

# VILLAGE OF CHERRY VALLEY, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2016

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

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## **INTRODUCTORY SECTION**

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**List of Principal Officials  
April 30, 2016**

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**Jim E. Claeysen, Village President**

**BOARD OF TRUSTEES**

Stephen Appell, Trustee

Nancy Belt, Trustee

Jeffrey Fustin, Trustee

Sally Hollembeak, Trustee

Gary Maitland, Trustee

David Schroeder, Trustee

**ADMINISTRATION**

Karen Melloch, Village Treasurer

Mike Neville, Village Police Chief

Chuck Freeman, Village Public Works Director

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

# **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITORS' REPORT**

July 13, 2016

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

We have audited the accompanying cash basis 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, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Basis for Qualified Opinion**

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

### **Opinions**

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cherry Valley, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Accounting**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Cherry Valley, Illinois’, basic financial statements. The introductory section, management discussion and analysis, and other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The management discussion and analysis and other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the management discussion and analysis and supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Village of Cherry Valley, Illinois  
July 13, 2016  
Page 3

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Lauterbach + Amen LLP*  
LAUTERBACH & AMEN, LLP

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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The Management Discussion and Analysis (MD&A) of the Village of Cherry Valley's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2016. We recommend that the MD&A be read in conjunction with the financial statements and notes to the financial statements that follow.

### FINANCIAL HIGHLIGHTS

- The Village of Cherry Valley's total governmental and business-type net position decreased by \$638,863 from \$12,985,811 to \$12,346,948.
- During the year, governmental and business-type revenues totaled \$8,173,462 which was less than total expenses of \$8,812,325 by \$638,863.
- Revenues for governmental activities totaled \$7,146,295. Expenses totaled \$7,735,714 resulting in a decrease in net position from \$9,446,843 to \$8,857,424, a decrease of 6.2 percent.
- Revenues for business-type activities totaled \$1,027,167 while expenses totaled \$1,076,611, decreasing business-type net position by \$49,444, from \$3,538,968 to \$3,489,524, a decrease of 1.4 percent.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 6) provide information about the activities of the Village of Cherry Valley as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Cherry Valley's operation in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Cherry Valley's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 4 - 6 of this report.

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

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, community development, public safety, public works, and culture and recreation. The business-type activities of the Village include waterworks and sewerage operations.

#### Fund Financial Statements

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

#### Governmental Funds

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Governmental Funds – Continued

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

The Village of Cherry Valley maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered major funds. Data from the other remaining governmental fund is presented in aggregate on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances.

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

The basic governmental fund financial statements can be found on pages 7 - 8 of this report.

##### Proprietary Funds

The Village maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water operations.

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

The basic proprietary fund financial statements can be found on pages 9 - 11 of this report.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Cherry Valley's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 12 - 13 of this report.

##### Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 14 - 44 of this report.

##### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the Village's I.M.R.F., Illinois Downstate police employee pension obligations, and other postemployment benefit, as well as budgetary comparison schedules for the Village's funds. Other supplementary information can be found on pages 45 - 64 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Cherry Valley, assets of \$12,346,948 equaled net position.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Total Assets	\$ 8,857,424	9,446,843	3,489,524	3,538,968	12,346,948	12,985,811
Net Position						
Restricted	148,123	327,991	-	-	148,123	327,991
Unrestricted	8,709,301	9,118,852	3,489,524	3,538,968	12,198,825	12,657,820
Total Net Position	8,857,424	9,446,843	3,489,524	3,538,968	12,346,948	12,985,811

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

### GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

\$148,123 of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining net position of \$12,198,825 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

Total revenues for both governmental and business-type activities totaled \$8,173,462 while the total cost of all programs and services was \$8,812,325 resulting in a decrease to total net position of \$638,863.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 257,940	286,857	1,017,676	1,014,147	1,275,616	1,301,004
Operating Grants/Contrib.	83,602	183,369	-	-	83,602	183,369
General Revenues						
Property Taxes	47,919	46,302	-	-	47,919	46,302
Other Taxes	116,959	100,017	-	-	116,959	100,017
Income Taxes	337,632	307,047	-	-	337,632	307,047
Sales Taxes	6,073,918	6,285,770	-	-	6,073,918	6,285,770
Local Use	72,768	60,891	-	-	72,768	60,891
Personal Property Taxes	22,481	22,204	-	-	22,481	22,204
Interest Income	21,094	15,433	9,491	6,299	30,585	21,732
Miscellaneous	111,982	161,431	-	-	111,982	161,431
Total Revenues	7,146,295	7,469,321	1,027,167	1,020,446	8,173,462	8,489,767
<b>Expenses</b>						
General Government	3,634,177	1,690,086	-	-	3,634,177	1,690,086
Public Safety	2,407,012	2,229,996	-	-	2,407,012	2,229,996
Public Works	1,683,505	1,400,803	-	-	1,683,505	1,400,803
Interest on Long-Term Debt	11,020	21,240	-	-	11,020	21,240
Water	-	-	1,076,611	905,576	1,076,611	905,576
Total Expenses	7,735,714	5,342,125	1,076,611	905,576	8,812,325	6,247,701
Change in Net Position	(589,419)	2,127,196	(49,444)	114,870	(638,863)	2,242,066
Net Position-Beginning	9,446,843	7,319,647	3,538,968	3,424,098	12,985,811	10,743,745
Net Position-Ending	8,857,424	9,446,843	3,489,524	3,538,968	12,346,948	12,985,811

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

##### Revenues

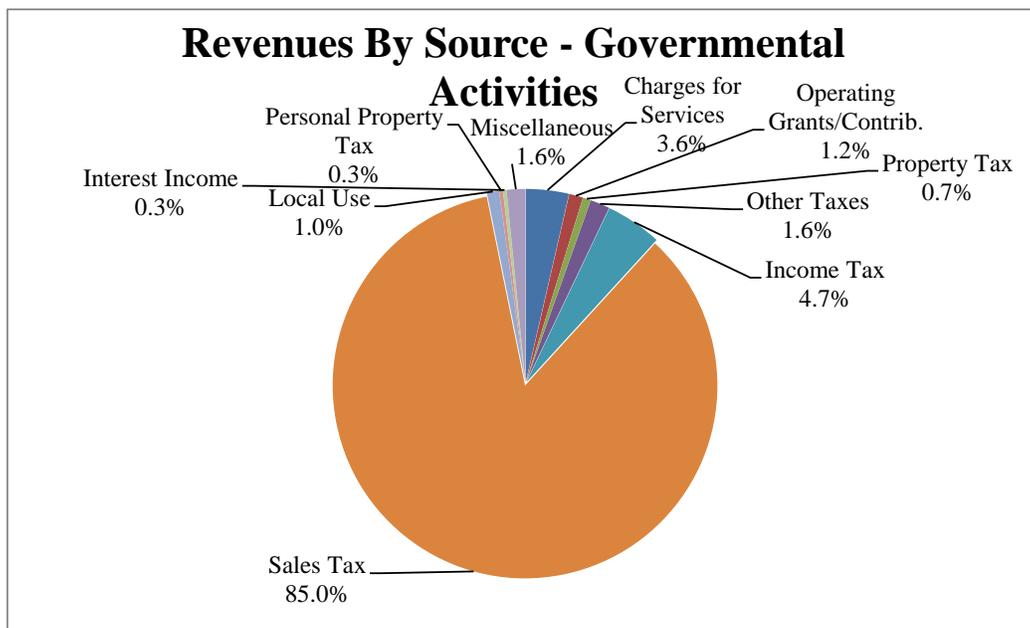
Revenues for governmental activities totaled \$7,146,295 while expenses totaled \$7,735,714. The difference in revenues compared to expenses resulted in a decrease to governmental net position of \$589,419. The increased in general government expenses mainly contributed to this decrease in net position. In the current year, a new 16,636 square foot Public Works Facility was built for approximately \$2.4 million.

