements to be misleading or incomplete. Consistent with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units, and Amendment to GASB Statement No. 14*, the criteria used by the Village to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. These criteria have been considered and there are no organizations which should be presented with the Village.

Basis of Presentation:

Government-Wide Financial Statements:

The government-wide financial statements (GWFS) are comprised of the statement of net position – modified cash basis and the statement of activities – modified cash basis and include the financial activities of the overall Village with the effect of any material interfund activity eliminated. The statements present the overall Village activities as they relate both to governmental activities and business-type activities. They include all funds of the reporting entity except fiduciary funds. Governmental activities generally are financed through taxes. Business-type activities are generally funded through charges for water services. The statement of activities demonstrates the degree to which the direct disbursements for a given function, segment or program are offset by program revenues. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges by a given function or segment and (2) grants, contributions, and standard receipts that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general receipts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements:

The Village's Fund Financial Statements (FFS) present the following governmental funds as major: General Fund, Debt Service Fund and Capital Project Fund. The Village's other governmental funds are considered nonmajor and include both of the Village's special revenue funds: Motor Fuel Tax Fund and Special Service Area Fund.

FFS of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that represents the fund's assets, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the Village:

Governmental Fund Type: Governmental Funds are those through which most governmental functions of the Village are financed. The following are the Village's Governmental Funds:

General Fund: The General Fund is the general operating fund of the Village. It is used to account for all revenues and expenses not accounted for in other funds. Sales taxes, state income taxes, licenses, permits, fines and interest are the primary sources of revenue to the General Fund.

Special Revenue Funds: The Special Revenue Funds are used to account for the specific revenue sources that are legally restricted to disbursements for specified purposes. The Special Revenue Funds of the Village include the Motor Fuel Tax Fund, which accounts for motor fuel taxes and street repairs, and the Special Service Area No. 2 Fund, which accounts for certain special municipal services provided to the service area.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for and the payment of principal, interest, and related costs on the general obligation bonds, intergovernmental obligations, and certain other obligations of the Village.

Capital Projects Fund: The Capital Projects Fund is used to account for the 1% sales tax revenue restricted by referendum and resources legally restricted by the bond agreements for the acquisition or construction of capital facilities or projects.

Fiduciary Fund Type: A Fiduciary Fund is used to account for assets held by the Village in a trustee capacity on behalf of others. The following is the Village's Fiduciary Fund:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police Pension Trust Fund: The Police Pension Trust Fund is used to account for the activities of the Village of Cherry Valley Police Pension Fund, which accumulates resources for pension benefit payments to qualified employees.

Proprietary Fund Type: A Proprietary Fund is used to account for the Village's ongoing operations and activities that are similar to those often found in the private sector. The following is the Village's Proprietary Fund:

Enterprise Fund: An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village's enterprise fund provides water services.

The Enterprise Fund applies all applicable GASB pronouncements as well as the following pronouncements as issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) *Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins.* The Village has elected not to apply FASB Statements or interpretations issued after November 30, 1989.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's Water Fund are charges to customers for services. The Village also recognizes as operating revenues developer reimbursements and miscellaneous revenues for its Water Fund. Operating expenses for the enterprise fund include salaries and benefits, services, supplies and materials, equipment, infrastructure and engineering and other professional services expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Measurement Focus: In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus within the limitations of the modified cash basis of accounting, which are defined as follows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, the "current financial resources" measurement focus or the "economic resource" measurement focus, as applied in the modified cash basis of accounting, is used as appropriate:

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

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

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes cash and cash equivalents, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets, revenues, liabilities, and expenses, such as receivables, payables, accruals, capital assets, debt and other liabilities, *are not recorded* in these financial statements.

If the Village utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Cash Equivalents: The Village considers all cash on hand, demand deposits and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments of the Village consist of certificates of deposit and Illinois Funds Money Market Funds, which are accounted for at cost. Investments of the Police Pension Trust Fund consist of Money Market Mutual Funds, Federal Home Loan Mortgage Corporation Discount Notes and Real Estate Mortgage Investment Contracts, Federal National Mortgage Association Investment Notes, Governmental National Mortgage Association Pool Notes, Fixed Income, as well as other government and agency obligations and annuities and are accounted for at fair market value.

Long-Term Obligations: For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as reductions of the proceeds.

Compensated Absences: Village employees earn vacation days in varying amounts based on years of service. A maximum of 200 hours can be carried over from year to year and upon termination any unused vacation time will be paid at normal rates of pay.

All full-time employees earn sick time at the rate of 80 or 84 hours per year, depending on position held. Unused sick time may be carried over from year to year without limit. Upon termination any unused sick time will be paid at the prevailing minimum wage for the hours recorded.

Fund Equity / Net Position: Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent. Under the requirements for GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are divided into five classifications: non-spendable, restricted, committed, assigned and unassigned.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact. Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The Village reports restricted fund balance amounts for special revenue funds as they are imposed by tax levies. The Motor Fuel Tax fund balance is reported as restricted due to restraints externally imposed through regulation of the Illinois Department of Transportation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the Village's Board of Trustees, and it takes an ordinance or resolution to establish a fund balance commitment. The Village reports the Capital Projects Fund balance as committed for the capital projects expenses. Amounts intended to be used for specific purposes would be considered assigned. Fund equity reported as assigned is the amount assigned to the Cherry Valley Festival Days. Assignments should not cause deficits in the unassigned fund balance. Unassigned fund balance is the residual classification for the general fund.

When both restricted and unrestricted resources are available for use, the Village uses restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, the District uses committed resources first, then assigned resources, and then unassigned resources as they are needed.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. All other net position that does not meet the definition of "restricted" is classified as unrestricted net position.

