

VILLAGE OF CHERRY VALLEY, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
APRIL 30, 2012**

VILLAGE OF CHERRY VALLEY, ILLINOIS

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BEGGIN TIPP LAMM

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Village of Cherry Valley, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cherry Valley, Illinois (Village) as of and for the year then ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The prior year comparative information has been derived from the Village's 2011 financial statements, which were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in their report dated June 6, 2011.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Village prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis 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, 2012, and the respective changes in financial position - cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1 to the financial statements.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison for the general fund, Schedules of funding progress - Illinois Municipal Retirement Fund, Employer Contributions, and Post Employment Benefit other than Pension for the Village of Cherry Valley on pages 3 through 9 and pages 37 through 41, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual non-major fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 described in Note 1 to the financial statements..

Beggin Tipp Lamm LLC

June 14, 2012

VILLAGE OF CHERRY VALLEY, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2012
(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, 2012 within the limitations of the Village's cash basis of accounting. Please read it in conjunction with the Village's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total net assets of the Village were \$8,397,346 at April 30, 2012. Of this amount, \$5,195,414 is unrestricted and \$3,097,999 is restricted for capital projects and \$103,933 is restricted for street repairs. The Village increased its total net assets by \$1,497,338 in fiscal year 2012. This increase was primarily a result of an increase in revenues.
- As of April 30, 2012, the Village's governmental funds reported combined ending fund balances of approximately \$4,383,085. This increase of \$1,300,640 from the prior year results primarily from an increase in revenues. In the prior year there was a decrease of \$46,508.

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 assets* 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 required supplementary information and other supplementary information sections that further explain and support 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 cash basis of accounting. This basis recognized cash and cash equivalents and investments, net assets/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 Assets includes all of the Village's assets resulting from the use of the 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 assets and how they have changed. Keeping in mind the limitations of the cash basis of accounting, analyzing the change in net assets is one way to measure the Village's financial health or position.

- Over time, increases or decreases in the Village's net assets 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 Assets – Cash Basis

The Village's total net assets, resulting from cash basis transactions, were higher in fiscal year 2012 than the year before, increasing 22% to \$8,397,346. The following provides a summary of the Village's net assets at April 30, 2012 and 2011.

Table 1
Statement of Net Assets
As of April 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Cash and cash equivalents \$	26,273	26,872	3,577	335	29,851	27,207
Investment	4,356,811	3,055,573	4,010,684	3,817,228	8,367,495	6,872,801
Total assets	4,383,085	3,082,445	4,014,261	3,817,563	8,397,346	6,900,008
Liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net assets:						
Restricted for high-ways and streets	103,933	121,978	-	-	103,933	121,978
Restricted for capital projects	1,684,058	1,378,704	1,413,941	1,410,651	3,097,999	2,789,355
Unrestricted	2,595,094	1,581,763	2,600,320	2,406,912	5,195,415	3,988,675
Total net assets	\$ 4,383,085	3,082,445	4,014,261	3,817,563	8,397,346	6,900,008

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

Changes in Net Assets – Cash Basis

The Village's total revenues were \$6,944,430. This is an increase from the prior year of \$1,913,096 or 38%. Municipal sales taxes comprise approximately 72% of the Village's revenue. Another 17% of revenue is obtained from fees charged for services. The remainder of revenue is obtained from other taxes, investment earnings and miscellaneous sources.

The total cost of all programs and services was \$5,447,092 for the year ended April 30, 2012. This is an increase from the prior year of \$560,018. 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 Assets

The following chart provides a summary of the Village's changes in net assets (resulting from cash basis transactions) for the year ended April 30, 2012:

Table 2
Changes in Net Assets
For the Years Ended April 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
RECEIPTS						
Program receipts:						
Charges for services	\$ 222,081	251,508	931,230	906,457	1,153,311	1,157,965
Operating grants	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
General receipts:						
Sales taxes	4,966,773	3,166,555	-	-	4,966,773	3,166,555
Income taxes	198,062	187,482	-	-	198,062	187,482
Telecommunication taxes	123,571	109,921	-	-	123,571	109,921
Other taxes	315,269	242,982	-	-	315,269	242,982
Investment income	5,487	8,439	8,808	12,578	14,295	21,017
Miscellaneous	157,406	121,493	15,742	23,919	173,148	145,412
Total receipts	5,988,651	4,088,380	955,780	942,954	6,944,430	5,031,334
EXPENDITURES						
General government	689,621	724,157	-	-	689,621	724,157
Public safety	1,759,387	1,583,071	-	-	1,759,387	1,583,071
Public works	1,402,098	993,185	-	-	1,402,098	993,185
Debt - principal	745,000	715,000	-	-	745,000	715,000
Debt - interest	91,905	119,475	-	-	91,905	119,475
Water	-	-	759,081	752,186	759,081	752,186
Total expenditures	4,688,011	4,134,888	759,081	752,186	5,447,092	4,887,074
Changes in net assets	1,300,640	(46,508)	196,698	190,768	1,497,338	144,260
Beginning net assets	3,082,445	3,128,953	3,817,563	3,626,795	6,900,008	6,755,748
Ending net assets	\$ 4,383,085	3,082,445	4,014,261	3,817,563	8,397,346	6,900,008

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 2012	Net Cost of Services 2012
Public safety	\$ 1,759,387	1,576,857
Public works	1,402,098	1,402,098
Water	759,081	(172,149)
Administration	689,621	650,070
Debt principal payments	745,000	745,000
Interest on debt	91,905	91,905
	<u>\$ 5,447,092</u>	<u>4,293,781</u>

The cost of all activities this year was \$5,447,092. Individuals who directly participated or benefited from a program offering paid for approximately \$1,153,311.

The net cost of services was primarily financed by Village taxpayers through municipal sales taxes, other taxes and other miscellaneous revenues, which totaled \$5,791,119.

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 \$4,383,085, an \$1,300,640 increase from the prior year's total governmental fund balance of \$3,082,445. 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 \$2,317,564. The fund balance of the Village's General Fund increased by \$1,012,216 during the current fiscal year.

The Debt Service Fund total fund balance at year-end was \$277,530 all of which is reserved for the payment of debt service. The net increase in fund balance during the year was approximately \$1,115. The Village made general obligation bond principal payments of \$745,000 and interest payments of \$91,905.

The Capital Projects Fund total fund balance at year-end was \$1,684,058. There was a net increase in fund balance of \$305,354 from 2011. This increase is partly 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 net assets in its business-type fund, the water fund, of \$4,014,261, a \$196,698 increase from the prior year balance of \$3,817,563. The increase is mainly due to a decrease of contractual services expense from 2011.

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 \$279,312, the actual reports for the year show a surplus of \$1,012,216.