During the current year, total revenues decreased \$323,026 primarily due to the decrease in sales taxes and charges for services of \$211,852 and \$28,917, respectively, from the previous fiscal year.

Sales taxes for the year accounted for \$6,073,918 or 85.0 percent of governmental activities total revenue and decreased by 3.4 percent.

Charges for services account for 3.6 percent of total revenue, and have decreased 10.1 percent, or \$28,917 over the prior year primarily due to the decrease in collection of police fines. In the prior fiscal year, many old outstanding fines were followed up and collected, which was not needed in the current year.

The following table graphically depicts the major revenue sources of the Village of Cherry Valley and shows the reliance of sales taxes and charges for services to fund governmental activities.



# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

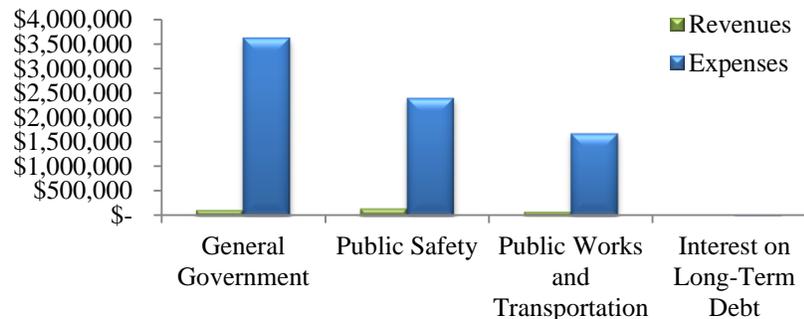
#### Governmental Activities – Continued

##### Expenses

Overall, expenses increased by 44.8 percent, or \$2,393,589 from the prior year primarily due to the construction of the Public Works Facility.

The 'Expenses and Program Revenues' Table on the next page identifies those governmental functions where program expenses greatly exceed revenues.

**Expenses and Program Revenues  
Governmental Activities**



#### Business-Type Activities

Revenues for business-type activities totaled \$1,027,167, while expenses totaled \$1,076,611, resulting in a decrease to business-type net position of \$49,444.

Overall 77.4% of Water revenue is collected mainly from water usage. Water meter maintenance fees, permits, connection fees and maintenance of the water lines accounts for the remaining 22.6% percent.

Water expenses increased from \$905,576 in the prior year to \$1,076,611 in the current year, an increase of 18.9 percent. This increase is mainly due to the installation of new water meters and outside reading devices which lowers the time need to read meters each month.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

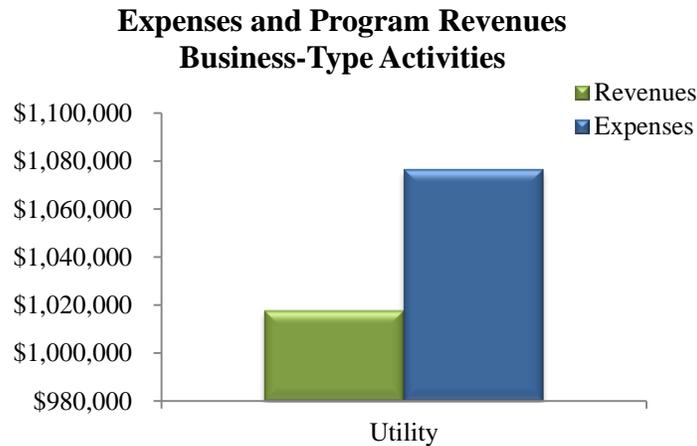
## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Business-Type Activities – Continued



The above graph compares program revenues to expenses for water operations. The graph shows that revenues for the water operations are able to cover expenses.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$8,857,424, which is lower than last year's total of \$9,446,843.

The General Fund reported a surplus of \$562,839. Total revenues for the year decreased \$141,680 over the prior year mainly attributable to the decrease in sales taxes received and charges for services. Expenditures in the General Fund increased \$207,435 over the prior year, related to increases in capital outlay expenditures.

## **VILLAGE OF CHERRY VALLEY, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2016**

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#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued**

##### **Governmental Funds – Continued**

The Debt Service Fund reported a deficit during the year of \$101,193. During the year transfers from the Capital Projects Fund totaled \$199,769 and total debt service required payments of \$301,020 were made, resulting in an ending fund balance of zero.

The Capital Projects Fund reported a deficit of \$972,390 for the year after transfer out to the Debt Service of \$199,769, due primarily as the result of the construction of the Public Works Facility.

##### **Proprietary Funds**

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water system.

The Water Fund had a negative change in net position of \$49,444 resulting in an ending net position of \$3,489,524. Charges for services of \$905,437 were 89.0% of total revenue. Operating expenses were \$173,249, or 23.5 percent under budget.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village did not make any amendments to the General Fund budget during the year. The General Fund actual revenues of \$4,523,465 were \$284,565 more than budgeted revenues of \$4,238,900. Specifically, the Village's intergovernmental revenues, which includes sales tax, generated \$3,977,175 which was \$330,175 higher than budget.

The General Fund actual expenditures were lower than budgeted expenditures for the current year. Actual expenditures totaled \$3,960,626, while budgeted expenditures totaled \$4,438,415. All expenditures combined to be under budget by \$477,789.

#### **DEBT ADMINISTRATION**

At year-end, the Village of Cherry Valley had total outstanding debt of \$235,000. There was a \$540,000 decrease in outstanding debt from the prior year as the result of current year principal retirements on existing outstanding debt. As of April 30, 2017, the Village's remaining outstanding debt of \$235,000 is scheduled to be paid off.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### DEBT ADMINISTRATION – Continued

The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ -	290,000	235,000	485,000	235,000	775,000

Additional information on the Village of Cherry Valley's long-term debt can be found in Note 3 on pages 26 - 28 of this report.

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

The Village's main source of revenue is retail sales tax, which accounts for the major portion of the village's overall revenue stream. Moreover, the additional 1% sales tax implemented in 2012, used to fund the Capital Improvement Plan, has helped to lessen the strain that these projects previously had on the village's General Fund. This additional 1% sales tax is due to expire at the end of June 2016 however the Village placed a renewal question on the ballot for the consolidated election held in April 2015 and the Village obtained overwhelming approval from the citizens to renew this 1% sales tax to June 30, 2021. As a result this continued revenue stream has stabilized the general fund. Also, the Village's 2005B Bond Issuance was paid in full in January 2016, leaving only one bond issuance remaining, the 2012 Water Bond, which is scheduled to be paid in full in January 2017. This will leave the Village of Cherry Valley "debt service free". Furthermore, the village's participation in community and regional programs that encourage economic development are providing a benefit to the Village as new development brings value and jobs to the Village. The Village of Cherry Valley has also retained the services of a professional retail services consultant (Retail Strategies, LLC Birmingham, AL) to develop a retail recruitment strategic plan to assist the Village as it works to increase its retail base.