Deferred Outflows and Inflows of Resources: The Village implemented GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* effective with the April 30, 2013 financial statements, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities,* effective with the April 30, 2014 financial statements. GASB Statement 63 changes the title of the "Statement of Net Assets" to the "Statement of Net Position" and also standardizes the presentation of deferred outflows of resources and deferred inflows of resources. Under GASB Statements 63 and 65, certain items previously reported as assets are now reported as deferred outflows of resources in a separate section following total assets, and certain items previously reported as liabilities are now reported as deferred inflows of resources in a separate section following total liabilities. As of April 30, 2014, the Village did not have any items that meet the definition of deferred inflows or deferred outflows in accordance with GASB Statements 63 and 65.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments of the Village at April 30, 2014:

Deposits in financial institutions	$ 42,705
Total cash and cash equivalents	42,705
Investments:	
Certificates of deposit	10,184,800
Illinois Funds Money Market funds	536,716
Money Market Mutual funds	186,985
Mutual funds	1,150,405
Federal Home Loan Mortgage Corporation Real Estate Mortgage Investment Contracts	138,749
Governmental National Mortgage Association Pool Notes	1,663
Fixed Income - Corporate	518,201
Annuities	476,593
Total investments	13,194,112
Total cash and investments	$ 13,236,817

Interest Rate Risk – Investments: Interest rate risk is the risk that will adversely affect the fair value of an investment. As of April 30, 2014, the Village had investments in debt securities with the following maturities:

		Investment Maturities (in Years)			
Investment Type	**Cost**	**< 1**	**1-5**	**6-10**	**> 10**
Certificates of Deposit	$ 10,184,800	10,184,800	-	-	-
Illinois Funds Money Market Funds *	536,716	536,716	-	-	-
Money Market Mutual Funds	186,985	186,985	-	-	-
Mutual Funds	1,150,405	1,150,405	-	-	-
Federal Home Loan Mortgage Corporation Real Estate Mortgage Investment Contracts	138,749	16,415	908	-	121,426
Government National Mortgage Association Pool Notes	1,663	-	-	-	1,663
Fixed Income - Corporate	518,201	-	-	495,422	22,779
Annuities	476,593	476,593	-	-	-
	$ 13,194,112	12,551,914	908	495,422	145,868

*Investments in Illinois Funds Money Market Funds are stated at cost, which approximates fair value. Cost for these investments is the same as the value of the pool shares. State statutes require that the pool comply with the Illinois Public Funds Investment Act. Because the pool had a weighted average maturity of less than one year as of April 30, 2014, it has been presented as an investment with a maturity of less than one year.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The Village's investment policy states that the maturity of the investment must coincide with cash requirements of the Village to meet current operating needs. Within the framework, investments should generally mature within one year. However, when the Village's cash flow is such that a substantial balance is always available, investment in authorized long-term securities may be made as long as the total of such investments in the portfolios does not exceed 33 percent of the anticipated average balance. In no case shall single investments maturing in excess of two years exceed five million.

Credit Risk – Investments: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The credit ratings of the Village's investments in debt securities are as follows:

Investment Type		Fair Market Value	Credit Rating Moody's	Fair Market Value	Credit Rating Standard & Poor's
Money Market Mutual Funds	$	186,985	NR		AAA
Mutual Funds		1,150,405	NA		NA
Federal Home Loan Mortgage Corporation					
Real Estate Mortgage Investment Contracts		122,334	NA		NA
		16,415	AAA		AA+
Government National Mortgage Association					
Pool Notes		1,663	NR		NR
Fixed Income - Corporate		518,201			
		49,456	A1	29,755	AA+
		68,812	A2	29,285	AA
		132,815	A3	58,916	A+
		18,687	AA1	99,299	A
		14,865	AA2	172,801	A-
		21,100	BA3	21,308	BBB
		46,994	BAA1	106,837	BBB-
		79,522	BAA2		
		85,950	BAA3		
Annuities	$	476,593	NA		NA

NR - not rated; NA - not available

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

State statutes applicable to Illinois villages and Illinois police pension funds authorize the Village to make deposits in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations to states and their political subdivisions, savings accounts, credit union shares, repurchase agreements under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Funds (formerly known as the Illinois Public Treasurer's Investment Pool). The statutes also authorize the Village to make deposits on behalf of the police pension fund in certain other types of investments as allowed under "Article 1. General Provisions" Sections 1-113.1 through 1-113.10 of the Illinois Pension Code. The Village does not have a policy, which further limits the allowed investments. Most of the Village's investments are presented in the Fiduciary Fund.

Custodial Credit Risk – Investments: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village does not have a policy, which addresses custodial credit risk. At April 30, 2014, the Village is not exposed to custodial credit risk for their investments.

Custodial Credit Risk – Deposits: For deposits, custodial 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 not have a deposit policy for custodial credit risk. As of April 30, 2014, none of the Village's deposits were exposed to custodial credit risk.

Concentration of Credit Risk – Investments: Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investment in a single issuer. The Village does not have a policy addressing concentration of credit risk. At April 30, 2014, the Village is not exposed to concentrations of credit risk.

3. BUDGETS

The term budget used throughout the financial statements represents the estimated revenues and expenses as set forth in the Village's annual budget ordinance adopted for all funds, except for the Police Pension Trust Fund.

Budgets are prepared for these Village funds on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds. Reported budget amounts represent the originally adopted budget as well as the final approved budget as amended. Any budget amendments require Village Board approval. There was one budget amendment for the year ended April 30, 2014.

3. BUDGETS (Continued)

Unexpended budgeted amounts lapse at the end of the budget year. Spending control for funds is established by the amount of disbursements budgeted for the fund, but management control is exercised at budgetary line item levels.

4. LONG-TERM OBLIGATION

At April 30, 2014, the Village's long-term debt consisted of the following:

GOVERNMENTAL ACTIVITIES	
2005B Bonds (Sales Tax Alternate Revenue Source Bonds), $2,765,000 original amount, due in annual installments of $225,000 to $290,000 through January 2016, interest at 3.65% to 3.75% payable semiannually	570,000
Compensated absences	168,000
Post employment benefits underfunding	41,692
	$ 779,692
BUSINESS-TYPE ACTIVITIES	
General Obligation (Alternate Revenue Sources) Bonds:	
2005A Bonds (Waterworks Alternate Revenue Source Bonds), $3,300,000 original amount, with one installment of $155,000 in January 2014 and callable in 2015, interest at 2.75% to 5% payable semiannually	2,180,000
General Obligation Refunding Alternate Bonds (Waterworks System Alternate Revenue Source), Series 2012, $960,000 original amount, due in annual installments of $235,000 to $250,000 through January of 2017, interest at 2% payable annually	725,000
Compensated absences	10,500
	$ 2,915,500

Although the 2005A G.O. Bond (Alternate Revenue) is still outstanding, it should be noted that $2,335,000 in state and local government series (SLGS) securities were purchased in the fiscal year ending April 30, 2013 in order to advance refund this bond when callable in 2015.