DEBT ADMINISTRATION

Long-term Obligations

At April 30, 2012, the Village had \$1,610,000 outstanding in general obligation bonds in the governmental activities funds and \$2,485,000 in the business type activities fund. This is a combined decrease of \$890,000 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**

<u>GOVERNMENTAL ACTIVITIES</u>	April 30, 2011	Net Change	April 30, 2012
General obligation bonds	\$ 2,355,000	(745,000)	1,610,000
Compensated absences	239,700	20,300	260,000
Intergovernmental agreement	450,000	(150,000)	300,000
Police pension underfunding	4,304	-	4,304
Post employment benefit underfunding	25,203	-	25,203
Total outstanding long-term debt	\$ 3,074,207	(874,700)	2,199,507

<u>BUSINESS-TYPE ACTIVITIES</u>	April 30, 2,011	Net Change	April 30, 2,012
General obligation bonds	\$ 2,630,000	(145,000)	2,485,000
Compensated absences	12,200	(5,900)	6,300
Total outstanding long-term debt	\$ 2,642,200	(150,900)	2,491,300

During 2012, the Village did not experience any negative changes in its credit rating or limitation. The Village will continue to look to refinancing existing debt if a cost savings to taxpayers can be realized.

ECONOMIC FACTORS

The Village of Cherry Valley continues to experience a virtual stop in the construction of new homes and businesses. Discussions with local realtors and developers indicate this trend will likely continue for the foreseeable future. The resulting impact on the Village is negligible for the fact that the Village does not actively pursue residential development, nor does it levy or collect a municipal property tax on residential or commercial properties.

The Village's largest source of revenue continues to be the 1% retail sales tax, which accounts for a significant portion of the Village's overall revenue stream. Data provided by the Illinois Department of Revenue shows the Village experienced an increase in sales tax of nearly 7% over the previous budget year. While this is a significant increase over last year, the region's economy and financial woes within some of the national retailers located in the Village are still of great concern. While there has been a slight increase in retailers inquiring about locations in the Village, no retailer has, so far, committed to building within the Village over the next year.

Other revenues are expected to increase slightly. The State of Illinois continues to be late in some of its payments to local governments. Continued discussion in Springfield indicates that the State of Illinois may further reduce the percentages paid to municipalities in its various "Local Government Distributive Funds" (LGDF). These uncertainties are offset by the Village's population increasing 44% as of the 2010 Federal Census.

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 Assets - Cash Basis

April 30, 2012

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 26,273	3,577	29,851
Investments	4,356,811	4,010,684	8,367,495
Total assets	<u>4,383,085</u>	<u>4,014,261</u>	<u>8,397,346</u>
 <u>Liabilities and Net Assets</u>			
Liabilities:			
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets:			
Restricted:			
Highways and streets	103,933	-	103,933
Capital projects	1,684,058	1,413,941	3,097,999
Unrestricted	2,595,094	2,600,320	5,195,414
Total net assets	<u>\$ 4,383,085</u>	<u>4,014,261</u>	<u>8,397,346</u>

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Activities - Cash Basis

For the Year Ended April 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 689,621	39,552	-	-	(650,070)	-	(650,070)
Public safety	1,759,387	182,530	-	-	(1,576,857)	-	(1,576,857)
Public works	1,402,098	-	-	-	(1,402,098)	-	(1,402,098)
Debt principal payments	745,000	-	-	-	(745,000)	-	(745,000)
Interest	91,905	-	-	-	(91,905)	-	(91,905)
Total governmental activities	4,688,011	222,081	-	-	(4,465,929)	-	(4,465,929)
Business-type activities:							
Water	759,081	931,230	-	-	-	172,149	172,149
Total business-type activities	759,081	931,230	-	-	-	172,149	172,149
Total	\$ 5,447,092	1,153,311	-	-	(4,465,929)	172,149	(4,293,781)
General revenues:							
Taxes:							
Taxes - municipal sales					4,966,773	-	4,966,773
Taxes - state income					198,062	-	198,062
Taxes - telecommunications					123,571	-	123,571
Taxes - other					315,269	-	315,269
Investment income					5,487	8,808	14,295
Miscellaneous					157,406	15,742	173,148
Total general revenues					5,766,569	24,550	5,791,119
Change in net assets					1,300,640	196,698	1,497,338
Net assets:							
Beginning					3,082,445	3,817,563	6,900,008
Ending					\$ 4,383,085	4,014,261	8,397,346

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 - Cash Basis

Governmental Funds

April 30, 2012

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Non-major</u>	<u>Total</u>
	Fund	Service	Projects	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
Assets:					
Cash and cash equivalents	\$ 733	-	24,382	1,159	26,273
Investments	<u>2,316,832</u>	<u>277,530</u>	<u>1,659,676</u>	<u>102,774</u>	<u>4,356,811</u>
Total assets	<u><u>2,317,564</u></u>	<u><u>277,530</u></u>	<u><u>1,684,058</u></u>	<u><u>103,933</u></u>	<u><u>4,383,085</u></u>
Liabilities:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Debt Service	-	277,530	-	-	277,530
Special Revenue	-	-	-	103,933	103,933
Committed to:					
Capital projects funds	-	-	1,660,812	-	1,660,812
Assigned to:					
Cherry Valley Festival Days	-	-	23,246	-	23,246
Unassigned:					
General Fund	<u>2,317,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,317,564</u>
Total fund balances	<u>2,317,564</u>	<u>277,530</u>	<u>1,684,058</u>	<u>103,933</u>	<u>4,383,085</u>
Total liabilities					
and fund balances	<u><u>\$ 2,317,564</u></u>	<u><u>277,530</u></u>	<u><u>1,684,058</u></u>	<u><u>103,933</u></u>	<u><u>4,383,085</u></u>

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 - Cash Basis

Governmental Funds

For the Year Ended April 30, 2012

	General Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues received:					
Intergovernmental					4,966,773
Taxes - municipal sales	\$ 3,385,180	-	1,581,593	-	636,902
Taxes - other	554,737	-	-	82,165	222,081
Licenses, fees, and permits	222,081	-	-	-	-
Impact fees	-	-	-	-	5,487
Interest	2,687	220	2,410	171	157,406
Other	113,032	-	44,374	-	5,988,651
Total revenues	<u>4,277,718</u>	<u>220</u>	<u>1,628,377</u>	<u>82,336</u>	<u>5,988,651</u>
Expenditures disbursed:					
Current:					686,680
General government	686,680	-	-	-	1,727,289
Public safety	1,727,289	-	-	-	764,842
Public works	764,842	-	-	-	672,294
Capital outlay	86,690	-	485,223	100,381	-
Debt service:					745,000
Principal	-	745,000	-	-	91,905
Interest	-	91,905	-	-	4,688,011
Total expenditures	<u>3,265,501</u>	<u>836,905</u>	<u>485,223</u>	<u>100,381</u>	<u>4,688,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,012,216</u>	<u>(836,685)</u>	<u>1,143,154</u>	<u>(18,044)</u>	<u>1,300,640</u>
Other financing sources (uses)					
Transfers in		837,800	-	-	837,800
Transfers out	-	-	(837,800)	-	(837,800)
Total other financing sources (uses)	<u>-</u>	<u>837,800</u>	<u>(837,800)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,012,216	1,115	305,354	(18,044)	1,300,640
Fund balances:					
Beginning	<u>1,305,348</u>	<u>276,415</u>	<u>1,378,704</u>	<u>121,978</u>	<u>3,082,445</u>
Ending	\$ <u><u>2,317,564</u></u>	<u><u>277,530</u></u>	<u><u>1,684,058</u></u>	<u><u>103,933</u></u>	<u><u>4,383,085</u></u>