The Village works continually to become development-friendly and strives to generate the revenues needed to fund the programs that provide for the health, safety and welfare of the citizens of Cherry Valley.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Cherry Valley's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Karen Melloch, Treasurer, Village of Cherry Valley, 806 East State Street, Cherry Valley, Illinois, 61016.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

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

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Statement of Net Position - Cash Basis**

**April 30, 2016**

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	Governmental Activities	Business- Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 8,857,424	3,489,524	12,346,948
<b>NET POSITION</b>			
Restricted			
Highways and Streets	148,123	-	148,123
Debt Service	-	-	-
Unrestricted	8,709,301	3,489,524	12,198,825
Total Net Position	8,857,424	3,489,524	12,346,948

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 Fiscal Year Ended April 30, 2016**

	Expenses	Program Revenues		
		Program Revenues	Operating Grants/Contributions	Capital Grants/Contributions
<b>Governmental Activities</b>				
General Government	\$ 3,634,177	112,255	-	-
Public Safety	2,407,012	145,685	2,564	-
Public Works	1,683,505	-	81,038	-
Interest on Long-Term Debt	11,020	-	-	-
Total Governmental Activities	7,735,714	257,940	83,602	-
<b>Business-Type Activities</b>				
Water	1,076,611	1,017,676	-	-
Total Primary Government	8,812,325	1,275,616	83,602	-

General Revenues

Taxes

Property Taxes

Other Taxes

Intergovernmental - Unrestricted

Income Taxes

Sales Taxes

Local Use

Personal Property Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(3,521,922)	-	(3,521,922)
(2,258,763)	-	(2,258,763)
(1,602,467)	-	(1,602,467)
(11,020)	-	(11,020)
(7,394,172)	-	(7,394,172)
-	(58,935)	(58,935)
(7,394,172)	(58,935)	(7,453,107)
47,919	-	47,919
116,959	-	116,959
337,632	-	337,632
6,073,918	-	6,073,918
72,768	-	72,768
22,481	-	22,481
21,094	9,491	30,585
111,982	-	111,982
6,804,753	9,491	6,814,244
(589,419)	(49,444)	(638,863)
9,446,843	3,538,968	12,985,811
8,857,424	3,489,524	12,346,948

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

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Balance Sheet - Cash Basis - Governmental Funds  
April 30, 2016**

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	General	Debt Service	Capital Projects	<u>Nonmajor Motor Fuel Tax</u>	Totals
<b>ASSETS</b>					
Cash and Investments	<u>\$ 5,074,030</u>	-	<u>3,635,271</u>	<u>148,123</u>	<u>8,857,424</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	148,123	148,123
Committed	-	-	3,635,271	-	3,635,271
Unassigned	<u>5,074,030</u>	-	-	-	<u>5,074,030</u>
Total Fund Balances	<u>5,074,030</u>	-	<u>3,635,271</u>	<u>148,123</u>	<u>8,857,424</u>

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

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Fiscal Year Ended April 30, 2016**

	General	Debt Service	Capital Projects	Nonmajor Motor Fuel Tax	Totals
<b>Revenues</b>					
Taxes	\$ 164,878	-	-	-	164,878
Intergovernmental	3,977,175	-	2,532,188	81,038	6,590,401
Charges for Services	45,954	-	-	-	45,954
Licenses and Permits	66,301	-	-	-	66,301
Fines and Forfeits	145,685	-	-	-	145,685
Interest	11,490	58	9,196	350	21,094
Miscellaneous	111,982	-	-	-	111,982
<b>Total Revenues</b>	<b>4,523,465</b>	<b>58</b>	<b>2,541,384</b>	<b>81,388</b>	<b>7,146,295</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	664,433	-	-	-	664,433
Public Safety	2,166,223	-	-	-	2,166,223
Public Works	956,921	-	184,954	-	1,141,875
Capital Outlay	173,049	-	3,129,051	160,063	3,462,163
<b>Debt Service</b>					
Principal Retirement	-	290,000	-	-	290,000
Interest and Fiscal Charges	-	11,020	-	-	11,020
<b>Total Expenditures</b>	<b>3,960,626</b>	<b>301,020</b>	<b>3,314,005</b>	<b>160,063</b>	<b>7,735,714</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>562,839</b>	<b>(300,962)</b>	<b>(772,621)</b>	<b>(78,675)</b>	<b>(589,419)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	199,769	-	-	199,769
Transfers Out	-	-	(199,769)	-	(199,769)
	-	199,769	(199,769)	-	-
<b>Net Change in Fund Balances</b>	<b>562,839</b>	<b>(101,193)</b>	<b>(972,390)</b>	<b>(78,675)</b>	<b>(589,419)</b>
<b>Fund Balances - Beginning</b>	<b>4,511,191</b>	<b>101,193</b>	<b>4,607,661</b>	<b>226,798</b>	<b>9,446,843</b>
<b>Fund Balances - Ending</b>	<b>5,074,030</b>	<b>-</b>	<b>3,635,271</b>	<b>148,123</b>	<b>8,857,424</b>

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

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Statement of Net Position - Cash Basis - Proprietary Fund  
April 30, 2016**

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	<u>Business -Type Activities Water</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	<u>\$ 3,489,524</u>
<b>NET POSITION</b>	
Unrestricted	<u>3,489,524</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 Position - Cash Basis - Proprietary Fund  
For the Fiscal Year Ended April 30, 2016

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	Business -Type Activities
	<u>Water</u>
Operating Revenues	
Charges for Services	\$ 905,437
Miscellaneous	112,239
Total Operating Revenues	<u>1,017,676</u>
Operating Expenses	
Personnel Services	302,034
Contractual Services	221,249
Commodities	40,842
Other	200
Total Operating Expenses	<u>564,325</u>
Operating Income	<u>453,351</u>
Nonoperating Revenues (Expenses)	
Interest Income	9,491
Capital Outlay	(252,586)
Principal Retirement	(250,000)
Interest and Fiscal Charges	(9,700)
	<u>(502,795)</u>
Change in Net Position	(49,444)
Net Position - Beginning	<u>3,538,968</u>
Net Position - Ending	<u><u>3,489,524</u></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 - Proprietary Fund  
For the Fiscal Year Ended April 30, 2016**

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	Business -Type Activities
	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,017,676
Payments to Suppliers	(357,281)
Payments to Employees	(207,044)
	<u>453,351</u>
Cash Flows from Capital and Related Financing activities	
Purchase of Capital Assets	(252,586)
Principal Retirement	(250,000)
Interest and Fiscal Charges	(9,700)
	<u>(512,286)</u>
Cash Flows from Investing Activities	
Interest Received	<u>9,491</u>
Net Change in Cash and Cash Equivalents	(49,444)
Cash and Cash Equivalents - Beginning	<u>3,538,968</u>
Cash and Cash Equivalents - Ending	<u><u>3,489,524</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	<u><u>453,351</u></u>

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

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Statement of Fiduciary Net Position - Cash Basis  
April 30, 2016**

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	<u>Police Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 114,518
Investments	
U.S. Government and Agency Obligations	101,193
Corporate Obligations	631,777
Annuities	426,117
Mutual Funds	1,394,519
Receivables - Net of Allowances	
Accrued Interest	5,901
Prepays	<u>2,935</u>
Total Assets	2,676,960
<b>LIABILITIES</b>	
Accounts Payable	<u>15,439</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>2,661,521</u></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 Position - Cash Basis  
For the Fiscal Year Ended April 30, 2016**

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	<u>Police Pension Trust</u>
Additions	
Contributions - Employer	\$ 426,743
Contributions - Plan Members	<u>92,030</u>
Total Contributions	<u>518,773</u>
Investment Income	
Interest Earned	71,841
Net Change in Fair Value	<u>(61,497)</u>
	10,344
Less Investment Expenses	<u>(14,571)</u>
Net Investment Income	<u>(4,227)</u>
Total Additions	<u>514,546</u>
Deductions	
Administration	61,503
Benefits and Refunds	<u>478,555</u>
Total Deductions	<u>540,058</u>
Change in Fiduciary Net Position	(25,512)
Net Position Restricted for Pensions	
Beginning	<u>2,687,033</u>
Ending	<u><u>2,661,521</u></u>

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Cherry Valley (the Village), Illinois, 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 the Village that include maintenance of streets and parks, police protection and water services.

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

#### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police, street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a modified cash basis. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

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

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund.

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

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

##### Governmental Funds

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

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one nonmajor special revenue fund.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the servicing of general long-term debt not being financed by proprietary funds.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village reports the Capital Projects Fund as a major fund.

#### Proprietary Funds

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

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Water Fund, which is used to account for the provision of water service.

#### Fiduciary Funds

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

**Pension trust funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

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

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

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

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

##### Basis of Accounting

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

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

##### **Basis of Accounting**

As a result of the use of this cash basis of accounting, certain assets, revenues, liabilities, and expenses, such as receivables, payables, actuals, 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 statement 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.