A summary of the changes in long-term obligations of the Village for the year ended April 30, 2014 is as follows:

4. LONG-TERM OBLIGATION (Continued)

GOVERNMENTAL ACTIVITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due in One Year
General obligation bonds	$ 845,000	-	275,000	570,000	280,000
Intergovernmental agreement	150,000	-	150,000	-	-
Compensated absences	227,000	-	59,000	168,000	168,000
Police pension underfunding	4,304	-	4,304	-	-
Post employment benefits underfunding	25,203	16,489	-	41,692	41,692
	$ 1,251,507	16,489	488,304	779,692	489,692

BUSINESS-TYPE ACTIVITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due in One Year
General obligation bonds	$ 3,295,000	-	390,000	2,905,000	2,420,000
Compensated absences	9,700	800	-	10,500	10,500
	$ 3,304,700	800	390,000	2,915,500	2,430,500

As of April 30, 2014, the Village has decreased its G.O. Bond (Alternate Revenue) debt outstanding by $665,000.

The Village uses the Debt Service Fund to pay off governmental debt and the Water Fund to pay off business-type debt. Compensated absences will be liquidated by the General Fund and the Water Fund.

Further principal and interest payments due on the general obligation bonds are approximately as follows:

GOVERNMENTAL ACTIVITIES

Due During the Years Ending April 30,	Principal	Interest	Total
2015	$ 280,000	21,240	301,240
2016	290,000	11,020	301,020
2017	-	-	-
2018	-	-	-
	$ 570,000	32,260	
Compensated absences			168,000
Post employment benefits underfunding			41,692
			811,952

BUSINESS-TYPE ACTIVITIES

Due During the Years Ending April 30,	Principal	Interest	Total
2015	$ 2,420,000	111,170	2,531,170
2016	250,000	9,700	259,700
2017	235,000	4,700	239,700
2018	-	-	-
	$ 2,905,000	125,570	
Compensated absences			10,500
			3,041,070

4. LONG-TERM OBLIGATION (Continued)

The Village's aggregate indebtedness is subject to a statutory limitation of 8.625 percent of its equalized assessed value at December 31, 2013. At April 30, 2014, the maximum allowed indebtedness of the Village is $6,846,816 based on an assessed valuation of $79,383,370. There was no outstanding debt subject to this limitation since the alternate revenue source bonds are excluded from the limitation by state statute.

The Village has pledged future water customer revenues, net of specified operating expenses to repay $2,485,000 in waterworks alternate revenue source bonds originally issued in 2005 for an extension of its water mains and the construction of an additional water tower. The Village didn't utilize the funds due to a standstill in construction. The bonds are payable solely from water customer net revenues and are payable through 2017. Annual principal and interest payments on the bonds are expected to require less than 20 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $3,030,570. Principal and interest paid for the current year and total customer net revenues were $254,893 and $587,417, respectively.

The Village also has pledged a portion of future sales tax revenues to repay $1,610,000 in sales tax alternative revenue source bonds issued in 2004 and 2005. The bonds are payable solely from the sales taxes generated by increased retail sales in the refurbished Village. Sales taxes were projected to produce approximately 500 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $602,260, payable through 2016. For the current year, principal and interest paid and total sales tax revenues were $307,240 and $5,814,697, respectively.

On December 18, 2012, the Village issued $960,000 in general obligation refunding alternate bonds with an interest rate of 2%. The Village issued the bonds to advance refund $2,335,000 of the outstanding series 2005A waterworks alternate revenue bonds with a varying interest rate of 2.75% to 5%. The Village used the net proceeds along with other resources to purchase state and local government series (SLGS) securities. These securities were deposited into an irrevocable trust to provide for all future debt service on the refunded portion of the 2005A series bonds. The advance refunding reduced total debt service payments over the next 12 years by approximately $2 million. This results in an economic gain of $1.7 million.

5. RETIREMENT PLAN COMMITMENTS

Deferred Compensation Plan
The Village offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code (IRC) Section 457.

5. RETIREMENT PLAN COMMITMENTS (Continued)

The Plan covers all full-time employees following seven months of employment. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. On April 22, 2002, the Village passed an ordinance that amended the existing deferred compensation plan. This amendment terminated the Village's obligation to fund the deferred compensation plan. During the year ended April 30, 2014, the Village made no voluntarily contributions to the deferred compensation plan.

The assets of the Plan are held in a trust for the exclusive benefit of the plan participants. Since the Village does not hold the assets in a trustee capacity nor does it have fiduciary accountability for the plan assets, the plan assets are not included in the financial statements.

Illinois Municipal Retirement Fund

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

Funding Policy
As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 was 14.58 percent. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

5. RETIREMENT PLAN COMMITMENTS (Continued)

Annual Pension Cost
The required contribution for calendar year 2013 was $80,643.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	$ 80,643	100%	$ -
12/31/12	88,868	100%	-
12/31/11	78,556	97%	-

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5% investment rate of return (net of administrative and direct expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress
As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 52.42 percent funded. The actuarial accrued liability for benefits was $1,686,232 and the actuarial value of assets was $883,924, resulting in an underfunded actuarial liability (UAAL) of $802,308. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was $553,108 and the ratio of the UAAL to the covered payroll was 145 percent.

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

5. RETIREMENT PLAN COMMITMENTS (Continued)

Police Pension Fund

Plan Description
On May 7, 2002, the Board of Trustees to the Village passed and approved an Ordinance that created and established the Village of Cherry Valley Police Pension Fund (the Plan). Police-sworn personnel of the Village are covered by the Plan that is a single-employer, defined-benefit pension plan. The Plan was created and is administered as prescribed by *Article 3. Police Pension Fund – Municipalities 500,000 and Under* of the Illinois Pension Code. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois legislature. Plan benefits are based primarily on years of service and final salary. The Plan does not issue a stand-alone financial statement. The Police Pension Board had previously elected to have valuations performed every other year, but currently has elected to have annual valuations performed, with the latest valuation as of April 30, 2013.