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Net Assets - Cash Basis
Enterprise Fund - Water

April 30, 2012

With Comparative Totals for the Year Ended April 30, 2011

	Water Fund	
	2012	2011
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,577	335
Investments	4,010,684	3,817,228
Total assets	<u>4,014,261</u>	<u>3,817,563</u>
<u>Liabilities and Net Assets</u>		
Liabilities	<u>-</u>	<u>-</u>
Net assets:		
Restricted net assets – capital projects	1,413,941	1,410,651
Unrestricted net assets	<u>2,600,320</u>	<u>2,406,912</u>
Total net assets	<u>\$ 4,014,261</u>	<u>3,817,563</u>

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 Assets - Cash Basis

Enterprise Fund - Water

For the Year Ended April 30, 2012

With Comparative Totals for the Year Ended April 30, 2011

	Water Fund	
	<u>2012</u>	<u>2011</u>
Operating revenues:		
User fees	\$ 920,205	896,617
Hookup fees	8,972	7,890
Service initiation	2,052	1,950
Miscellaneous	15,742	23,919
Total operating revenues	<u>946,972</u>	<u>930,376</u>
 Operating expenses:		
Personnel and personnel services	227,489	224,016
Contractual services	107,240	141,474
Commodities	50,222	43,332
Other	600	6,399
Total operating expenses	<u>385,551</u>	<u>415,221</u>
 Operating income (loss)	<u>561,421</u>	<u>515,155</u>
 Non-operating revenues (expenses):		
Capital outlay	(116,095)	(79,980)
Debt service - principal	(145,000)	(140,000)
Debt service - interest	(112,435)	(116,985)
Interest income	8,808	12,578
Total non-operating revenues (expenses)	<u>(364,723)</u>	<u>(324,387)</u>
 Change in net assets	196,698	190,768
 Net assets:		
Net assets - beginning	<u>3,817,563</u>	<u>3,626,795</u>
Net assets - ending	<u>\$ 4,014,261</u>	<u>3,817,563</u>

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Cash Flows - Cash Basis

Enterprise Fund - Water

For the Year Ended April 30, 2012

With Comparative Totals for the Year Ended April 30, 2011

	Water Fund	
	2012	2011
Cash flows from operating activities:		
Receipts from customers	\$ 946,972	930,376
Payments to suppliers	(158,062)	(191,205)
Payments to employees	(227,489)	(224,016)
Net cash flows from operating activities	561,421	515,155
Cash flows from capital and related financing activities:		
Payment of revenue bond principal and notes payable	(145,000)	(140,000)
Purchase of fixed assets	(116,095)	(79,980)
Interest paid	(112,435)	(116,985)
Net cash flows from capital financing activities	(373,530)	(336,965)
Cash flows from investing activities –		
Purchase of investments	(10,197,575)	(6,649,611)
Sales of investments	10,004,121	6,456,000
Interest on investments	8,806	12,578
Net cash flows from investing activities	(184,649)	(181,033)
 Net (decrease) increase in cash and cash equivalents	 3,242	 (2,843)
Cash and cash equivalents, beginning of year	335	3,178
Cash and cash equivalents, end of year	\$ 3,577	335

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Statement of Fiduciary Net Assets - Cash Basis

Police Pension Trust Fund

April 30, 2012

With Comparative Totals for the Year Ended April 30, 2011

	<u>Police Pension</u>	
	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 19,548	18,961
Investments	<u>1,892,526</u>	<u>1,687,498</u>
Total assets	<u>1,912,073</u>	<u>1,706,459</u>
<u>Liabilities and Net Assets</u>		
Liabilities	<u>-</u>	<u>-</u>
Net assets:		
Held in trust for pension benefits	<u>1,912,073</u>	<u>1,706,459</u>
Total net assets	<u>\$ 1,912,073</u>	<u>1,706,459</u>

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

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

For the Year Ended April 30, 2012

With Comparative Totals for the Year Ended April 30, 2011

	Police Pension	
	2012	2011
Additions:		
Contributions:		
Employer	\$ 291,665	238,274
Employee	85,233	81,415
Total contributions	376,898	319,689
Net investment income	61,836	61,942
Realized (loss) gain	4,538	(5,360)
Investment fees	(9,121)	(8,098)
Total investment income	57,253	48,484
Total additions	434,151	368,173
Deductions:		
General administration	5,235	8,090
Pension benefits	223,302	216,881
Total deductions	228,537	224,971
Change in net assets	205,614	143,202
Net assets - beginning	1,706,459	1,563,257
Net assets - ending	\$ 1,912,073	1,706,459

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

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

1. NATURE OF OPERATIONS, FINANCIAL REPORTING ENTITY, BASIS OF PRESENTATION, AND ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The 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.

Reporting Entity: 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 assets – cash basis and the statement of activities – 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.

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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

1. NATURE OF OPERATIONS, FINANCIAL REPORTING ENTITY, BASIS OF PRESENTATION AND ACCOUNTING, AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of the Village. 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 Project Fund: The Capital Project Fund is used to account for 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:

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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

1. NATURE OF OPERATIONS, FINANCIAL REPORTING ENTITY, BASIS OF PRESENTATION AND ACCOUNTING, AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

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 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 Assets and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

April 30, 2012

1. NATURE OF OPERATIONS, FINANCIAL REPORTING ENTITY, BASIS OF PRESENTATION AND ACCOUNTING, AND SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resource” measurement focus, as applied on the 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 assets (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 assets.

Basis of Accounting: In the government-wide Statement of Net Assets and Statement of Activities and fund financial statements, governmental and business-like activities are presented using a cash basis of accounting. This basis recognizes cash and cash equivalents, net assets/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 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: Cash equivalents are made up of checking and money market accounts.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

1. NATURE OF OPERATIONS, FINANCIAL REPORTING ENTITY, BASIS OF PRESENTATION AND ACCOUNTING, AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Investments: Investments consist of certificates of deposit, Illinois Funds Money Market Funds, Federal Home Loan Mortgage Corporation Discount Notes and Real Estate Mortgage Investment Contracts, Federal National Mortgage Association Investment Notes, Government National Mortgage Association Pool Notes, and annuities. Investments are accounted for at cost.