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

##### **Cash and Investments**

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### **Compensated Absences**

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

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

##### Compensated Absences – Continued

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

##### Long-Term Obligations

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

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

##### Net Position

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

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

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

## VILLAGE OF CHERRY VALLEY, ILLINOIS

### Notes to the Financial Statements April 30, 2016

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

#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### BUDGETARY INFORMATION

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 Fund.

Budgets are prepared for these Village funds on the same basis and using the same accounting practices as are used to account and prepare financial reports for the funds. Reported budget amounts represent the originally adopted budget as well as the final approved budget as amended. Any budget amendments require Village Board approval. There were several budget amendments for the fiscal year ended April 30, 2016.

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

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

Budgets are adopted on a cash basis. 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

## Notes to the Financial Statements

April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS

#### DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds, common and preferred stocks, and the Illinois Funds.

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

## VILLAGE OF CHERRY VALLEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

##### DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$12,035,205 and the bank balances totaled \$12,059,435. In addition, the Village has \$311,743 invested in the Illinois Funds at year-end.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy requires investment maturities coincide with cash requirements of the Village, and generally should mature within one year. The Village's investment in the Illinois Funds has an average maturity of less than one year.

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

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village investment policy states the fair market value of all collateral pledged will be no less than 110% of the amount of public funds to be secured at each institution. At year-end, the entire bank balance of deposits is collateralized or insured.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not specifically address custodial credit risk for investments. The Village's investment in Illinois Funds is not subject to custodial credit risk.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### DEPOSITS AND INVESTMENTS – Continued

#### Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the Village will not select any financial institution in which Village funds on deposit at any time will exceed 25% of the institution's capital stock and surplus. At year-end, the Village had no investments that represent over 5% of total cash and investments.

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

*Deposits.* At year-end, the carrying amount of the Police Pension Fund's deposits totaled \$114,518 and the bank balances totaled \$112,671.

*Investments.* The fair value and maturities of the Fund's investments at year-end are as follows:

	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1 to 5	6 to 10	
U. S. Agencies	\$ 101,193	-	290	32,063	68,840
Corporate Obligations	631,777	-	-	585,510	46,267
	732,970	-	290	617,573	115,107

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund's investment policy states the Fund shall create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the Funds' assets.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund's investment policy limits credit risk by investing within the guidelines of the Illinois Pension Code, Article 3. Corporate Obligations are rated BA1 to AA2 by Moody's.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy limits custodial credit risk for deposits by investing within the guidelines of the Illinois Pension Code, Article 3. At year-end, all of the Fund's bank balances were fully collateralized or insured.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk – Investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund's investment policy limits custodial credit risk for investments by investing within the guidelines of the Illinois Pension Code, Article 3.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Funds policy states that no single security should comprise more than 10% of the portfolio's overall allocation after accounting for price appreciation. In addition to the securities and fair values listed above, the Fund also has \$1,394,519 invested in mutual funds and \$426,117 invested in annuities. At April 30, 2016, the Fund has over 5% of net plan position invested in the following:

Investment	Amount
Vanguard Index Funds Small Cap	\$ 183,124
Vanguard Whitehall Volatility	151,610
Vanguard Short Term Corporate	181,871
Genworth Life and Annuity Insurance	426,117

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	55%	2.0-3.5%
Equities	45%	7.3%
Cash and Cash Equivalents	0-40%	1.5%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**DEPOSITS AND INVESTMENTS – Continued**

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

**Rate of Return**

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.44%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**PROPERTY TAXES**

Property taxes for 2015 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Winnebago County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	Capital Projects	<u>\$ 199,769</u>

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

**LONG-TERM DEBT**

**General Obligation Bonds**

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,765,000 General Obligation Sales Tax Alternate Revenue Source Bonds of 2005B, due in annual installments of \$220,000 to \$290,000 plus interest at a rate of 2.20% to 4.00% through January 1, 2016.	\$ 290,000	-	290,000	-

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**LONG-TERM DEBT – Continued**

**General Obligation Bonds – Continued**

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$960,000 General Obligation Refunding Alternate Revenue Source Bonds of 2012, due in annual installments of \$235,000 to \$250,000 plus interest at a rate of 2.00% through January 1, 2017.	\$ 485,000	-	250,000	235,000
	<u>775,000</u>	<u>-</u>	<u>540,000</u>	<u>235,000</u>

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 138,780	30,153	60,306	108,627	21,725
Net Pension Liability - IMRF	774,258	-	19,893	754,365	-
Net Pension Liability - Police	8,085,517	1,966,588	-	10,052,105	-
Net Other Post-Employment Benefit Obligation	51,562	10,464	-	62,026	-
General Obligation Bonds	290,000	-	290,000	-	-
	<u>9,340,117</u>	<u>2,007,205</u>	<u>370,199</u>	<u>10,977,123</u>	<u>21,725</u>
<b>Business-Type Activities</b>					
Compensated Absences	10,500	17,328	8,664	19,164	3,833
Net Pension Liability - IMRF	99,644	-	2,227	97,417	-
General Obligation Bonds	485,000	-	250,000	235,000	235,000
	<u>595,144</u>	<u>17,328</u>	<u>260,891</u>	<u>351,581</u>	<u>238,833</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity – Continued**

For governmental activities, the compensated absences, the net pension liability, and the net other post-employment benefit obligation are generally liquidated by the General Fund. Payments on the general obligation bonds are made by the Debt Service Fund.

For business-type activities, the Water Fund liquidates the compensated absences, the net pension liability, and makes payments on the general obligation bonds.

**Debt Service Requirements to Maturity**

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

Fiscal Year	Business-Type Activities	
	General Obligation	
	Bonds	
	Principal	Interest
2017	\$ 235,000	4,700

**Legal Debt Margin**

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

Assessed Valuation - 2015	<u>\$ 76,793,568</u>
Legal Debt Limit - 8.625% of Assessed Value	6,623,445
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>-</u>
Legal Debt Margin	<u>6,623,445</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**FUND BALANCE CLASSIFICATION**

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

**Committed Fund Balance.** Committed amounts can only be used for specific purposes imposed by formal action of the Village’s highest level of decision-making authority. The highest level of decision-making authority is the Village’s Board of Trustees, and it takes an ordinance or resolution to establish, modify or rescind a fund balance commitment. The Village reports the Capital Projects Fund, a major fund, balance as committed for the capital projects expenditures.

**Unassigned Fund Balance.** Unassigned fund balance is the residual classification for the General Fund.

**Minimum Fund Balance Policy.** The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to 35% of operating expenditures.

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

	General	Debt Service	Capital Projects	Nonmajor Motor Fuel Tax	Totals
Fund Balances					
Restricted					
Highways and Streets	\$ -	-	-	148,123	148,123
Debt Service	-	-	-	-	-
	-	-	-	148,123	148,123
Committed					
Capital Projects	-	-	3,635,271	-	3,635,271
Unassigned	5,074,030	-	-	-	5,074,030
Total Fund Balances	5,074,030	-	3,635,271	148,123	8,857,424

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION

#### RISK MANAGEMENT

##### Illinois Municipal League

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Village 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 of 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 IML beyond its power to vote delegates to the Board of Directors.

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

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

#### CONTINGENT LIABILITIES

##### Litigation

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

##### Grants

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION

#### COMMITMENTS

##### Intergovernmental Agreements

On June 20, 2012 the Village and the Village of New Milford, Illinois entered into an intergovernmental agreement with the County of Winnebago (the County). The County will pay the Village a total of \$450,000 in annual installments beginning April 15, 2013 in the amount of \$100,000 with the final installment of \$50,000 to be paid April 30, 2017.