Membership in the plan consisted of the following as of:

	04/30/13	04/30/12
Retirees and beneficiaries receiving benefits	7	7
Terminated plan members entitled to but not yet receiving benefits	-	-
Active vested plan members	10	10
Active non-vested plan members	5	5
Total	22	22

The Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase. Employees are required to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For employees hired after January 1, 2011, the normal retirement age is attained at age 55 and completion of 10 years of service; early retirement age is attained at age 50, completion of 10 years of

5. RETIREMENT PLAN COMMITMENTS (Continued)

Plan Description (Continued)
service and the early retirement factor is 6% per year; the employee's accrued benefit is based on the employee's final 8-year average salary not to exceed $106,800 (as indexed); cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60. Surviving spouse's benefits are 66 2/3% of the employee's benefit at the time of death.

Basis of Plan Accounting
The Plan is reported using the modified cash basis of accounting. Plan member and employer contributions as well as benefits, refunds and other administrative costs are recognized in the period in which they are paid or incurred. Investments are recorded at fair market value.

Funding Policy
Police-sworn personnel of the Village participating in the Plan are required to contribute 9.91% of their base compensation to the Plan. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate on the dollar which will produce an amount which, when added to the deductions from the salaries or wages of police officers and revenue available from other sources, will equal a sum sufficient to meet the annual requirement of the police pension fund. The Village's actual contribution rate for the year ended April 30, 2013 was 40.46% of covered payroll.

Annual Pension Cost
The required contribution for 2013 was determined as part of the April 30, 2014 actuary valuation report using the projected unit credit cost method and the entry age normal cost amortization method – determined as a level percentage of payroll, plus an additional amount to bring the plan's funded ratio to 90% by the end of fiscal year 2040. The remaining amortization period is 28 years. The asset valuation method recognized investment gains and losses over a 5-year period. Actuarial assumptions at April 30, 2013 were an interest rate of 6%, salary increases of 4%, and cost-of-living adjustments of 3%. The Pension Board issues an annual actuary report. The Village's annual pension cost and net pension obligation for the Plan for the year ended April 30, 2013 were as follows:

		04/30/13	04/30/12
Annual required contribution (ARC)	$	291,665	231,334
Interest on net pension obligation (NPO)		(4,195)	323
Adjustment to ARC		2,990	(230)
Annual pension cost		290,460	231,427
Contribution made		376,000	291,665
Change in NPO		(85,540)	(60,238)
NPO, beginning of year		(55,934)	4,304
NPO, ending of year	$	(141,474)	(55,934)

5. RETIREMENT PLAN COMMITMENTS (Continued)

Three-Year Trend Information for Police Pension

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/13	$ 290,460	129.4%	$ (141,474)
04/30/12	231,427	126.0%	(55,934)
04/30/10	231,440	100.0%	4,304

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Village provides limited health care insurance coverage for its eligible disabled and retired employees and their dependents on an ongoing basis. Coverage is available on a 100% contributory basis for eligible persons. The Village intends to fund the plan on a pay-as-you-go basis.

Participant information

At April 30, 2014, the participants in the plan consisted of:

Retirees and beneficiaries Receiving benefits	3
Terminated plan members entitled To but not yet receiving benefits	-
Active vested plan members	13
Active nonvested plan members	12
Total	28
Number of participating employers	1

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statements No. 43 & 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost of each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2014; the calculations as of April 30, 2012 and 2013 were omitted since the Village has not made any contributions to the plan and actuarial information is only required every three years.

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Annual OPEB Cost and net OPEB Obligation

		04/30/14	04/30/11
Annual required contribution	$	16,321	16,321
Interest on net OPEB obligation		1,008	-
Adjustment to annual required contribution		(840)	-
Annual OPEB cost		16,489	16,321
Contributions made		-	-
Increase (decrease) in net OPEB obligation		16,489	16,321
Net OPEB obligation beginning of year		25,203	8,882
Net OPEB obligation (excess) end of year	$	41,692	25,203

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial method and assumptions used are the actuarial cost method - entry age with open level percentage of pay amortization period. Under this cost method, the costs attributable to past service and the current's year's service are determined by prorating over all years of service the benefits expected to be paid from the plan. The normal cost for any year is determined equal to the present value of the current year's portion of the employee's expected postretirement medical benefit. The current year's portion is equal to the expected postretirement medical benefit divided by the total credited service at the anticipated retirement date. Actuarial calculations reflect a long-term perspective. Actuarial methods and assumptions are designed to reduce short-term volatility in actuarial accrued liabilities.

The accrued liability is determined equal to the present value of the past years' portion of the employee's expected postretirement medical benefit. The past year's portion is equal to the expected postretirement medical benefit times the ratio of the participant's credited service to the total credited service at the anticipated retirement date. The sum of these values for all employees determines the normal cost and the accrued liability for the plan.

In the April 30, 2014 actuarial valuation, the actuarial assumptions included a reduced investment rate of return of 4%, which including a 3% inflation rate, and a healthcare cost trend rate of 7.50% initial and 5.5% ultimate with a 0.5% reduction per year. Projected salary increases were 4% and the current premiums have increased 14.8%.

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Other actuarial assumptions were a 50% active utilization rate and assumed coverage elections of 50% single and 50% single plus spouse coverage. Current premium rates are $616 per month to age 65 for single and $1,233 for single plus spouse coverage. There are no retired members receiving PSEBA benefits. The actuarial value of assets was not determined as the District has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized over 30 years.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village participates in the Illinois Municipal League (IML), which is an organization of municipalities and special Villages throughout the state of Illinois, which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The Village pays annual premiums to IML for its workers' compensation, general liability, property coverage and other coverage deemed necessary by the Village.