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 Assets: The Village implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective with the April 30, 2012 financial statements. 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 new GASB requirements, fund balances are divided into five classifications: non-spendable, restricted, committed, assigned and unassigned. See Note 11 for more detail.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt" are classified as unrestricted net assets.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments of the Village at April 30, 2012:

Deposits in financial institutions	\$	114,476
Certificates of deposit		7,714,806
Investments:		
Illinois Funds Money Market funds		805,580
Mutual funds		1,467,221
Federal Home Loan Mortgage Corporation Real Estate Mortgage Investment Contracts		84,567
Governmental National Mortgage Association Pool Notes		3,058
Governmental National Mortgage Association Real Estate Mortgage Investment Contracts		72,894
Annuities		46,817
Total investments		2,480,137
Total cash and investments	\$	10,309,419

Interest Rate Risk – Investments: Interest rate risk is the risk that will adversely affect the fair value of an investment. As of April 30, 2012, the Village had the investments in debt securities with the following maturities:

Investment Type	Cost	Investment Maturities (in Years)			
		< 1	1-5	6-10	> 10
Illinois Funds Money Market Funds *	\$ 805,580	805,580	-	-	-
Mutual Funds	1,467,221	1,467,221	-	-	-
Federal Home Loan Mortgage Corporation Real Estate Mortgage Investment Contracts	84,567	-	15,603	1,972	66,992
Government National Mortgage Association Pool Notes	3,058	-	-	-	3,058
Government National Mortgage Association Real Estate Mortgage Investment Contracts	72,894	-	-	-	72,894
Annuities	46,817	46,817	-	-	-
	\$ 2,480,137	2,319,618	15,603	1,972	142,944

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

*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, 2012, it has been presented as an investment with a maturity of less than one year.

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	Cost	Credit Rating	
		Moody's	Standard & Poor's
Illinois Funds Money Market Funds	\$ 805,580	NR	AAA
Mutual Funds	1,467,221	NA	NA
Federal Home Loan Mortgage Corporation Real Estate Mortgage Investment Contracts	84,567	Aaa	AAA
Government National Mortgage Association Pool Notes	3,058	**	**
Government National Mortgage Association Real Estate Mortgage Investment Contracts	72,894	**	**
Annuities	\$ 46,817	NA	NA

NR - not rated

NA - not available

** - Credit rating disclosure is not required as these are U.S. Government Obligations

State statutes applicable to Illinois villages and Illinois police pension funds authorize the Village to make deposits in commercial banks, savings and loan institutions,

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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, 2012, 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, 2012, 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 custodial credit risk. At April 30, 2012, 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 and the final approved budget as amended. Any budget amendments require Village Board approval. There was one budget amendment for the year ended April 30, 2012.

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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

4. LONG-TERM OBLIGATION

At April 30, 2012, the Village's long-term debt consisted of the following:

GOVERNMENTAL ACTIVITIES

General Obligation (Alternate revenue sources) bonds:

2004 bonds (Sales Tax Alternate Revenue Source Bonds), \$3,800,000 original amount, due in annual installments of \$370,000 to \$500,000 through January 2013, interest at 1.45% to 4.25% payable semiannually	\$ 500,000
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 2.2% to 4% payable semiannually	1,110,000
Intergovernmental agreement - Winnebago County (see Note 9)	300,000
Compensated absences	260,000
Police pension underfunding	4,304
Post employment benefits underfunding	25,203
	\$ 2,199,507

BUSINESS-TYPE ACTIVITIES

General Obligation (Alternate revenue sources) bonds:

2005A bonds (Waterworks Alternate Revenue Source Bonds), \$3,300,000 original amount, due in annual installments of \$125,000 to \$245,000 through January 2025, interest at 2.75% to 5% payable semiannually	2,485,000
Compensated absences	6,300
	\$ 2,491,300

A summary of the changes in long-term obligations of the Village for the year ended April 30, 2012 is as follows:

GOVERNMENTAL ACTIVITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due in One Year
General obligation bonds	\$ 2,355,000	-	745,000	1,610,000	765,000
Intergovernmental agreement	450,000	-	150,000	300,000	150,000
Compensated absences	239,700	20,300	-	260,000	-
Police pension underfunding	4,304	-	-	4,304	-
Post employment benefits underfunding	25,203	-	-	25,203	-
	\$ 3,074,207	20,300	895,000	2,199,507	915,000

BUSINESS-TYPE ACTIVITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due in One Year
General obligation bonds	\$ 2,630,000	-	145,000	2,485,000	150,000
Compensated absences	12,200	-	5,900	6,300	-
	\$ 2,642,200	-	150,900	2,491,300	150,000

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

4. LONG-TERM OBLIGATION (Continued)

As of April 30, 2012, the Village has decreased its alternate revenue bond debt outstanding by \$745,000.

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:

Due During the Years Ending April 30,	<u>GOVERNMENTAL ACTIVITIES</u>			Due During the Years Ending April 30,	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 765,000	62,590	827,590	2013	\$ 150,000	107,578	257,578
2014	275,000	32,240	307,240	2014	155,000	102,328	257,328
2015	280,000	21,240	301,240	2015	160,000	96,670	256,670
2016	290,000	11,020	301,020	2016	170,000	90,670	260,670
2017	-	-	-	2017	175,000	84,040	259,040
2018 - 2022	-	-	-	2018 - 2022	985,000	308,100	1,293,100
2023 - 2025	-	-	-	2023 - 2025	690,000	69,750	759,750
	<u>\$ 1,610,000</u>	<u>127,090</u>	<u>1,737,090</u>		<u>\$ 2,485,000</u>	<u>859,136</u>	<u>3,344,136</u>

The Village's aggregate indebtedness is subject to a statutory limitation of 8.625 percent of its equalized assessed value at December 31, 2011. At April 30, 2012, the maximum allowed indebtedness of the Village is \$8,106,333 based on an assessed valuation of \$93,986,469. 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 2025. 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 \$3,344,136. Principal and interest paid for the current year and total customer net revenues were \$257,436 and \$946,970, 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 \$1,737,090, payable through 2016. For the current year, principal and interest paid and total sales tax revenues were \$836,905 and \$4,966,773, respectively.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

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. 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, 2012, 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 2011 was 13.78 percent of annual covered payroll. The Village's annual required contribution rate for calendar year 2011 was 14.22 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.