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Illinois Downstate Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Illinois Downstate Police Pension Plan and may be obtained by writing to the Village at 806 East State Street, Cherry Valley, Illinois 61016. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

##### Illinois Municipal Retirement (IMRF)

##### Plan Descriptions

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

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

VILLAGE OF CHERRY VALLEY, ILLINOIS

Notes to the Financial Statements  
April 30, 2016

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

*Plan Membership.* As of December 31, 2015, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>13</u>
Total	<u><u>25</u></u>

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement (IMRF) – Continued

##### Plan Descriptions – Continued

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 17.08% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.47%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement (IMRF) – Continued

##### Discount Rate

A Single Discount Rate of 7.47% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

##### Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 1,347,161	851,782	451,278

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 3,008,349	2,137,092	871,257
Changes for the year:			
Service Cost	65,246	-	65,246
Interest on the Total Pension Liability	223,223	-	223,223
Difference Between Expected and Actual Experience of the Total Pension Liability	(126,119)	-	(126,119)
Changes of Assumptions	(18,131)	-	(18,131)
Contributions - Employer	-	99,558	(99,558)
Contributions - Employees	-	26,226	(26,226)
Net Investment Income	-	10,817	(10,817)
Benefit Payments, including Refunds of Employee Contributions	(73,248)	(73,248)	-
Other (Net Transfer)	-	27,093	(27,093)
Net Changes	70,971	90,446	(19,475)
Balances at December 31, 2015	3,079,320	2,227,538	851,782

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2016**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement (IMRF) – Continued**

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

For the year ended April 30, 2016, the Village recognized pension expense of \$47,621. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(105,538)	(105,538)
Change in Assumptions	-	(15,177)	(15,177)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	121,961	-	121,961
Pension Contributions Made Subsequent to the Measurement Date	31,246	-	31,246
Total Deferred Amounts Related to IMRF	<u>153,207</u>	<u>(120,715)</u>	<u>32,492</u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2017	\$ 38,231
2018	6,985
2019	6,985
2020	6,986
2021	(23,505)
Thereafter	<u>(3,220)</u>
Total	<u>32,462</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan**

**Plan Descriptions**

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

*Plan Membership.* At April 30, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>12</u>
Total	<u><u>25</u></u>

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

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

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the Village's contribution was 53.14% of covered payroll.

*Concentrations.* At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Vanguard Index Funds Small Cap	\$ 183,124
Vanguard Whitehall Volatility	151,610
Vanguard Short Term Corporate	181,871
Genworth Life and Annuity Insurance	426,117

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	4.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

##### Discount Rate

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

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2016**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

**Discount Rate Sensitivity**

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 11,763,005	10,052,105	8,644,987

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 10,772,550	2,687,033	8,085,517
Changes for the year:			
Service Cost	244,015	-	244,015
Interest on the Total Pension Liability	631,996	-	631,996
Difference Between Expected and Actual Experience of the Total Pension Liability	470,054	-	470,054
Changes of Assumptions	1,073,566	-	1,073,566
Contributions - Employer	-	426,743	(426,743)
Contributions - Employees	-	92,030	(92,030)
Net Investment Income	-	(4,227)	4,227
Benefit Payments, including Refunds of Employee Contributions	(478,555)	(478,555)	-
Administrative Expenses	-	(61,503)	61,503
Net Changes	1,941,076	(25,512)	1,966,588
Balances at April 30, 2016	12,713,626	2,661,521	10,052,105

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

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

For the year ended April 30, 2016, the Village recognized pension expense of \$1,070,744. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 360,022	-	360,022
Change in Assumptions	822,263	-	822,263
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	131,848	-	131,848
Pension Contributions Made Subsequent to the Measurement Date	-	-	-
Total Deferred Amounts Related to Police Pension	<u>1,314,133</u>	-	<u>1,314,133</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 394,297
2018	394,297
2019	394,297
2020	131,242
2021	-
Thereafter	-
Total	<u>1,314,133</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**Plan Descriptions, Provisions, and Funding Policies**

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan. Post-employment benefit levels for retirees are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2016, retirees contributed \$44,878. Active employees do not contribute to the plan until retirement.

At April 30, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	6
Active Employees	<u>26</u>
Total	<u>32</u>
Participating Employers	1

The Village does not currently have a funding policy.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2016, was calculated as follows:

Annual Required Contribution	\$	23,287
Interest on the NOPEBO		2,062
Adjustment to the ARC		<u>(1,718)</u>
Annual OPEB Cost		23,631
Actual Contribution		<u>13,167</u>
Change in the NOPEBO		10,464
NOPEBO - Beginning		<u>51,562</u>
NOPEBO - Ending		<u><u>62,026</u></u>

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

##### Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 16,489	\$ -	0.00%	\$ 41,692
2015	22,351	12,481	55.84%	51,562
2016	23,631	13,167	55.72%	62,026

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Funded Status and Funding Progress

The funded status of the plan as of April 30, 2014, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$225,055
Actuarial Value of Plan Assets	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$225,055
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$0
UAAL as a Percentage of Covered Payroll	0.00%

##### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2014 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (including a 3.00% inflation assumption) and an annual healthcare cost trend rate of 7.50%, with an ultimate rate of 5.50%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was 30 years.

## **OTHER SUPPLEMENTARY INFORMATION**

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

- Schedule of Funding Progress and Employer Contributions  
    Other Post-Employment Benefit Plan
- Schedule of Employer Contributions  
    Illinois Municipal Retirement Fund  
    Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability  
    Illinois Municipal Retirement Fund  
    Police Pension Fund
- Schedule of Investment Returns  
    Police Pension Fund
- Budgetary Comparison Schedules  
    General Fund  
    Major Governmental Funds  
    Nonmajor Governmental Fund  
    Enterprise Fund
- Schedule of Legal Debt Margin
- Schedule of Long-Term Debt Requirements

Notes to the Other Supplementary Information

Budgetary Information – Budgets are adopted on a cash basis.

# **INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

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

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for motor fuel taxes and street repairs.

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## **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

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## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

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## **ENTERPRISE FUND**

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

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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**ENTERPRISE FUND – Continued**

**Water Fund**

The Water Fund is used to account for the operations of the Village's water system. This water system supplies potable water to the residents of the Village and the surrounding subdivisions which were designed to meet Village standards. The principal operating revenues of the Village's Water Fund are charges to customers for services. This water system is operated as a public utility by the Village.

**PENSION TRUST FUND**

**Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

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**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Schedule of Funding Progress and Employer Contributions  
April 30, 2016**

**Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Apr. 30						
2011	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2012	-	147,285	0.00%	147,285	-	0.00%
2013	-	147,265	0.00%	147,265	-	0.00%
2014	-	225,055	0.00%	225,055	-	0.00%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2011	\$ -	\$ 16,321	0.00%
2012	N/A	N/A	N/A
2013	N/A	N/A	N/A
2014	-	16,321	0.00%
2015	12,481	22,073	56.54%
2016	13,167	23,287	56.54%

N/A - Not Available

The Village is required to have an actuarial valuation performed triennially.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Employer Contributions**

**April 30, 2016**

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 96,921	\$ 99,558	\$ 2,637	\$ 582,809	17.08%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healty Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# VILLAGE OF CHERRY VALLEY, ILLINOIS

## Police Pension Fund

### Schedule of Employer Contributions

April 30, 2016

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 423,142	\$ 423,142	\$ -	\$ 909,618	46.52%
2016	426,743	426,743	-	803,075	53.14%

#### Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	6.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RF 2014 projected to 2016

#### Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2016**

	<u>December 31, 2015</u>
Total Pension Liability	
Service Cost	\$ 65,246
Interest	223,223
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(126,119)
Change of Assumptions	(18,131)
Benefit Payments, Including Refunds of Member Contributions	<u>(73,248)</u>
 Net Change in Total Pension Liability	 70,971
Total Pension Liability - Beginning	<u>3,008,349</u>
 Total Pension Liability - Ending	 <u><u>3,079,320</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 99,558
Contributions - Members	26,226
Net Investment Income	10,817
Benefit Payments, Including Refunds of Member Contributions	(73,248)
Other (Net Transfer)	<u>27,093</u>
 Net Change in Plan Fiduciary Net Position	 90,446
Plan Net Position - Beginning	<u>2,137,092</u>
 Plan Net Position - Ending	 <u><u>2,227,538</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 851,782</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 72.34%
 Covered-Employee Payroll	 \$ 582,809
 Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	 146.15%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Police Pension Fund**

**Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2016**

	2015	2016
Total Pension Liability		
Service Cost	\$ 202,526	244,015
Interest	533,365	631,996
Differences Between Expected and Actual Experience	620,358	470,054
Change of Assumptions	730,218	1,073,566
Benefit Payments, Including Refunds of Member Contributions	(406,658)	(478,555)
Net Change in Total Pension Liability	1,679,809	1,941,076
Total Pension Liability - Beginning	9,092,741	10,772,550
Total Pension Liability - Ending	10,772,550	12,713,626
Plan Fiduciary Net Position		
Contributions - Employer	\$ 423,142	426,743
Contributions - Members	91,995	92,030
Net Investment Income	99,942	(4,227)
Benefit Payments, Including Refunds of Member Contributions	(406,657)	(478,555)
Administrative Expense	(19,999)	(61,503)
Net Change in Plan Fiduciary Net Position	188,423	(25,512)
Plan Net Position - Beginning	2,498,610	2,687,033
Plan Net Position - Ending	2,687,033	2,661,521
Employer's Net Pension Liability	\$ 8,085,517	10,052,105
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.94%	20.93%
Covered-Employee Payroll	\$ 909,618	803,075
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	888.89%	1251.70%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Police Pension Fund**

**Schedule of Investment Returns  
April 30, 2016**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.66%
2016	(0.44%)

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Cash Basis - Budget and Actual**

**For the Fiscal Year Ended April 30, 2016**

**(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes	\$ 145,500	145,500	164,878	19,378	146,319
Intergovernmental	3,667,000	3,647,000	3,977,175	330,175	4,062,955
Charges for Services	44,000	44,000	45,954	1,954	44,123
Licenses and Permits	65,100	65,100	66,301	1,201	73,760
Fines and Forfeits	169,000	169,000	145,685	(23,315)	168,974
Interest	7,600	7,600	11,490	3,890	7,583
Miscellaneous	140,700	160,700	111,982	(48,718)	161,431
<b>Total Revenues</b>	<b>4,238,900</b>	<b>4,238,900</b>	<b>4,523,465</b>	<b>284,565</b>	<b>4,665,145</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	832,565	832,565	664,433	168,132	654,787
Public Safety	2,243,748	2,256,748	2,166,223	90,525	2,087,327
Public Works	1,103,160	1,104,160	956,921	147,239	915,687
Capital Outlay	258,942	244,942	173,049	71,893	95,390
<b>Total Expenditures</b>	<b>4,438,415</b>	<b>4,438,415</b>	<b>3,960,626</b>	<b>477,789</b>	<b>3,753,191</b>
Net Change in Fund Balance	<u>(199,515)</u>	<u>(199,515)</u>	562,839	<u>762,354</u>	911,954
Fund Balance - Beginning			<u>4,511,191</u>		<u>3,599,237</u>
Fund Balance - Ending			<u>5,074,030</u>		<u>4,511,191</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Cash Basis - Budget and Actual  
For the Fiscal Year Ended April 30, 2016  
(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)	
<b>Taxes</b>					
Property Taxes	\$ 46,300	46,300	47,919	1,619	46,302
Hotel Tax	32,100	32,100	31,646	(454)	32,107
Video Gaming Tax	59,300	59,300	75,689	16,389	59,290
Auto Rental Tax	7,800	7,800	9,624	1,824	8,620
<b>Total Taxes</b>	<b>145,500</b>	<b>145,500</b>	<b>164,878</b>	<b>19,378</b>	<b>146,319</b>
<b>Intergovernmental</b>					
Illinois State Income Tax	300,000	300,000	337,632	37,632	307,047
State Sales Tax	3,268,800	3,268,800	3,541,730	272,930	3,654,441
State Use Tax	56,000	56,000	72,768	16,768	60,891
Illinois State Replacement Tax	22,200	22,200	22,481	281	22,204
Grants	20,000	-	2,564	2,564	18,372
<b>Total Intergovernmental</b>	<b>3,667,000</b>	<b>3,647,000</b>	<b>3,977,175</b>	<b>330,175</b>	<b>4,062,955</b>
<b>Charges for Services</b>					
Franchise Fees	44,000	44,000	45,954	1,954	44,123
<b>Licenses and Permits</b>	<b>65,100</b>	<b>65,100</b>	<b>66,301</b>	<b>1,201</b>	<b>73,760</b>
<b>Fines and Forfeits</b>					
Police Fines	169,000	169,000	145,685	(23,315)	168,974
<b>Interest</b>					
Investment Income	7,600	7,600	11,490	3,890	7,583
<b>Miscellaneous</b>					
Rentals	45,700	45,700	77,346	31,646	56,768
Reimbursements	90,000	110,000	33,029	(76,971)	98,406
Miscellaneous	5,000	5,000	1,607	(3,393)	6,257
<b>Total Miscellaneous</b>	<b>140,700</b>	<b>160,700</b>	<b>111,982</b>	<b>(48,718)</b>	<b>161,431</b>
<b>Total Revenues</b>	<b>4,238,900</b>	<b>4,238,900</b>	<b>4,523,465</b>	<b>284,565</b>	<b>4,665,145</b>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Cash Basis - Budget and Actual  
For the Fiscal Year Ended April 30, 2016  
(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)	
General Government					
Salaries	\$ 152,000	152,000	103,881	48,119	117,529
Salaries - Part Time	73,300	73,300	66,031	7,269	72,425
Special Committee	5,400	5,400	3,700	1,700	3,375
Payroll Taxes	16,300	16,300	11,752	4,548	13,098
Insurance	217,000	173,000	170,266	2,734	186,046
Hospital Insurance	75,900	70,900	34,324	36,576	43,627
Pension Benefits	22,600	22,600	18,310	4,290	15,079
Maintenance - Vehicles	1,000	1,000	908	92	104
Maintenance - Equipment	1,000	1,000	-	1,000	-
Office Supplies	4,000	4,000	3,362	638	3,521
Professional Services	47,000	71,000	69,310	1,690	15,979
Legal Services	60,000	90,000	88,574	1,426	58,702
Postage	2,500	2,500	1,835	665	1,841
Advertising and Publishing	8,650	8,650	1,428	7,222	3,343
Rentals	1,700	1,700	1,628	72	1,628
Telephone	5,000	5,000	4,256	744	4,895
Utilities	6,900	6,900	3,567	3,333	6,276
Dues	1,510	1,510	1,261	249	-
Travel	15,200	15,200	3,721	11,479	3,856
Training and Seminars	6,550	6,550	1,345	5,205	1,028
Fuel and Oil	2,500	2,500	47	2,453	500
Audit and Accounting Services	5,700	5,700	5,700	-	6,400
Corporate Replacement Taxes	6,200	6,200	5,791	409	5,716
Real Estate Taxes	5,100	5,300	5,213	87	4,944
Tax Rebate	-	-	-	-	39,504
Tourism	23,730	23,730	22,925	805	23,289
Bond Handling Fees	400	400	400	-	400
Community Welfare	24,425	19,225	14,320	4,905	14,994
Miscellaneous	1,000	1,000	600	400	938
Contingency	40,000	40,000	19,978	20,022	5,750
<b>Total General Government</b>	<b>832,565</b>	<b>832,565</b>	<b>664,433</b>	<b>168,132</b>	<b>654,787</b>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Cash Basis - Budget and Actual  
For the Fiscal Year Ended April 30, 2016  
(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Public Safety					
Salaries	\$ 1,096,643	1,150,643	1,117,709	32,934	1,115,126
Salaries - Part Time	36,503	40,503	38,410	2,093	18,060
Payroll Taxes	86,686	88,686	85,472	3,214	83,158
Insurance	325,167	238,167	234,409	3,758	238,737
Pension Benefits	432,454	433,454	432,711	743	428,455
Maintenance - Vehicles	32,000	17,000	15,885	1,115	26,579
Maintenance - Equipment	11,808	9,808	8,397	1,411	7,414
Supplies	10,125	10,125	8,267	1,858	6,936
Professional Services	56,826	56,826	53,737	3,089	47,202
Legal Services	35,000	110,000	104,532	5,468	29,600
Postage	4,000	4,000	2,018	1,982	3,875
Advertising and Publishing	4,215	4,115	1,886	2,229	1,792
Rentals	3,792	3,792	-	3,792	-
Telephone	11,000	11,000	9,602	1,398	9,831
Utilities	7,000	7,000	3,567	3,433	6,276
Travel	9,200	9,200	3,803	5,397	6,058
Training and Seminars	9,800	9,800	2,334	7,466	4,029
Tuition Assistance	4,000	-	-	-	-
Memberships	1,829	1,829	774	1,055	2,234
Fuel and Oil	37,000	22,000	20,492	1,508	30,345
Uniforms	17,850	17,850	16,053	1,797	15,289
Special Events	5,800	5,800	2,970	2,830	4,958
Other Supplies	2,000	2,000	1,406	594	1,123
Community Welfare	300	400	339	61	-
Miscellaneous	2,750	2,750	1,450	1,300	250
<b>Total Public Safety</b>	<b>2,243,748</b>	<b>2,256,748</b>	<b>2,166,223</b>	<b>90,525</b>	<b>2,087,327</b>
Public Works					
Administration					
Salaries	273,617	270,617	255,431	15,186	287,114
Salaries - Part Time	20,400	23,400	21,823	1,577	13,010
Payroll Taxes	22,492	22,492	20,581	1,911	22,143
Insurance	83,482	83,482	62,202	21,280	86,281
Pension Benefits	45,502	45,502	43,027	2,475	47,415

