

VILLAGE OF BETHALTO, ILLINOIS

ANNUAL FINANCIAL REPORT
APRIL 30, 2015

VILLAGE OF BETHALTO, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Trustees
Village of Bethalto, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bethalto, Illinois, as of and for the year ended April 30, 2015, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Major Governmental General Fund and Business-Type Activity Water and Sewer Fund

The Village's financial statements do not disclose the disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* and Governmental Accounting Standards Board Statement 67 *Financial Reporting for Pensions Plans* in the Major Governmental General Fund and the Business-type Activity Water and Sewer Fund. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Major Governmental General Fund and Business Type Activity Water and Sewer Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Major Governmental General Fund and Business Type Activity Water and Sewer Fund of the Village of Bethalto, Illinois, as of April 30, 2015, 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.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, Municipal Retirement/Social Security Fund, Motor Fuel Tax Fund, and Garbage Fund, and the aggregate remaining fund information of the Village of Bethalto, Illinois, as of April 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4-10 and 50-55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Bethalto, Illinois basic financial statements. The other supplemental information on pages 56-58 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Dennis Rose & Associates, P.C.
Certified Public Accountants
Alton, Illinois
October 20, 2015

VILLAGE OF BETHALTO, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Within this section of the Village of Bethalto, Illinois' (the Village) annual financial report, the Village's management is pleased to provide this narrative discussion and analysis of the financial activities of the Village for the fiscal year ended April 30, 2015. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Village's assets exceeded its liabilities by \$13,462,388 and \$12,342,600 (net position) for the fiscal year 2015 and 2014.
- Capital assets of \$25,524,011 include property, equipment and vehicles, net of accumulated depreciation. This is an increase of \$61,332 in comparison to 2014.
- The Village's governmental activities revenue decreased to 1.8 million or 58% while expenses increased to 6.1 million or 1.7%. The Village's business-type activities revenue increased to 4.1 million or 2.5% while expenses increased to 4.4 million or 7.3%.
- The Village's governmental funds reported total ending fund balance of \$1,732,959 this year. This compares to the prior year ending fund balance of \$828,740 showing an increase of \$904,219 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

INDEPENDENT AUDITOR'S REPORT

Our auditors have provided assurance in their Independent Auditor's Report that are presented on pages 1 to 3. Varying degrees of assurance are being provided by the auditors regarding the basic financial statements, required supplemental information, and the supplemental information. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the parts in the financial section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Village's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Village also includes in this report required supplementary information and supplementary information consisting of budgetary comparison schedules and other supplemental schedules to assist users of the financial statements.

Government-Wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the statement presenting information that includes all of the Village's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the Village would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Village's infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

The government-wide financial statements are presented on pages 11-13 of this report.

Fund Financial Statements

The Village's fund financial statements, which begin on page 14, provide information about the most significant funds.

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives.

- *Governmental funds* – Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flows into and out of these funds and (2) the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental funds statements provided a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We reconcile the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds.
- *Proprietary funds* – Services for which the Village charges customers for the full cost of the services it provides are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long – and short-term financial information. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

- *Fiduciary funds* – The Village has fiduciary responsibility for other assets that – because of trust arrangements – can be used only for the trust beneficiaries. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Village’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Village’s government-wide financial statements because the Village can not use these assets to finance its operations.

In fact, the Village’s enterprise funds (one type of proprietary fund) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flow.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village’s combined net position changed from a year ago, increasing from \$12.3 million to \$13.4 million. Our analysis below focuses on the net position in terms of governmental and business-type activities.