Annual Pension Cost

For calendar year ending December 31, 2011, the employer's actual contributions for pension cost for the Regular were \$76,125. Its required contribution for calendar year 2011 was \$78,556.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

5. RETIREMENT PLAN COMMITMENTS (Continued)

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 78,556	97%	\$ -
12/31/10	74,799	100%	-
12/31/09	77,535	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 59.86 percent funded. The actuarial accrued liability for benefits was \$1,729,426 and the actuarial value of assets was \$1,035,170, resulting in an underfunded actuarial liability (UAAL) of \$694,256. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$552,430 and the ratio of the UAAL to the covered payroll was 126 percent.

The schedule of funding progress, presented as RSI 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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

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.

As of April 30, 2012, the Plan's membership consisted of:

Retirees and beneficiaries receiving benefits	7
Terminated plan members entitled to but not Yet receiving benefits	-
Active vested plan members	8
Active non-vested plan members	<u>7</u>
	<u><u>22</u></u>

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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

5. RETIREMENT PLAN COMMITMENTS (Continued)

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. Investments are recorded at their cost.

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 rate for the year ended April 30, 2011 was 28.05% of covered payroll. This information is available on a bi-annual basis.

Annual Pension Cost:

The Village's annual pension cost and net pension obligation for the Plan for the year ended April 30, 2011 were as follows:

Annual required contribution (ARC)	\$	231,334
Interest on net pension obligation (NPO)		315
Adjustment to ARC		<u>(209)</u>
Annual pension cost		231,440
Contribution made		<u>231,334</u>
Change in NPO		106
NPO, April 30, 2008		<u>4,198</u>
NPO, April 30, 2010	\$	<u><u>4,304</u></u>

Three-Year Trend Information for Police Pension

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
04/30/10	\$ 231,440	99.9%	\$ 4,304
04/30/08	219,251	100.0%	4,198
04/30/06	209,188	99.9%	4,089

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Village provides limited health 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, 2011, the participants in the plan consisted of:

Retirees and beneficiaries	3
Receiving benefits	-
Terminated plan members entitled	15
To but not yet receiving benefits	-
Active vested plan members	13
Active nonvested plan members	<u>31</u>
Total	<u>31</u>
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 Statement 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, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual OPEB Cost and net OPEB Obligation		
	04/30/11	04/30/10
Annual required contribution	\$ 16,321	16,756
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	16,321	16,756
Contributions made	-	(7,874)
Increase (decrease) in net OPEB obligation	16,321	8,882
Net OPEB obligation beginning of year	8,882	-
Net OPEB obligation (excess) end of year	\$ 25,203	8,882

Actuarial valuations of an on going 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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

The actuarial method and assumptions used are the actuarial cost method - entry age with open 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.

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, 2011, actuarial valuation, the actuarial assumptions included a discount rate of 5.00% and an initial healthcare cost trend rate of 8.00% initial and 6% ultimate. The actuarial value of assets was not determined as the District has not advanced 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.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
 April 30, 2012

7. RISK MANAGEMENT (Continued)

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 2014. The total rebate in fiscal year 2011 and 2012 were approximately \$61,500 and 78,500, respectively.

9. COMMITMENTS – INTERGOVERNMENTAL AGREEMENT

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. The amount outstanding was \$300,000 at April 30, 2012.

10. INTERFUND TRANSFERS

The Village made the following interfund transfers:

FROM	TO		
Capital Projects Fund *	Debt Service Fund *	\$	837,800

* - denotes major fund

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

11. FUND BALANCES

The Village implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective with the April 30, 2012 financial statements. Fund balances for the governmental funds are reported in classifications

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
April 30, 2012

11. FUND BALANCES (Continued)

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.

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 imposed by tax levies.

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 Trustees, and it takes an ordinance or resolution to establish a fund balance commitment. Capital projects fund balances are reported as committed based on the Budget & Appropriation Ordinance.

Amounts intended to be used for specific purposes would be considered assigned. Assignments should not cause deficits in the unassigned fund balance. Unassigned fund balance is the residual classification for the general fund.

12. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through June 14, 2012, which was the date that these financial statements were available for issuance, and determined that there were no significant unrecognized subsequent events through that date.

VILLAGE OF CHERRY VALLEY, ILLINOIS
Required Supplementary Information
Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Intergovernmental -					
Taxes	\$ 3,634,700	3,634,700	3,939,917	305,217	3,641,766
Licenses, fees and permits	250,400	250,400	222,081	(28,319)	250,645
Other	118,600	118,600	115,719	(2,881)	120,941
	<u>4,003,700</u>	<u>4,003,700</u>	<u>4,277,718</u>	<u>274,018</u>	<u>4,013,352</u>
Expenditures disbursed:					
Current:					
General government	721,137	721,137	686,680	34,457	679,463
Public safety	1,842,791	1,842,791	1,727,289	115,502	1,583,071
Highways and streets	969,485	969,485	764,842	204,643	683,870
Capital expenditures	190,975	190,975	86,690	104,285	44,694
	<u>3,724,388</u>	<u>3,724,388</u>	<u>3,265,501</u>	<u>458,887</u>	<u>2,991,098</u>
Excess (deficiency) of revenues over (under) expenditures	279,312	279,312	1,012,216	732,904	1,022,254
Other financing sources (uses):					
Operating transfers out	-	-	-	-	(612,777)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(612,777)</u>
Net change in fund balance	279,312	279,312	1,012,216	732,904	409,477
Fund balance:					
Beginning	1,290,188	1,290,188	1,305,348	15,160	895,871
Ending	<u>\$ 1,569,500</u>	<u>1,569,500</u>	<u>2,317,564</u>	<u>748,064</u>	<u>1,305,348</u>

VILLAGE OF CHERRY VALLEY, ILLINOIS

Required Supplementary Information
Schedule of Funding Progress

Illinois Municipal Retirement Fund

April 30, 2012

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
12/31/11	\$ 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, 2011 is \$993,679. On a market basis the funded ratio would be 57.46%.

VILLAGE OF CHERRY VALLEY, ILLINOIS

Required Supplementary Information
Schedule of Funding Progress

Police Pension Trust Fund

April 30, 2012

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
04/30/10	\$ 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 has elected to have valuations performed every two years unless the police force has changed by two, where in that case the actuarial study will be performed in that fiscal year.

VILLAGE OF CHERRY VALLEY, ILLINOIS
 Required Supplementary Information
 Schedule of Funding Progress
Post Employment Benefits Other Than Pension
 April 30, 2012

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
04/30/10	\$ -	147,285	147,285	- %	658,971	22.4 %

The Village is required to have an actuarial study done once every three years unless management determines there are significant changes. The Village has presented the 4/30/10 study, which was the latest actuarial study performed.