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Cash Basis - Budget and Actual  
For the Fiscal Year Ended April 30, 2016  
(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)	
Public Works - Continued					
Administration - Continued					
Mosquito Control	\$ 33,222	34,222	33,375	847	40,860
Office Supplies	1,200	1,200	869	331	1,133
Professional Services	34,050	48,050	47,931	119	22,288
Legal Services	10,000	10,000	7,675	2,325	25,652
Engineering Services	56,400	41,200	20,319	20,881	37,995
Advertising and Publishing	2,000	3,000	2,440	560	2,248
Rentals	6,000	5,000	4,351	649	6,139
Travel	2,600	2,600	1,505	1,095	370
Training and Seminars	5,300	5,300	2,270	3,030	2,201
Tuition Assistance	1,000	1,000	-	1,000	-
Memberships	1,500	1,500	730	770	1,058
Fuel and Oil	26,250	26,250	18,958	7,292	23,612
Uniforms	5,000	5,000	4,457	543	5,156
Other Supplies	1,500	1,500	1,112	388	1,514
Community Welfare	425	425	203	222	-
Miscellaneous	500	700	671	29	421
Streets and Alleys					
Maintenance - Equipment	12,000	12,000	11,784	216	17,003
Maintenance - Vehicles	21,000	21,000	20,819	181	21,359
Maintenance - Streets	91,000	91,000	65,903	25,097	59,507
Supplies	6,000	7,000	6,459	541	4,849
Professional Services	16,775	16,775	8,127	8,648	11,554
Engineering Services	55,900	55,900	41,646	14,254	29,104
Telephone	8,000	8,000	7,112	888	7,381
Utilities	1,500	1,500	1,148	352	1,782
Other Supplies	1,500	1,500	1,481	19	1,061
Street Lighting	46,000	46,000	47,224	(1,224)	46,913
Miscellaneous	500	500	243	257	85
Buildings and Grounds					
Maintenance - Equipment	1,000	1,000	626	374	237
Maintenance - Buildings	117,100	117,100	116,866	234	24,841
Maintenance - Grounds	5,770	5,770	2,849	2,921	2,123
Professional Services	53,750	53,750	46,228	7,522	35,133

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Cash Basis - Budget and Actual  
For the Fiscal Year Ended April 30, 2016  
(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)	
Public Works - Continued					
Buildings and Grounds - Continued					
Utilities	\$ 15,000	15,000	13,884	1,116	15,728
Supplies	7,500	7,600	7,561	39	4,431
Engineering Services	3,000	3,000	-	3,000	-
Special Events	7,175	7,075	6,920	155	5,736
Miscellaneous	250	250	111	139	250
Total Public Works	1,103,160	1,104,160	956,921	147,239	915,687
Capital Outlay					
General Government					
Equipment	5,800	5,800	2,936	2,864	4,984
Public Safety					
Equipment	34,499	21,499	21,163	336	13,043
Public Works					
Administration					
Equipment	750	750	750	-	235
Streets and Alleys					
Improvements	141,309	140,309	109,870	30,439	52,776
Traffic	6,000	6,000	4,230	1,770	2,831
Equipment	31,900	31,900	17,215	14,685	3,936
Buildings and Grounds					
Improvements	29,284	29,284	8,187	21,097	2,941
Equipment	750	750	715	35	5,287
Parks	8,650	8,650	7,983	667	9,357
Total Capital Outlay	258,942	244,942	173,049	71,893	95,390
Total Expenditures	4,438,415	4,438,415	3,960,626	477,789	3,753,191

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Cash Basis - Budget and Actual**

**For the Fiscal Year Ended April 30, 2016**

**(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Interest	\$ 20	20	58	38	20
Expenditures					
Debt Service					
Principal Retirement	290,000	290,000	290,000	-	280,000
Interest and Fiscal Charges	11,020	11,020	11,020	-	21,240
Total Expenditures	301,020	301,020	301,020	-	301,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	(301,000)	(301,000)	(300,962)	38	(301,220)
Other Financing Sources					
Transfers In	200,680	200,680	199,769	911	301,165
Net Change in Fund Balance	<u>(100,320)</u>	<u>(100,320)</u>	(101,193)	<u>949</u>	(55)
Fund Balance - Beginning			<u>101,193</u>		<u>101,248</u>
Fund Balance - Ending			<u>-</u>		<u>101,193</u>

VILLAGE OF CHERRY VALLEY, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Cash Basis - Budget and Actual

For the Fiscal Year Ended April 30, 2016

(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Intergovernmental					
Sales Tax	\$ 2,124,720	2,124,720	2,532,188	407,468	2,631,329
Grants	-	-	-	-	70,000
Interest	6,050	6,050	9,196	3,146	7,457
Total Revenues	<u>2,130,770</u>	<u>2,130,770</u>	<u>2,541,384</u>	<u>410,614</u>	<u>2,708,786</u>
<b>Expenditures</b>					
Public Works					
Contractual Services					
Engineering	80,000	120,000	117,709	2,291	114,961
Maintenance	72,100	74,100	67,245	6,855	312,870
Total Public Works	<u>152,100</u>	<u>194,100</u>	<u>184,954</u>	<u>9,146</u>	<u>427,831</u>
Capital Outlay					
Improvements	3,561,092	3,519,092	3,122,774	396,318	857,003
Parks	17,500	17,500	6,277	11,223	2,860
Total Capital Outlay	<u>3,578,592</u>	<u>3,536,592</u>	<u>3,129,051</u>	<u>407,541</u>	<u>859,863</u>
Total Expenditures	<u>3,730,692</u>	<u>3,730,692</u>	<u>3,314,005</u>	<u>416,687</u>	<u>1,287,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,599,922)	(1,599,922)	(772,621)	827,301	1,421,092
Other Financing (Uses)					
Transfers Out	<u>(200,680)</u>	<u>(200,680)</u>	<u>(199,769)</u>	911	<u>(301,165)</u>
Net Change in Fund Balance	<u>(1,800,602)</u>	<u>(1,800,602)</u>	<u>(972,390)</u>	<u>828,212</u>	1,119,927
Fund Balance - Beginning			<u>4,607,661</u>		<u>3,487,734</u>
Fund Balance - Ending			<u>3,635,271</u>		<u>4,607,661</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Cash Basis - Budget and Actual**