	Net Position (in thousands of dollars)						Total Percentage Change 2015-2014
	Governmental Activities		Business-Type Activities		Total		
	2015	2014	2015	2014	2015	2014	
Assets:							
Current Assets	\$ 4,474	\$ 3,497	\$ 1,455	\$ 1,680	\$ 5,929	\$ 5,177	14.5%
Capital Assets	<u>14,089</u>	<u>13,638</u>	<u>11,435</u>	<u>11,825</u>	<u>25,524</u>	<u>25,463</u>	<u>.2%</u>
Total Assets	<u>\$18,563</u>	<u>\$17,135</u>	<u>\$12,890</u>	<u>\$13,505</u>	<u>\$31,453</u>	<u>\$30,640</u>	<u>2.7%</u>
Liabilities:							
Current Liabilities	\$ 1,018	\$ 1,061	\$ 505	\$ 714	\$ 1,523	\$ 1,755	-13.2%
Long-Term Liabilities	<u>10,446</u>	<u>9,440</u>	<u>6,022</u>	<u>7,083</u>	<u>16,468</u>	<u>16,523</u>	<u>-0.3%</u>
Total Liabilities	<u>\$11,464</u>	<u>\$10,501</u>	<u>\$ 6,527</u>	<u>\$ 7,797</u>	<u>\$17,991</u>	<u>\$18,298</u>	<u>-1.7%</u>
Net Position:							
Invested in Capital Assets	\$ 3,643	\$ 4,198	\$ 5,413	\$ 4,741	\$ 9,056	\$ 8,939	1.3%
Restricted	1,342	790			1,342	790	70.0%
Unrestricted	<u>2,114</u>	<u>1,646</u>	<u>950</u>	<u>967</u>	<u>3,064</u>	<u>2,613</u>	<u>17.3%</u>
Total Net Position	<u>\$ 7,099</u>	<u>\$ 6,634</u>	<u>\$ 6,363</u>	<u>\$ 5,708</u>	<u>\$13,462</u>	<u>\$12,342</u>	<u>9.1%</u>

Net position of the Village’s governmental activities increased by 7%. Unrestricted net position – the part of net position that can be used to finance day to day operations – increased \$0.5 million to a balance of \$2.1 million and restricted net position increased \$0.6 million to a balance of \$1.3 million at the end of the year.

Net position of the Village's business-type activities increased 11.4% due to operations net investment in fixed assets.

Remember, the following data is presented on the accrual basis of accounting which means that all costs are presented, however, the purchase of capital assets is not included but depreciation on the capital assets is included. In addition, vacation costs are reported when the employee earns the leave, not when they take the leave. The following table provides a summary of the Village's changes in net position:

Changes in Net Position (in thousands of dollars)						
	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Program Revenues:						
Charges for Services	\$ 827	\$ 772	\$4,107	\$ 4,043	\$ 4,934	\$ 4,815
Operating Grants	399	306			399	306
Capital Grants	528	3,083			528	3,083
General Revenues:						
Property Taxes	1,632	1,542			1,632	1,542
Utility Tax	713	566			713	566
Intergovernmental	2,209	2,010			2,209	2,010
Interest	2	2	1	1	3	3
Miscellaneous	<u>161</u>	<u>207</u>	<u>2</u>	<u>10</u>	<u>163</u>	<u>217</u>
Total Revenues	<u>\$6,471</u>	<u>\$ 8,488</u>	<u>\$4,110</u>	<u>\$ 4,054</u>	<u>\$10,581</u>	<u>\$12,542</u>
Program Expenses:						
General Government	\$2,235	\$2,182			\$ 2,235	\$ 2,182
Development Services	3	3			3	3
Public Safety	2,707	2,172			2,707	2,172
Streets and Highways	588	1,267			588	1,267
Cultural & Recreation	419	292			419	292
Interest on Debt	128	90			128	90
Water & Sewer	_____	_____	\$4,381	\$ 4,080	4,381	4,080
Total Expenses	<u>\$6,080</u>	<u>\$6,006</u>	<u>\$4,381</u>	<u>\$ 4,080</u>	<u>\$10,461</u>	<u>\$10,086</u>
Excess before Transfers	\$ 391	\$2,482	\$ (271)	\$ (26)	\$ 120	\$ 2,456
Transfers (Net)	74	74	(74)	(74)		
Debt Principal Forgiveness	_____	_____	<u>1000</u>	_____	<u>1000</u>	_____
Change in Net Position	\$ 465	\$2,556	\$ 655	\$ (100)	\$ 1,120	\$ 2,456
Beginning Net Position	<u>6,634</u>	<u>4,078</u>	<u>5,708</u>	<u>5,809</u>	<u>12,342</u>	<u>9,887</u>
Ending Net Position	<u>\$7,099</u>	<u>\$6,634</u>	<u>\$6,363</u>	<u>\$ 5,709</u>	<u>\$13,462</u>	<u>\$12,343</u>

The Village relied upon the Village taxpayers, intergovernmental, and charges for services for 25%, 34%, and 13% of its revenue, respectively, in its governmental activities. General Government and Public Safety represent the largest portion of the governmental activities' expenses (81% of total expenses).