VILLAGE OF CHERRY VALLEY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2012

LEGAL COMPLIANCE AND ACCOUNTABILITY

On or before April 1 of each year, all departments of the Village submit requests for budgets to the Mayor 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 - Cash Basis

Nonmajor Governmental Funds

April 30, 2012

	Special Revenue		Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Special Service Area #2 Fund	
Assets:			
Cash and cash equivalents	\$ 1,159	-	1,159
Investments	94,700	8,074	102,774
Total assets	<u>95,859</u>	<u>8,074</u>	<u>103,933</u>
Liabilities:			
Total liabilities	-	-	-
Fund balances:			
Restricted for Special Revenue	95,859	8,074	103,933
Total fund balances	<u>95,859</u>	<u>8,074</u>	<u>103,933</u>
Total liabilities and fund balances	<u>\$ 95,859</u>	<u>8,074</u>	<u>103,933</u>

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, 2012

	Special Revenue		Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Special Service Area #2 Fund	
Revenues received:			
Impact fees	\$ 82,165	-	82,165
Interest	165	6	171
Total revenues	82,330	6	82,336
Expenditures disbursed:			
General Government			
Contractual services			
Engineering	-	-	-
Capital Outlay	100,381	-	100,381
Total expenditures	100,381	-	100,381
Net change in fund balance	(18,051)	6	(18,044)
Beginning	113,910	8,068	121,978
Ending	\$ 95,859	8,074	103,933

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, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Intergovernmental -					
Motor fuel taxes	\$ 61,000	61,000	82,165	21,165	65,174
Interest	150	150	165	15	222
Total revenues	<u>61,150</u>	<u>61,150</u>	<u>82,330</u>	<u>21,180</u>	<u>65,396</u>
Expenditures disbursed:					
Highways and streets:					
Capital outlay - improvements	<u>173,000</u>	<u>173,000</u>	<u>100,381</u>	<u>72,619</u>	<u>35,273</u>
Total expenditures	<u>173,000</u>	<u>173,000</u>	<u>100,381</u>	<u>72,619</u>	<u>35,273</u>
Net change in fund balance	(111,850)	(111,850)	(18,051)	93,799	30,123
Fund balance:					
Beginning	<u>113,714</u>	<u>113,714</u>	<u>113,910</u>	196	<u>83,787</u>
Ending	\$ <u><u>1,864</u></u>	<u><u>1,864</u></u>	<u><u>95,859</u></u>	<u><u>93,995</u></u>	<u><u>113,910</u></u>

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, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Interest income	\$ -	-	6	6	9
Total revenues	-	-	6	6	9
Expenditures disbursed:					
Detention:					
Capital outlay	-	-	-	-	226
Total expenditures	-	-	-	-	226
Net change in fund balance	-	-	6	6	(217)
Fund balance					
Beginning	8,066	8,066	8,068	2	8,285
Ending	\$ 8,066	8,066	8,074	8	8,068

VILLAGE OF CHERRY VALLEY, ILLINOIS

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

General Fund

For the Year Ended April 30, 2012

With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Taxes:					
Sales	\$ 3,167,000	3,167,000	3,385,180	218,180	3,166,555
Property	48,000	48,000	87,004	39,004	47,979
State income	187,500	187,500	198,062	10,562	187,482
State use tax	27,800	27,800	45,343	17,543	30,188
Replacement tax	21,200	21,200	19,713	(1,487)	22,200
Hotel tax	26,800	26,800	31,206	4,406	29,736
Telecommunications tax	109,900	109,900	123,571	13,671	109,921
Auto rental	1,100	1,100	2,863	1,763	1,030
Rentals	45,400	45,400	46,975	1,575	46,675
Total taxes	<u>3,634,700</u>	<u>3,634,700</u>	<u>3,939,917</u>	<u>305,217</u>	<u>3,641,766</u>
Licenses and permits	<u>37,800</u>	<u>37,800</u>	<u>45,630</u>	<u>7,830</u>	<u>38,216</u>
Fines & fees:					
Fines - police	175,700	175,700	136,900	(38,800)	175,583
Franchise	36,900	36,900	39,552	2,652	36,846
	<u>212,600</u>	<u>212,600</u>	<u>176,451</u>	<u>(36,149)</u>	<u>212,429</u>
Other revenue:					
Interest	1,500	1,500	2,687	1,187	1,645
Reimbursements	21,400	21,400	6,715	(14,685)	-
Miscellaneous	95,700	95,700	106,317	10,617	119,296
Total other	<u>118,600</u>	<u>118,600</u>	<u>115,719</u>	<u>(2,881)</u>	<u>120,941</u>
Total revenues	<u>4,003,700</u>	<u>4,003,700</u>	<u>4,277,718</u>	<u>274,018</u>	<u>4,013,352</u>
Expenditures disbursed:					
General government:					
Salaries	167,819	169,819	166,153	3,666	156,737
Salaries – part time	64,250	62,250	63,739	(1,489)	58,685
Special committees	4,800	4,800	4,080	720	4,650
Payroll taxes	30,746	26,746	28,744	(1,998)	23,106
Insurance	96,000	105,500	95,583	9,917	93,641
Hospital insurance	48,243	52,243	40,596	11,647	51,144
Pension benefits	22,142	22,142	22,664	(522)	22,305
Maintenance – vehicles	2,800	1,500	2,790	(1,290)	1,280
Maintenance – equipment	1,800	1,300	1,777	(477)	1,249
Office supplies	4,400	3,800	4,363	(563)	2,661
Uniforms	-	-	-	-	32
Professional services	17,900	13,000	17,873	(4,873)	22,195
Legal services	67,800	48,000	67,753	(19,753)	61,593
Postage	4,100	3,400	4,067	(667)	2,288
Advertising and publishing	1,800	3,600	1,741	1,859	2,454
Telephone	4,400	5,000	3,651	1,349	5,117
Utilities	6,600	6,600	6,495	105	6,460
Dues	900	1,620	860	760	710
Travel	2,100	3,730	2,082	1,648	402
Training	1,340	2,090	966	1,124	650