The Village assumes the first $500 for each occurrence (except for losses as a result of flood or earthquake, for which the Village assumes the first $25,000), and IML has a mix of self-insurance and commercial insurance at various amounts above that level. The Village appoints one delegate, along with an alternate delegate, to represent the Village in voting delegates to the Board of Directors. The Village does not exercise any control over the activities of the League beyond its power to vote delegates to the Board of Directors.

The Village, along with IML's other members, has a contractual obligation to fund any deficit of IML attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

8. REBATE AGREEMENT

The Village has entered into retailer occupational tax (sales tax) rebate agreements with various businesses within the Village. The agreements require the Village to rebate a portion of the business sales tax based on a specific, defined formula in exchange for improvements made to the surrounding infrastructure and certain employment goals. The rebates are 50% of the retailers occupational tax received and expire in July 2014. The total rebate in the year ended April 30, 2013 and 2014 were approximately $64,500 and 99,500, respectively.

9. COMMITMENTS – INTERGOVERNMENTAL AGREEMENT

In July 2008, the Village entered into an intergovernmental agreement for improvements to Bell School Road in the amount of $750,000 with annual payments of $150,000 for five years. In the fiscal year, the Village made the final payment and the debt was paid off as of April 30, 2014.

10. INTERFUND TRANSFERS

The Village made the following interfund transfers:

FROM	TO		
Capital Projects Fund *	Debt Service Fund *	$	305,240

* - denotes major fund

Transfers from the Capital Projects Fund to the Debt Service Fund occur on a regular basis for debt service payments.

11. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through June 2, 2014, which was the date that these financial statements were available for issuance, and determined as a significant unrecognized subsequent event the award of a $70,000 grant from the Illinois Department of Commerce & Economic Opportunity that will be used to reimburse the Village for expenses paid to resurface the Swanson Park subdivision streets. Resurfacing has not started yet.

VILLAGE OF CHERRY VALLEY, ILLINOIS

Supplementary Information

Schedule of Revenues Received, Expenditures Disbursed

and Changes in Fund Balance - Budget and Actual

General Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Intergovernmental -					
Taxes	$ 3,775,647	3,775,647	3,770,625	(5,022)	3,855,526
Licenses, fees and permits	243,800	243,800	248,887	5,087	243,300
Other	189,600	189,600	221,003	31,403	209,611
	4,209,047	4,209,047	4,240,515	31,468	4,308,437
Expenditures disbursed:					
Current:					
General government	762,100	761,000	710,065	50,935	674,842
Public safety	2,243,670	2,243,670	2,049,135	194,535	1,959,166
Highways and streets	998,611	998,611	892,751	105,860	803,308
Capital expenditures	120,996	122,096	91,204	30,892	86,808
Total expenditures	4,125,377	4,125,377	3,743,155	382,222	3,524,124
Net change in fund balance	$ 83,670	83,670	497,360	413,690	784,313
Fund balance:					
Beginning			3,101,877		2,317,564
Ending			$ 3,599,237		3,101,877

VILLAGE OF CHERRY VALLEY, ILLINOIS

Supplementary Information
Schedule of Funding Progress
Illinois Municipal Retirement Fund

April 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
12/31/13	$ 883,924	1,686,232	802,308	52.42 %	553,108	145.05 %
12/31/12	707,838	1,438,132	730,294	49.22	605,368	120.64
12/31/11	1,035,170	1,729,426	694,256	59.86	552,430	125.67
12/31/10	862,562	1,529,207	666,645	56.41	596,956	111.67
12/31/09	739,407	1,426,482	687,075	51.83	591,846	116.09

On a market value basis, the actuarial value of assets as of December 31, 2013 is $1,072,132. On a market basis, the funded ratio would be 63.58%.

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Supplementary Information
Schedule of Funding Progress
Police Pension Trust Fund
April 30, 2014

Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
04/30/13	$ 2,329,847	8,587,594	6,257,747	27.1 %	929,334	673.4 %
04/30/12	2,006,338	6,731,169	4,724,831	29.8	861,610	548.4
04/30/10	1,563,257	6,191,985	4,628,728	25.2	824,615	561.3
04/30/08	1,232,096	5,030,770	3,798,674	24.5	658,971	576.5
04/30/06	579,939	4,415,709	3,835,770	13.1	588,454	651.8

*The Village of Cherry Valley Police Pension Fund was created and established in May 2002 (fiscal year ended April 30, 2003). The Police Pension Board had previously elected to have valuations performed every other year, but currently has elected to have annual valuations performed, with the latest valuation as of April 30, 2013.

VILLAGE OF CHERRY VALLEY, ILLINOIS

Supplementary Information
Schedule of Funding Progress
Post Employment Benefits Other Than Pension
April 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
04/30/14	$ -	225,055	225,055	- %	-	-
04/30/13	-	147,285	147,285	-	-	-
04/30/12	-	147,285	147,285	-	-	-

LEGAL COMPLIANCE AND ACCOUNTABILITY

On or before April 1 of each year, all departments of the Village submit requests for budgets to the Budget Director so that a budget may be prepared. Before July 1, the proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change the budget, but may not change the form of the budget. A final budget must be prepared and adopted before the beginning of the fiscal year to which it applies.

The budget is prepared by fund, department and program and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The administrator is authorized to transfer budgeted amounts within any department; however, transfers between departments or any revisions that alter the total expenditures of any department or any fund must be approved by the governing body. During the year, several budget amendments were necessary. The amounts reflected in the financial statements represent the original and the final amended budget.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the department level) for the governmental, proprietary and the fiduciary funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual budgets lapse at fiscal year end.