**For the Fiscal Year Ended April 30, 2016**

**(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Intergovernmental					
State Motor Fuel Tax	\$ 80,000	80,000	81,038	1,038	94,997
Interest	100	100	350	250	373
Total Revenues	80,100	80,100	81,388	1,288	95,370
Expenditures					
Capital Outlay					
Improvements	205,100	205,100	160,063	45,037	-
Net Change in Fund Balance	<u>(125,000)</u>	<u>(125,000)</u>	<u>(78,675)</u>	<u>46,325</u>	95,370
Fund Balance - Beginning			<u>226,798</u>		<u>131,428</u>
Fund Balance - Ending			<u>148,123</u>		<u>226,798</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Water - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position**

**Cash Basis - Budget and Actual**

**For the Fiscal Year Ended April 30, 2016**

**(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for Services					
User Fees	\$ 830,000	830,000	787,530	(42,470)	776,447
Hookup Fees	8,000	8,000	3,631	(4,369)	7,890
Service Initiation/ Meter Replacement	115,000	115,000	114,276	(724)	117,555
Miscellaneous					
Reimbursements	-	-	-	-	134
Miscellaneous	110,000	110,000	112,239	2,239	112,121
Operating Revenues	<u>1,063,000</u>	<u>1,063,000</u>	<u>1,017,676</u>	<u>(45,324)</u>	<u>1,014,147</u>
Operating Expenses					
Personnel Services	336,634	336,634	302,034	34,600	248,607
Contractual Services	280,040	280,040	221,249	58,791	152,159
Commodities	65,300	65,300	40,842	24,458	46,291
Other	55,600	55,600	200	55,400	608
Total Operating Expenses	<u>737,574</u>	<u>737,574</u>	<u>564,325</u>	<u>173,249</u>	<u>447,665</u>
Operating Income	<u>325,426</u>	<u>325,426</u>	<u>453,351</u>	<u>127,925</u>	<u>566,482</u>
Nonoperating Revenues (Expenses)					
Interest Income	5,815	5,815	9,491	3,676	6,299
Capital Outlay	(954,900)	(954,900)	(252,586)	702,314	(203,411)
Principal Retirement	(250,000)	(250,000)	(250,000)	-	(240,000)
Interest and Fiscal Charges	(9,700)	(9,700)	(9,700)	-	(14,500)
	<u>(1,208,785)</u>	<u>(1,208,785)</u>	<u>(502,795)</u>	<u>705,990</u>	<u>(451,612)</u>
Income (Loss) Before Transfers	<u>(883,359)</u>	<u>(883,359)</u>	<u>(49,444)</u>	<u>833,915</u>	<u>114,870</u>
Transfers In	256,034	256,034	-	(256,034)	-
Transfers Out	(253,034)	(253,034)	-	253,034	-
	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>
Change in Net Position	<u>(880,359)</u>	<u>(880,359)</u>	<u>(49,444)</u>	<u>830,915</u>	<u>114,870</u>
Net Position - Beginning			<u>3,538,968</u>		<u>3,424,098</u>
Net Position - Ending			<u>3,489,524</u>		<u>3,538,968</u>

VILLAGE OF CHERRY VALLEY, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses and Capital Outlay -  
 Cash Basis - Budget and Actual  
 For the Fiscal Year Ended April 30, 2016  
 (with Comparative Amounts for the Fiscal Year Ended April 30, 2015)

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Operating Expenses					
Personnel Services					
Office Salary	\$ 217,808	217,808	207,044	10,764	173,896
Payroll Taxes	16,662	16,662	14,918	1,744	12,495
Insurance	67,772	67,772	46,519	21,253	37,446
Retirement Fund	34,392	34,392	33,553	839	24,770
	<u>336,634</u>	<u>336,634</u>	<u>302,034</u>	<u>34,600</u>	<u>248,607</u>
Contractual Services					
Maintenance - Equipment	33,000	27,000	18,901	8,099	31,707
Maintenance - System	21,450	27,450	25,851	1,599	11,216
Maintenance - Buildings	44,300	44,300	41,297	3,003	5,460
Engineering	60,740	60,740	38,490	22,250	16,237
Postage	11,100	11,100	9,069	2,031	7,924
Printing	1,800	1,800	673	1,127	506
Professional Fees	39,450	33,450	19,055	14,395	19,550
Audit	2,500	2,500	2,500	-	2,800
Legal	2,000	2,000	836	1,164	1,320
Telephone	1,950	1,950	1,766	184	757
Training	5,750	5,750	2,825	2,925	907
Travel	2,000	2,000	59	1,941	47
Utilities	54,000	60,000	59,927	73	53,728
	<u>280,040</u>	<u>280,040</u>	<u>221,249</u>	<u>58,791</u>	<u>152,159</u>
Commodities					
Gas and Oil	17,250	17,250	6,888	10,362	17,025
Office Supplies	3,500	3,500	1,871	1,629	1,297
Operating Supplies	800	800	690	110	725
Chemicals	39,750	39,750	28,424	11,326	25,019
Other Supplies	4,000	4,000	2,969	1,031	2,225
	<u>65,300</u>	<u>65,300</u>	<u>40,842</u>	<u>24,458</u>	<u>46,291</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Water - Enterprise Fund**

**Schedule of Operating Expenses and Capital Outlay -  
Cash Basis - Budget and Actual  
For the Fiscal Year Ended April 30, 2016  
(with Comparative Amounts for the Fiscal Year Ended April 30, 2015)**

	2016			Variance Positive/ (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Operating Expenses - Continued					
Other					
Miscellaneous	\$ 600	600	200	400	608
Contingency	55,000	55,000	-	55,000	-
	<u>55,600</u>	<u>55,600</u>	<u>200</u>	<u>55,400</u>	<u>608</u>
Total Operating Expenses	<u>737,574</u>	<u>737,574</u>	<u>564,325</u>	<u>173,249</u>	<u>447,665</u>
Capital Outlay					
Equipment	97,500	97,500	7,000	90,500	12,651
Extensions and Improvements	317,400	317,400	-	317,400	-
Meters	115,000	115,000	92,024	22,976	23,929
Non-Buildings	425,000	425,000	153,562	271,438	166,831
Total Capital Outlay	<u>954,900</u>	<u>954,900</u>	<u>252,586</u>	<u>702,314</u>	<u>203,411</u>

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Schedule of Legal Debt Margin - Last Four Fiscal Years  
April 30, 2016**

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	2013	2014	2015	2016
Assessed Valuation	\$ 85,742,014	79,383,370	77,020,676	76,793,568
Legal Debt Limit - 8.625% of Assessed Value	7,395,249	6,846,816	6,643,033	6,623,445
Amount of Debt Applicable to Limit General Obligation Debt	-	-	-	-
Legal Debt Margin	7,395,249	6,846,816	6,643,033	6,623,445

\*General Obligation Refunding Alternate Revenue Source Bonds of 2012 are excluded by state statute.

**VILLAGE OF CHERRY VALLEY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Alternate Revenue Source Bonds of 2012  
April 30, 2016**

Date of Issue	November 20, 2012
Date of Maturity	January 1, 2017
Authorized Issue	\$960,000
Denomination of Bonds	\$5,000
Interest Rate	2.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalagated Bank of Chicago

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2017	\$ 235,000	4,700	239,700	2016	2,350	2017	2,350