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, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Expenditures disbursed (continued):					
General government (continued):					
Fuel	\$ 2,160	2,160	2,058	102	1,235
Audit and accounting services	6,000	6,000	6,000	-	5,800
Corporate replacement taxes	6,200	6,200	5,164	1,036	7,335
Real estate taxes	5,100	5,100	4,854	246	4,585
Tax rebate	78,500	90,000	78,432	11,568	61,536
Tourism	45,037	45,037	43,984	1,053	55,468
Bond handling fees	1,000	1,000	800	200	800
Community welfare	1,200	2,500	1,236	1,264	1,945
Miscellaneous	1,000	1,000	925	75	1,000
Contingency	25,000	25,000	7,251	17,749	22,400
Capital outlay – equipment	3,000	3,000	2,941	59	1,121
Total general government	<u>724,137</u>	<u>724,137</u>	<u>689,621</u>	<u>34,516</u>	<u>680,584</u>
Public safety:					
Salaries	927,922	927,922	915,069	12,853	859,793
Salaries – part time	25,000	25,000	24,786	215	13,129
Payroll taxes	72,899	72,899	68,445	4,454	63,122
Insurance	288,745	288,745	243,233	45,512	256,964
Pension benefits	295,291	295,291	295,360	(69)	241,360
Maintenance – vehicles	28,014	28,014	23,799	4,215	20,175
Maintenance – equipment	13,376	13,376	10,661	2,715	10,804
Travel	8,500	8,500	2,186	6,314	197
Training and seminars	5,560	5,560	4,602	958	3,611
Tuition assistance	2,000	2,000	824	1,177	600.00
Postage	3,000	3,000	2,424	576	1,065
Advertising and publishing	2,000	2,000	1,674	326	1,190
Memberships	1,250	1,250	1,089	161	1,124
Professional services	37,150	37,150	29,223	7,927	28,090
Legal services	17,000.00	17,000.00	13,383.13	3,617	-
Telephone	10,200	10,200	6,998	3,202	7,799
Utilities	6,600	6,600	6,495	105	6,460
Supplies	2,000	2,000	1,301	699	1,578
Gas and oil	55,000	55,000	47,655	7,345	38,509
Uniforms	16,500	16,500	11,192	5,308	8,207
Special events	5,000	5,000	3,686	1,314	62
Other supplies	6,034	6,034	2,742	3,292	3,076
Miscellaneous	13,750	13,750	10,461	3,289	16,156
Capital outlay – vehicles	24,000	24,000	19,226	4,774	-
Capital outlay – equipment	13,475	13,475	12,871	604	5,250
Total public safety	<u>1,880,266</u>	<u>1,880,266</u>	<u>1,759,387</u>	<u>120,879</u>	<u>1,588,321</u>
Public works - administration:					
Salaries	293,729	293,729	264,847	28,882	245,272
Salaries – part time	30,000	30,000	18,697	11,303	4,899
Payroll taxes	24,765	24,765	20,587	4,178	18,045
Insurance	87,143	87,143	82,155	4,988	73,428
Pension benefits	37,998	37,998	34,311	3,687	30,479
Mosquito control	31,900	31,900	31,142	758	31,142
Training and seminars	5,200	5,200	4,758	442	2,576
Tuition assistance	1,000	1,000	-	1,000	604.00

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, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Expenditures disbursed (continued):					
Public works - administration (cont):					
Advertising and publishing	\$ 1,600	1,600	614	986	976
Memberships	1,000	1,000	901	99	923
Professional services	26,500	26,500	21,143	5,357	16,988
Engineering services	40,000	40,000	18,521	21,479	17,360
Rentals	4,000	4,000	3,431	570	315
Supplies	1,200	1,200	1,169	31	1,185
Gas and oil	23,300	23,300	22,374	926	19,599
Uniforms	4,800	4,800	4,577	223	4,389
Other supplies	1,000	1,000	1,662	(662)	486
Miscellaneous	500	500	250	250	-
Capital outlay – equipment	4,000	4,000	1,066	2,935	-
Total public works - admin	<u>619,635</u>	<u>619,635</u>	<u>532,205</u>	<u>87,430</u>	<u>468,666</u>
Public works - streets and alleys:					
Maintenance – equipment	16,000	16,000	11,958	4,042	19,133
Maintenance – vehicles	19,000	19,000	10,452	8,548	12,396
Maintenance – streets	87,000	91,500	51,436	40,064	44,272
Professional services	13,000	8,500	11,933	(3,433)	4,100
Engineering services	30,300	30,300	20,637	9,663	8,771
Telephone	10,000	10,000	5,666	4,334	6,952
Utilities	2,500	2,500	767	1,733	1,356
Street lighting	55,000	55,000	48,679	6,321	51,914
Supplies	5,000	5,000	5,039	(39)	5,041
Other supplies	2,000	2,000	338	1,662	119
Miscellaneous	500	500	500	-	300
Capital outlay – improvements	114,300	114,300	32,534	81,766	4,444
Capital outlay – traffic	9,000	9,000	5,109	3,891	12,889
Capital outlay – equipment	8,000	8,000	1,824	6,176	14,964
Total public works - streets and alleys	<u>371,600</u>	<u>371,600</u>	<u>206,871</u>	<u>164,729</u>	<u>186,651</u>
Public works - buildings and grounds:					
Maintenance – equipment	4,000	4,000	3,025	975	1,669
Maintenance – buildings	22,600	22,600	7,013	15,587	8,845
Maintenance – grounds	4,500	4,500	1,455	3,045	1,053
Professional services	38,350	40,750	30,830	9,920	20,574
Engineering services	13,000	13,000	-	13,000	4,126
Utilities	19,000	19,000	14,323	4,677	17,235
Other supplies	6,900	4,500	5,884	(1,384)	4,350
Special events	4,700	4,700	3,769	931	2,998
Miscellaneous	500	500	-	500	-
Capital outlay – improvements	4,500	4,500	1,560	2,940	525
Capital outlay – equipment	1,200	1,200	110	1,090	1,250
Capital outlay – parks	9,500	9,500	9,448	52	4,251
Total public works - buildings and grounds	<u>128,750</u>	<u>128,750</u>	<u>77,417</u>	<u>51,333</u>	<u>66,876</u>
Total expenditures	<u>\$ 3,724,388</u>	<u>3,724,388</u>	<u>3,265,501</u>	<u>458,887</u>	<u>2,991,098</u>

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, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Sales tax	\$ 1,109,700	1,109,700	1,581,593	471,893	-
Impact fees	1,000	1,000	-	(1,000)	863
Interest	3,600	3,600	2,410	(1,190)	6,096
Miscellaneous	2,000	2,000	44,374	42,374	2,197
Total revenues	<u>1,116,300</u>	<u>1,116,300</u>	<u>1,628,377</u>	<u>512,077</u>	<u>9,156</u>
Expenditures disbursed:					
Highways and streets:					
Contractual					
Engineering	59,400	59,000	46,859	12,141	21,317
Maintenance	392,500	377,500	387,819	(10,319)	175,325
Total contractual	<u>451,900</u>	<u>436,500</u>	<u>434,678</u>	<u>1,822</u>	<u>196,642</u>
Capital outlay - improvements	154,600	170,000	35,234	134,766	77,174
Parks:					
Capital outlay	429,000	429,000	15,312	413,688	-
Total expenditures	<u>1,035,500</u>	<u>1,035,500</u>	<u>485,223</u>	<u>550,277</u>	<u>273,816</u>
Excess (deficiency) of revenues over (under) expenditures	80,800	80,800	1,143,154	1,062,354	(264,660)
Total Other financing sources (uses):					
Transfers out	(837,800)	(837,800)	(837,800)	(0)	(362,508)
Total other financing sources (uses)	<u>(837,800)</u>	<u>(837,800)</u>	<u>(837,800)</u>	<u>(0)</u>	<u>(362,508)</u>
Net change in fund balance	(757,000)	(757,000)	305,354	1,062,354	(627,168)
Fund balance:					
Beginning	1,378,377	1,378,377	1,378,704	327	2,005,872
Ending	<u>\$ 621,377</u>	<u>621,377</u>	<u>1,684,058</u>	<u>1,062,681</u>	<u>1,378,704</u>