VILLAGE OF CHERRY VALLEY, ILLINOIS

Combining Balance Sheet - Modified Cash Basis

Nonmajor Governmental Funds

April 30, 2014

	Special Revenue		Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Special Service Area #2 Fund	
Assets:			
Cash and cash equivalents	$ 6,428	-	6,428
Investments	125,000	-	125,000
Total assets	131,428	-	131,428
Liabilities:			
Total liabilities	-	-	-
Fund balances:			
Restricted for Special Revenue	131,428	-	131,428
Total fund balances	131,428	-	131,428
Total liabilities and fund balances	$ 131,428	-	131,428

VILLAGE OF CHERRY VALLEY, ILLINOIS

Combining Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended April 30, 2014

	Special Revenue		Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Special Service Area #2 Fund	
Revenues received:			
Motor fuel taxes	$ 87,186	-	87,186
Interest	210	-	210
Total revenues	87,396	-	87,396
Expenditures disbursed:			
General Government			
Contractual services			
Engineering	-	-	-
Capital Outlay	137,625	8,076	145,701
Total expenditures	137,625	8,076	145,701
Net change in fund balance	(50,229)	(8,076)	(58,305)
Fund Balance:			
Beginning	181,657	8,076	189,733
Ending	$ 131,428	-	131,428

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Fund
For the Year Ended April 30, 2014
With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Intergovernmental -					
Motor fuel taxes	$ 87,000	87,000	87,186	186	85,511
Interest	100	100	210	110	287
Total revenues	87,100	87,100	87,396	296	85,798
Expenditures disbursed:					
Highways and streets:					
Capital outlay - improvements	200,000	200,000	137,625	62,375	-
Total expenditures	200,000	200,000	137,625	62,375	0
Net change in fund balance	$ (112,900)	(112,900)	(50,229)	62,671	85,798
Fund balance:					
Beginning			181,657		95,859
Ending			$ 131,428		181,657

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance – Budget to Actual
Special Service Area #2 Fund
For the Year Ended April 30, 2014
With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Interest income	$ 2	2	-	(2)	2
Total revenues	2	2	-	(2)	2
Expenditures disbursed:					
Detention:					
Capital outlay	8,052	8,052	8,076	(24)	-
Total expenditures	8,052	8,052	8,076	(24)	-
Net change in fund balance	$ (8,050)	(8,050)	(8,076)	(26)	2
Fund balance:					
Beginning			8,076		8,074
Ending			$ -		8,076

VILLAGE OF CHERRY VALLEY, ILLINOIS

Schedule of Detailed Revenues Received and Expenditures Disbursed - Budget and Actual

General Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Taxes:					
Sales tax	$ 3,376,847	3,376,847	3,268,750	(108,097)	3,320,414
Property tax	50,400	50,400	45,341	(5,059)	50,366
State income tax	243,300	243,300	305,750	62,450	333,247
State use tax	50,000	50,000	53,978	3,978	50,366
Replacement tax	20,200	20,200	22,700	2,500	20,245
Hotel tax	28,000	28,000	27,310	(690)	30,034
Telecommunications tax	-	-	92	92	43,961
Video gaming tax	-	-	38,886	38,886	-
Auto rental tax	6,900	6,900	7,818	918	6,893
Total taxes	3,775,647	3,775,647	3,770,625	(5,022)	3,855,526
Licenses and permits	37,000	37,000	61,369	24,369	36,470
Fines & fees:					
Fines - police	165,700	165,700	144,649	(21,051)	165,748
Franchise	41,100	41,100	42,869	1,769	41,082
	206,800	206,800	187,518	(19,282)	206,830
Other revenue:					
Interest	6,200	6,200	6,333	133	6,108
Rentals	45,200	45,200	32,055	(13,145)	47,115
Reimbursements	-	-	44,588	44,588	16,511
Miscellaneous	138,200	138,200	138,027	(173)	139,877
Total other	189,600	189,600	221,003	31,403	209,611
Total revenues	4,209,047	4,209,047	4,240,515	31,468	4,308,437
Expenditures disbursed:					
General government:					
Salaries	170,300	168,300	155,420	12,880	157,521
Salaries – part time	65,250	67,250	66,925	325	66,538
Special committees	4,800	4,800	5,220	(420)	4,890
Payroll taxes	33,200	32,100	26,542	5,558	28,139
Insurance	125,000	145,000	144,965	35	104,601
Hospital insurance	59,000	40,000	37,702	2,298	40,098
Pension benefits	22,000	22,000	18,753	3,247	21,698
Maintenance – vehicles	1,000	1,000	644	356	47
Maintenance – equipment	500	500	-	500	1,743
Office supplies	4,000	4,000	3,889	111	3,600
Professional services	17,000	16,000	14,957	1,043	17,568
Legal services	70,000	58,000	57,527	473	64,735
Postage	3,500	3,500	3,477	23	3,290
Advertising and publishing	2,400	1,400	1,136	264	1,216
Rentals	1,700	1,700	1,628	72	-
Telephone	5,500	5,500	5,664	(164)	4,989
Utilities	6,900	6,900	6,706	194	4,548
Dues	1,400	1,400	595	805	854
Travel	8,500	4,000	3,780	220	4,465
Training	$ 4,750	3,650	1,650	2,000	2,470

VILLAGE OF CHERRY VALLEY, ILLINOIS

Schedule of Detailed Revenues Received and Expenditures Disbursed - Budget and Actual (Continued)

General Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures disbursed (continued):					
General government (continued):					
Fuel	$ 2,500	500	-	500	795
Audit and accounting services	6,300	6,300	6,300	-	6,100
Corporate replacement taxes	5,200	5,200	5,859	(659)	5,120
Real estate taxes	5,000	5,000	4,657	343	4,609
Tax rebate	80,000	99,600	99,529	71	64,533
Tourism	27,500	27,500	25,607	1,893	34,193
Bond handling fees	400	400	400	-	800
Community welfare	2,500	2,500	765	1,735	1,486
Miscellaneous	1,000	2,000	1,730	270	751
Contingency	25,000	25,000	8,038	16,962	23,445
Capital outlay – equipment	5,000	6,100	6,079	21	3,282
Total general government	767,100	767,100	716,144	50,956	678,124
Public safety:					
Salaries	1,145,200	1,145,200	1,084,444	60,756	1,027,716
Salaries – part time	43,308	43,308	19,562	23,746	32,004
Payroll taxes	90,921	90,921	81,417	9,504	77,993
Insurance	263,299	263,299	213,542	49,757	221,077
Pension benefits	448,153	448,153	448,513	(360)	380,259
Maintenance – vehicles	28,014	29,514	29,232	282	21,246
Maintenance – equipment	11,576	10,076	7,135	2,941	7,535
Travel	8,550	8,550	1,184	7,366	7,021
Training and seminars	8,960	8,960	4,396	4,564	5,998
Tuition assistance	2,000	2,000	-	2,000	658.00
Postage	3,300	3,300	3,252	48	2,824
Advertising and publishing	4,200	4,200	1,749	2,451	1,796
Community welfare	700	700	723	(23)	-
Memberships	1,550	1,550	1,636	(86)	655
Professional services	58,923	58,923	52,678	6,245	44,483
Legal services	20,000	20,000	16,295	3,705	36,819
Telephone	10,090	10,090	10,651	(561)	9,517
Utilities	6,600	6,600	6,706	(106)	4,548
Supplies	2,000	2,000	1,362	638	1,847
Gas and oil	53,491	53,491	41,135	12,356	51,519
Uniforms	17,750	17,750	11,204	6,546	11,808
Special events	4,000	4,000	3,072	928	4,400
Other supplies	8,335	8,335	8,257	78	4,052
Miscellaneous	2,750	2,750	990	1,760	3,391
Capital outlay – equipment	32,046	32,046	31,820	226	37,848
Total public safety	2,275,716	2,275,716	2,080,955	194,761	1,997,014
Public works - administration:					
Salaries	262,258	278,258	277,155	1,103	277,713
Salaries – part time	52,800	36,800	36,001	799	29,448
Payroll taxes	24,102	24,102	23,357	745	22,826
Insurance	103,704	97,704	75,342	22,362	65,676
Pension benefits	37,654	43,654	41,680	1,974	39,228
Mosquito control	24,418	24,418	24,418	-	39,749
Training and seminars	3,700	3,700	1,431	2,269	1,847
Travel	1,000	1,000	468	532	-
Tuition assistance	$ 1,000	1,000	-	1,000	810

VILLAGE OF CHERRY VALLEY, ILLINOIS

Schedule of Detailed Revenues Received and Expenditures Disbursed - Budget and Actual (Continued)

General Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures disbursed (continued):					
Public works - administration (cont):					
Advertising and publishing	$ 1,600	1,600	1,106	494	435
Community welfare	700	700	614	86	-
Memberships	1,500	1,500	891	609	988
Professional services	25,800	28,800	28,110	690	20,771
Legal services	26,000	30,500	30,471	29	1,805
Engineering services	40,000	40,000	26,022	13,978	16,937
Rentals	25,000	17,500	10,439	7,061	12,032
Supplies	1,200	1,200	705	495	1,225
Gas and oil	27,000	27,000	23,947	3,053	11,357
Uniforms	4,800	4,800	4,208	592	4,170
Other supplies	1,300	1,300	1,713	(413)	922
Miscellaneous	500	500	72	428	300
Capital outlay – equipment	750	750	-	750	16,606
Total public works - admin	666,786	666,786	608,150	58,636	564,845
Public works - streets and alleys:					
Maintenance – equipment	12,000	12,000	11,535	465	9,686
Maintenance – vehicles	16,000	23,700	23,625	75	16,540
Maintenance – streets	77,000	77,000	73,622	3,378	52,430
Professional services	9,000	9,000	8,579	421	8,369
Engineering services	30,500	22,800	14,464	8,336	13,682
Telephone	8,000	8,000	7,532	468	6,939
Utilities	2,500	2,500	2,763	(263)	1,324
Street lighting	45,000	45,000	45,078	(78)	44,211
Supplies	5,000	5,000	2,941	2,059	4,703
Other supplies	1,500	1,500	555	945	629
Miscellaneous	500	500	325	175	250
Capital outlay – improvements	18,500	18,500	6,192	12,308	4,377
Capital outlay – traffic	5,000	5,000	4,630	370	5,576
Capital outlay – equipment	47,400	47,400	36,244	11,156	891
Total public works - streets and alleys	277,900	277,900	238,085	39,815	169,607
Public works - buildings and grounds:					
Maintenance – equipment	1,000	1,000	243	757	1,217
Maintenance – buildings	39,600	39,600	29,400	10,200	21,578
Maintenance – grounds	4,500	4,500	1,465	3,035	1,954
Professional services	51,250	51,250	42,136	9,114	31,901
Engineering services	-	-	-	-	15,448
Utilities	16,000	16,000	11,729	4,271	14,254
Other supplies	7,000	7,000	4,266	2,734	6,271
Special events	5,975	5,975	4,085	1,890	3,683
Miscellaneous	250	250	258	(8)	-
Capital outlay – improvements	5,500	5,500	817	4,683	553
Capital outlay – equipment	-	-	-	-	762
Capital outlay – parks	6,800	6,800	5,422	1,378	16,913
Total public works - buildings and grounds	137,875	137,875	99,821	38,054	114,534
Total expenditures	$ 4,125,377	4,125,377	3,743,155	382,222	3,524,124

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended April 30, 2014
With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Sales tax	$ 2,181,465	2,181,465	2,545,947	364,482	2,585,111
Impact fees	-	-	1,727	1,727	-
Interest	3,250	3,250	5,159	1,909	3,285
Miscellaneous	-	-	-	-	747,940
Total revenues	2,184,715	2,184,715	2,552,833	368,118	3,336,336
Expenditures disbursed:					
Highways and streets:					
Contractual					
Engineering	127,700	127,700	116,840	10,860	135,667
Maintenance	814,773	814,773	628,086	186,687	497,383
Total contractual	942,473	942,473	744,926	197,547	633,050
Capital outlay - improvements	2,033,094	2,033,094	513,476	1,519,618	1,086,375
Parks:					
Capital outlay	61,500	61,500	72,451	(10,951)	77,071
Total expenditures	3,037,067	3,037,067	1,330,853	1,706,214	1,796,496
Excess (deficiency) of revenues over (under) expenditures	(852,352)	(852,352)	1,221,980	2,074,332	1,539,840
Other financing sources (uses):					
Transfers out	(305,240)	(305,240)	(305,240)	-	(652,904)
Total other financing sources (uses)	(305,240)	(305,240)	(305,240)	-	(652,904)
Net change in fund balance	$ (1,157,592)	(1,157,592)	916,740	2,074,332	886,936
Fund balance:					
Beginning			2,570,994		1,684,058
Ending			$ 3,487,734		2,570,994