Governmental Activities

The governmental funds consist of the following major funds: General, Municipal Retirement/Social Security, Motor Fuel Tax, and Garbage. The fund balance of the general fund increased 261%. The municipal retirement increased 9% and garbage fund increased 1556%. The fund balance of the motor fuel tax fund increased 203%. This increase was due to realizing non-budgeted revenues and not transferring budgeted monies out of the fund. The increase in the general fund is due primarily to other financing sources. The garbage fund increase is due to actual charges for services being more than the budgeted amount. The IMRF increase is due to the tax levy increase to anticipate future expenses.

Business-Type Activities

The business-type fund consists of the water and sewer fund. The fund balance of the water and sewer fund increased 11.5%. This was due mostly to debt forgiveness of one million dollars.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's final revenue budget was more than actual amounts by \$77,395 and the final expenditure budget was more than actual amounts by \$373,557.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund's final revenue budget was less than actual amounts by \$715 and the final expenditure budget was less than actual amounts by \$17,633.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund's final revenue budget was less than actual amounts by \$263,204 and the final expenditure budget was more than actual amounts by \$47,696.

Garbage Fund

The Garbage Fund's final revenue budget was less than actual amounts by \$5,800 and the final expenditure budget was less than actual amounts by \$4,701.

CAPITAL ASSETS

At the end of 2015, the Village had \$25.5 million (net of depreciation) invested in a broad range of capital assets that include building and improvements, sewer system, machinery and equipment, vehicles and infrastructure. The Finance Committee established an implementation policy for capital and fixed assets. Thresholds for capitalization based on a per piece basis, were established. Depreciation is calculated based on the straight-line method, and salvage value is estimated to be zero in all cases.

Village of Bethalto Capital Assets
(net depreciation in thousands of dollars)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 775	\$ 775	\$ 248	\$ 248	\$ 1,023	\$ 1,023
Construction in Progress	1,356	1,140	116	92	1,472	1,232
Buildings and Improvements	3,052	3,037	205	220	3,257	3,257
Furniture and Equipment	558	587	420	403	978	990
Vehicles	478	588	5	7	483	595
Infrastructure	7,870	7,511	0	0	7,870	7,511
Water and Sewer System	<u>0</u>	<u>0</u>	<u>10,441</u>	<u>10,855</u>	<u>10,441</u>	<u>10,855</u>
Totals	<u>\$14,089</u>	<u>\$13,638</u>	<u>\$11,435</u>	<u>\$11,825</u>	<u>\$25,524</u>	<u>\$25,463</u>

DEBT

The Village continues to maintain responsible and manageable debts. The total long term debt decreased in the current year by \$1,054,991 which is below the legal debt limitation.

	<u>2015</u>	<u>2014</u>
<u>Governmental Activities:</u>		
Lease Purchase Commitments	\$ 159,740	\$ 186,243
Notes Payable	<u>3,997,346</u>	<u>3,963,777</u>
Total Governmental Activities	<u>\$ 4,157,086</u>	<u>\$ 4,150,020</u>
<u>Business-Type Activities:</u>		
Lease Purchase Commitments	\$ 62,447	\$ 170,444
Notes Payable	<u>5,959,324</u>	<u>6,913,384</u>
Total Business-Type Activities	<u>\$ 6,021,771</u>	<u>\$ 7,083,828</u>
Total Government	<u>\$10,178,857</u>	<u>\$11,233,848</u>

Included in the principal amount for notes payable (Governmental Activities) for government wide statement of net position is IMRF and Police Pension obligations of \$2,244,604 and \$4,044,387, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village has many factors to consider when establishing the 2015-2016 fiscal year budget. The budget for the year has been established by Village ordinance at \$12,876,600, which is a decrease of \$354,600 from the previous year. This decrease is mostly due to a capital projects fund budget of \$510,000.

The Water and Sewer Fund reflected an operating loss of \$108,107 exclusive of transfers \$74,160 and a debt forgiveness of \$1,000,000. The Water and Sewer Fund is expected to be profitable before depreciation throughout the coming year.