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, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Interest	\$ 350	350	220	(130)	467
Total revenues	350	350	220	(130)	467
Expenditures disbursed:					
Debt service					
GO bond - principal	745,000	745,000	745,000	-	715,000
GO bond - interest	91,905	91,905	91,905	-	119,475
Total expenditures	836,905	836,905	836,905	-	834,475
Excess (deficiency) of revenues #					
(under) expenditures	(836,555)	(836,555)	(836,685)	(130)	(834,008)
Other financing sources (uses):					
Transfers in	837,800	837,800	837,800	0	975,285
Total other financing sources (uses)	837,800	837,800	837,800	0	975,285
Net changes in fund balances:	1,245	1,245	1,115	(130)	141,277
Fund balance					
Beginning	276,408	276,408	276,415	7	135,138
Ending	\$ 277,653	277,653	277,530	(123)	276,415

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Proprietary Fund Type - Water Fund
For the Year Ended April 30, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Operating revenues:					
User fees	\$ 898,000	898,000	920,205	22,205	896,617
Hookup fees	5,000	5,000	8,972	3,972	7,890
Service initiation	2,000	2,000	2,052	52	1,950
Reimbursements	-	-	-	-	8,139
Miscellaneous	15,000	15,000	15,742	742	15,780
Total operating revenues	<u>920,000</u>	<u>920,000</u>	<u>946,972</u>	<u>26,972</u>	<u>930,376</u>
Operating expenses:					
Personnel services	249,557	249,557	227,489	22,068	224,016
Contractual services	262,775	262,775	107,240	155,535	141,474
Commodities	57,100	53,000	50,222	2,778	43,332
Other	36,500	40,600	600	40,000	6,399
Total operating expenses	<u>605,932</u>	<u>605,932</u>	<u>385,551</u>	<u>220,381</u>	<u>415,221</u>
Operating income	<u>314,068</u>	<u>314,068</u>	<u>561,421</u>	<u>247,353</u>	<u>515,155</u>
Non-operating revenue (expenses)					
Capital outlays	(854,500)	(854,500)	(116,095)	738,405	(79,980)
Debt service - principal	(145,000)	(145,000)	(145,000)	-	(140,000)
Debt service - interest	(112,435)	(112,435)	(112,435)	-	(116,985)
Interest income	11,100	11,100	8,808	(2,292)	12,578
Total non-operating revenues expenses	<u>(1,100,835)</u>	<u>(1,100,835)</u>	<u>(364,723)</u>	<u>736,112</u>	<u>(324,387)</u>
Change in net assets	<u>(786,767)</u>	<u>(786,767)</u>	<u>196,698</u>	<u>983,465</u>	<u>190,768</u>
Net assets					
Beginning	<u>3,743,371</u>	<u>3,743,371</u>	<u>3,817,563</u>	<u>74,192</u>	<u>3,626,795</u>
Ending	<u>\$ 2,956,604</u>	<u>2,956,604</u>	<u>4,014,261</u>	<u>1,057,657</u>	<u>3,817,563</u>

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Operating Expenses and Capital Outlays
Proprietary Fund Type - Water Fund
For the Year Ended April 30, 2012
With Comparative Totals for the Year Ended April 30, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Personnel services:					
Office salary	\$ 164,709	164,709	159,349	5,360	149,018
Payroll taxes	12,214	12,214	11,730	484	10,900
Insurance	51,329	51,329	36,139	15,190	45,875
Retirement fund	21,305	21,305	20,270	1,035	18,223
Total personnel services	<u>249,557</u>	<u>249,557</u>	<u>227,489</u>	<u>22,068</u>	<u>224,016</u>
Contractual services:					
Maintenance – equipment	20,000	20,000	6,977	13,023	12,277
Maintenance – system	16,300	16,300	6,855	9,445	10,707
Maintenance – buildings	21,000	21,000	3,616	17,384	1,026
Engineering	66,500	66,500	-	66,500	3,870
Postage	6,600	6,600	5,751	849	5,499
Printing	1,600	1,600	1,661	(61)	1,533
Professional fees	35,550	35,550	24,085	11,465	27,189
Audit	2,500	2,500	2,600	(100)	2,500
Legal	2,800	2,800	751	2,049	1,952
Telephone	2,750	2,750	1,143	1,607	1,065
Training	2,175	2,175	709	1,466	2,640
Utilities	85,000	85,000	53,093	31,907	71,216
Total contractual services	<u>262,775</u>	<u>262,775</u>	<u>107,240</u>	<u>155,535</u>	<u>141,474</u>
Commodities:					
Gas and Oil	15,700	15,700	11,574	4,126	7,275
Office supplies	1,500	1,500	1,300	200	876
Operating supplies	800	800	103	697	343
Chemicals	35,600	31,500	35,583	(4,083)	30,235
Other supplies	3,500	3,500	1,661	1,839	4,603
Total commodities	<u>57,100</u>	<u>53,000</u>	<u>50,222</u>	<u>2,778</u>	<u>43,332</u>
Other:					
Miscellaneous	600	600	600	-	559
Contingency	35,900	40,000	-	40,000	5,840
Total other	<u>36,500</u>	<u>40,600</u>	<u>600</u>	<u>40,000</u>	<u>6,399</u>
Total operating expenses	<u>605,932</u>	<u>605,932</u>	<u>385,551</u>	<u>220,381</u>	<u>415,221</u>
Capital outlays:					
Equipment	21,500	21,500	13,657	7,843	1,408
Extensions and improvements	721,000	721,000	4,050	716,950	-
Meters	112,000	112,000	98,388	13,612	45,661
Vehicles	-	-	-	-	32,911
Total capital outlays	<u>\$ 854,500</u>	<u>854,500</u>	<u>116,095</u>	<u>738,405</u>	<u>79,980</u>

VILLAGE OF CHERRY VALLEY, ILLINOIS
Schedule of Legal Debt Margin
April 30, 2012

	2012	2011
Assessed Valuations *	\$ 93,986,469	89,627,915
Statutory Debt Limitation (8.625% of Assessed Valuation)	8,106,333	7,730,408
General long-term debt	4,095,000	4,985,000
Less bonded debt excluded from long-term debt *	(4,095,000)	(4,985,000)
Total amount of debt applicable to debt limit	-	-
Legal Debt Margin	\$ 8,106,333	7,730,408

* General obligation alternate revenue bonds of \$4,095,000 are excluded by state statute.