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended April 30, 2014
With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Interest	$ 200	200	28	(172)	376
Total revenues	200	200	28	(172)	376
Expenditures disbursed:					
Debt service					
GO bond - principal	275,000	275,000	275,000	-	765,000
GO bond - interest	32,240	32,240	32,240	-	62,590
Total expenditures	307,240	307,240	307,240	-	827,590
Excess (deficiency) of revenues over (under) expenditures	(307,040)	(307,040)	(307,212)	(172)	(827,214)
Other financing sources (uses):					
Transfers in	305,240	305,240	305,240	-	652,904
Total other financing sources (uses)	305,240	305,240	305,240	-	652,904
Net changes in fund balances:	$ (1,800)	(1,800)	(1,972)	(172)	(174,310)
Fund balance:					
Beginning			103,220		277,530
Ending			$ 101,248		103,220

VILLAGE OF CHERRY VALLEY, ILLINOIS

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Proprietary Fund Type - Water Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Operating revenues:					
User fees	$ 1,001,900	1,001,900	914,822	(87,078)	1,006,684
Hookup fees	8,000	8,000	7,890	(110)	11,046
Service initiation	2,000	2,000	4,305	2,305	3,153
Reimbursements	-	-	400	400	8,685
Miscellaneous	117,000	117,000	114,782	(2,218)	371,003
Total operating revenues	1,128,900	1,128,900	1,042,199	(86,701)	1,400,571
Operating expenses:					
Personnel services	242,474	242,474	227,961	14,513	199,025
Contractual services	289,200	289,200	111,617	177,583	115,144
Commodities	68,092	68,092	60,914	7,178	53,413
Other	55,600	55,600	54,290	1,310	27,630
Total operating expenses	655,366	655,366	454,782	200,584	395,212
Operating income	473,534	473,534	587,417	113,883	1,005,359
Non-operating revenue (expenses)					
Capital outlays	(1,110,900)	(1,110,900)	(57,766)	1,053,134	(53,291)
Debt service - principal	(235,000)	(235,000)	(235,000)	-	(150,000)
Debt service - interest	(19,893)	(19,893)	(19,893)	-	(107,578)
Interest income	7,100	7,100	6,511	(589)	10,078
Total non-operating revenues expenses	(1,358,693)	(1,358,693)	(306,148)	1,052,545	(300,791)
Other financing sources (uses):					
Payment to refunded bond escrow agent	-	-	-	-	(2,521,670)
Premium on bond issuance	-	-	-	-	11,953
Refunding bond proceeds	-	-	-	-	960,000
Bond issue costs	-	-	-	-	(26,283)
Total financing uses	-	-	-	-	(1,576,000)
Change in net position	$ (885,159)	(885,159)	281,269	1,166,428	(871,432)
Net position:					
Beginning			3,142,829		4,014,261
Ending			$ 3,424,098		3,142,829

VILLAGE OF CHERRY VALLEY, ILLINOIS

Schedule of Operating Expenses and Capital Outlays - Budget and Actual

Proprietary Fund Type - Water Fund

For the Year Ended April 30, 2014

With Comparative Totals for the Year Ended April 30, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Personnel services:					
Office salary	$ 156,622	158,622	156,955	1,667	139,430
Payroll taxes	11,982	11,982	11,143	839	10,045
Insurance	52,493	50,493	37,461	13,032	28,436
Retirement fund	21,377	21,377	22,402	(1,025)	21,114
Total personnel services	242,474	242,474	227,961	14,513	199,025
Contractual services:					
Maintenance – equipment	24,000	24,000	14,855	9,145	16,373
Maintenance – system	21,800	21,800	14,183	7,617	17,621
Maintenance – buildings	11,600	11,600	1,010	10,590	561
Engineering	126,400	126,400	1,995	124,405	3,472
Postage	8,100	8,100	8,339	(239)	6,983
Printing	1,600	1,600	1,199	401	1,045
Professional fees	35,500	35,500	13,792	21,708	16,350
Audit	2,800	2,800	2,800	-	2,700
Legal	2,400	2,400	1,374	1,026	1,565
Telephone	2,000	2,000	463	1,537	1,119
Training	1,900	1,900	535	1,365	2,133
Travel	1,100	1,100	1,040	60	-
Utilities	50,000	50,000	50,032	(32)	45,222
Total contractual services	289,200	289,200	111,617	177,583	115,144
Commodities:					
Gas and Oil	18,550	19,550	19,271	279	12,200
Office supplies	3,500	3,500	2,908	592	1,042
Operating supplies	800	800	155	645	106
Chemicals	41,242	41,242	36,090	5,152	38,456
Other supplies	4,000	3,000	2,490	510	1,609
Total commodities	68,092	68,092	60,914	7,178	53,413
Other:					
Miscellaneous	600	600	310	290	548
Contingency	55,000	55,000	53,980	1,020	27,082
Total other	55,600	55,600	54,290	1,310	27,630
Total operating expenses	655,366	655,366	454,782	200,584	395,212
Capital outlays:					
Equipment	89,000	89,000	4,180	84,820	4,094
Extensions and improvements	966,400	966,400	21,000	945,400	-
Meters	55,500	55,500	32,586	22,914	49,197
Total capital outlays	$ 1,110,900	1,110,900	57,766	1,053,134	53,291

VILLAGE OF CHERRY VALLEY, ILLINOIS

Schedule of Legal Debt Margin
April 30, 2014

		2014	2013
Assessed Valuations *	$	79,383,370	85,742,014
Statutory Debt Limitation (8.625% of Assessed Valuation)		6,846,816	7,395,249
General long-term debt		3,475,000	4,140,000
Less bonded debt excluded from long-term debt *		(3,475,000)	(4,140,000)
Total amount of debt applicable to debt limit		-	-
Legal Debt Margin	$	6,846,816	7,395,249

* General obligation alternate revenue bonds of $3,475,000 are excluded by state statute.

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