St. Louis Regional Airport has received all necessary permits to proceed with a Commercial Retail Development on approximately 60 acres of land on IL Rte. 111 across from the Airport. This development will boost property tax and sales tax revenues for the Village along with creating numerous jobs and attracting visitors to Bethalto. We are currently awaiting an announcement from the Developer regarding construction dates. We are nearly finished with upgrades to two of our sports facilities with both to be in full use by springtime. The Village is already seeing a great demand for these facilities which will result in a substantial boost in rental fees plus have a big impact on sales at our local merchants. New housing construction has modestly improved over the past year. Our current inventory of residential building lots is approximately 600. Public Works has begun a system of replacing 2" water lines in the older section of the Village with 6" lines. We are also updating our water meters with radio transmitters which when complete will greatly reduce the manpower needs for collecting usage data. Public Works is also planning sewer system upgrades based on a CMOM Plan approved by the IEPA.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village Clerk, Sue Lowrance, 213 N. Prairie Street, Bethalto, IL 62010.

VILLAGE OF BETHALTO, ILLINOIS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
APRIL 30, 2015

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and Cash Investments	\$ 1,385,939	\$ 856,437	\$ 2,242,376
Investments		150,333	150,333
Receivables (Net Where Applicable of Allowance for Doubtful Accounts):			
Accounts		188,064	188,064
Unbilled Revenue		204,611	204,611
Other Governments	1,169,110	33,231	1,202,341
Property Tax	1,565,320		1,565,320
Accrued Interest	4	184	188
Other	10,620		10,620
Internal Balances	29,266	(29,266)	
External Balances	(3,325)		(3,325)
Prepaid Items	167,470	40,000	207,470
Restricted Assets:			
Cash and Cash Investments		11,760	11,760
Investments	150,037		150,037
Capital Assets:			
Not Being Depreciated	2,131,487	363,866	2,495,353
Being Depreciated - Net	11,957,834	11,070,824	23,028,658
Total Assets	18,563,762	12,890,044	31,453,806
<u>LIABILITIES</u>			
Accrued Payroll and Benefits	419,190	267,591	686,781
Accounts Payable	577,774	194,212	771,986
Accrued Interest	14,874	31,700	46,574
Due to Charities	4,492		4,492
Due to Library	1,977		1,977
Payable from Restricted Assets:			
Customer Deposits		11,760	11,760
Noncurrent Liabilities:			
Due Within One Year	590,840	333,734	924,574
Due in More Than One Year	9,855,237	5,688,037	15,543,274
Total Liabilities	11,464,384	6,527,034	17,991,418
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,643,244	5,412,919	9,056,163
Restricted	1,342,447		1,342,447
Unrestricted	2,113,687	950,091	3,063,778
Total Net Position	\$ 7,099,378	\$ 6,363,010	\$ 13,462,388

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2015

<u>PROGRAM ACTIVITIES</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>FEES, FINES AND CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
Governmental Activities:				
General Government and Administration	\$ 2,234,721	\$ 795,707	\$ 75,000	
Public Safety	2,707,042	14,251	49,298	
Development Services	2,424			
Streets and Highways	588,467		274,388	\$ 230,164
Cultural and Recreational	419,499	17,183		298,000
Interest on Long-Term Debt	127,921			
Total Governmental Activities	6,080,074	827,141	398,686	528,164
Business-Type Activities:				
Water and Sewer	4,380,658	4,106,738		
Total Government	\$ 10,460,732	\$ 4,933,879	\$ 398,686	\$ 528,164

General Revenues:
 Property Tax
 Utilities Tax
 Intergovernmental:
 Sales/Use Tax
 Income Tax
 Corporate Personal Property Tax
 Other
 Investment Earnings
 Miscellaneous
 Transfer
 Debt Principal Forgiveness
 Total General Revenues and Transfer

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See Notes to Financial Statements and Independent Auditor's Report

NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,364,014)		\$ (1,364,014)
(2,643,493)		(2,643,493)
(2,424)		(2,424)
(83,915)		(83,915)
(104,316)		(104,316)
(127,921)		(127,921)
<u>(4,326,083)</u>		<u>(4,326,083)</u>
	\$ <u>(273,920)</u>	<u>(273,920)</u>
<u>(4,326,083)</u>	<u>(273,920)</u>	<u>(4,600,003)</u>
1,632,318		1,632,318
713,344		713,344
1,162,850		1,162,850
976,476		976,476
59,509		59,509
9,563		9,563
2,404	1,054	3,458
160,567	1,706	162,273
74,160	(74,160)	
	<u>1,000,000</u>	<u>1,000,000</u>
<u>4,791,191</u>	<u>928,600</u>	<u>5,719,791</u>
465,108	654,680	1,119,788
<u>6,634,270</u>	<u>5,708,330</u>	<u>12,342,600</u>
<u>\$ 7,099,378</u>	<u>\$ 6,363,010</u>	<u>\$ 13,462,388</u>

VILLAGE OF BETHALTO, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2015

	<u>GENERAL</u>	<u>MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>	<u>MOTOR FUEL TAX</u>
<u>ASSETS</u>			
Cash and Cash Investments	\$ 294,345	\$ 295,058	\$ 612,191
Investments	150,037		
Receivables (Net Where Applicable of Allowance for Doubtful Accounts):			
Other Governments	1,067,024	1,491	22,144
Property Tax	790,955	301,350	
Accrued Interest	4		
Other	89,071		
Prepaid Items			
Interfund Receivables			
	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>2,391,436</u>	\$ <u>597,899</u>	\$ <u>634,335</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>			
Liabilities:			
Accrued Payroll and Benefits	\$ 421,131		
Accounts Payable	354,445		\$ 10,696
Due to Charities	4,492		
Due to Library	1,977		
Due to Other Funds	158,326		
Total Liabilities	<hr/> 940,371		<hr/> 10,696
Deferred Inflows of Resources:			
Unavailable Revenues	<hr/> 963,684	\$ <u>301,350</u>	
Fund Balance:			
Nonspendable			
Restricted		296,549	623,639
Committed	1,346,023		
Unassigned (Deficit)	(858,642)		
Total Fund Balance	<hr/> 487,381	<hr/> 296,549	<hr/> 623,639
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ <u>2,391,436</u>	\$ <u>597,899</u>	\$ <u>634,335</u>

See Notes to Financial Statements and Independent Auditor's Report

<u>GARBAGE</u>	OTHER GOVERNMENTAL <u>FUNDS</u>	TOTAL GOVERNMENTAL <u>FUNDS</u>
\$ 59,656	\$ 124,689	\$ 1,385,939
		150,037
		1,090,659
111,355	361,660	1,565,320
		4
		89,071
	167,470	167,470
<u>25,367</u>	<u>160,841</u>	<u>186,208</u>
<u>\$ 196,378</u>	<u>\$ 814,660</u>	<u>\$ 4,634,708</u>
		\$ 421,131
\$ 56,821	\$ 155,812	577,774
		4,492
		1,977
		<u>158,326</u>
<u>56,821</u>	<u>155,812</u>	<u>1,163,700</u>
<u>111,355</u>	<u>361,660</u>	<u>1,738,049</u>
	167,470	167,470
28,202	226,587	1,174,977
		1,346,023
	(96,869)	(955,511)
<u>28,202</u>	<u>297,188</u>	<u>1,732,959</u>
<u>\$ 196,378</u>	<u>\$ 814,660</u>	<u>\$ 4,634,708</u>

VILLAGE OF BETHALTO, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
APRIL 30, 2015

Total fund balance - total governmental funds		\$ 1,732,959
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		14,089,314
Some receivables are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the governmental funds balance sheet, but recognized as revenue as economic financial resources. These include deferred property taxes of \$1,565,320; and deferred intergovernmental revenues of \$172,729.		1,738,049
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(14,874)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Due Within One Year	\$ 590,840	
Due in More Than One Year	9,855,237	<u>(10,446,077)</u>
Net position of governmental activities		<u>\$ 7,099,378</u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2015

	<u>GENERAL</u>	<u>MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>	<u>MOTOR FUEL TAX</u>
Revenues:			
Property Tax	\$ 793,030	\$ 294,299	
Utilities Tax	700,151		
Charges for Services	31,434		
Licenses and Permits	72,908		
Intergovernmental	2,595,861	7,416	\$ 494,552
Investment Income	1,953		452
Fines and Forfeitures	27,276		
Miscellaneous	277,383		
Total Revenues	<u>4,499,996</u>	<u>301,715</u>	<u>495,004</u>
Expenditures:			
Current:			
General Governmental	979,361	277,133	
Public Safety	1,517,995		
Streets and Highways	545,328		77,304
Development Services			
Cultural and Recreational	262,202		
Capital Outlay	944,770		
Debt Services:			
Principal	87,911		
Interest and Fiscal Charges	19,343		
Total Expenditures	<u>4,356,910</u>	<u>277,133</u>	<u>77,304</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>143,086</u>	<u>24,582</u>	<u>417,700</u>
Other Financing Sources (Uses):			
Transfers In	74,160		
Transfers Out	(475,000)		
Loan Proceeds	600,000		
Donated Equipment and Infrastructure	10,000		
Total Other Financing Sources (Uses)	<u>209,160</u>		
Net Change in Fund Balance	352,246	24,582	417,700
Fund Balance:			
Beginning of Year	<u>135,135</u>	<u>271,967</u>	<u>205,939</u>
End of Year	<u>\$ 487,381</u>	<u>\$ 296,549</u>	<u>\$ 623,639</u>

See Notes to Financial Statements and Independent Auditor's Report

<u>GARBAGE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 106,894	\$ 348,405	\$ 1,542,628
578,706		700,151
		610,140
		72,908
		3,097,829
		2,405
		27,276
		277,383
<u>685,600</u>	<u>348,405</u>	<u>6,330,720</u>
659,101	166,406	2,082,001
	1,881	1,519,876
	2,422	622,632
		2,422
		262,202
		944,770
	475,799	563,710
	93,705	113,048
<u>659,101</u>	<u>740,213</u>	<u>6,110,661</u>
<u>26,499</u>	<u>(391,808)</u>	<u>220,059</u>
	475,000	549,160
		(475,000)
		600,000
		10,000
	<u>475,000</u>	<u>684,160</u>
26,499	83,192	904,219
<u>1,703</u>	<u>213,996</u>	<u>828,740</u>
<u>\$ 28,202</u>	<u>\$ 297,188</u>	<u>\$ 1,732,959</u>

VILLAGE OF BETHALTO, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2015

Net change in fund balances - total governmental funds \$ 904,219

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

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 990,958

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. (539,431)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. The amount issued totaled \$600,000 and the amount repaid totaled \$592,935. (7,065)

Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. (999,000)

Some property tax and other intergovernmental revenues will not be collected for several months after the Village's fiscal year end. They are not considered "available" revenues in the governmental funds. 130,302

Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds. (14,874)

Change in net position of governmental activities \$ 465,109

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUND - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUND - WATER AND SEWER
APRIL 30, 2015

ASSETS

Current Assets:	
Cash and Cash Investments	\$ 856,437
Investments	150,333
Receivables (Net Where Applicable of Allowance for Doubtful Accounts):	
Accounts	188,064
Unbilled Revenue	204,611
Other Governments	33,231
Accrued Interest	184
Prepaid Items	40,000
Total Current Assets	<u>1,472,860</u>
Restricted Assets:	
Cash and Cash Investments:	
Customer Deposits	<u>11,760</u>
Capital Assets, Not Being Depreciated:	
Land	248,083
Construction in Progress	115,783
Total Capital Assets Not Being Depreciated	<u>363,866</u>
Capital Assets:	
Buildings and Improvements	440,328
Equipment	2,359,715
Water and Sewer System	18,269,586
Vehicles	338,004
Accumulated Depreciation	(10,336,809)
Total Capital Assets, Net of Accumulated Depreciation	<u>11,070,824</u>
Total Assets	<u>12,919,310</u>

LIABILITIES

Current Liabilities:	
Accrued Payroll and Benefits	267,591
Accounts Payable	194,212
Accrued Interest	31,700
Interfund Payables	29,266
Notes Payable/Lease Purchase Commitments	333,734
Total Current Liabilities	<u>856,503</u>
Liabilities Payable from Restricted Assets:	
Customer Deposits	<u>11,760</u>
Noncurrent Liabilities:	
Notes Payable/Lease Purchase Commitments	<u>5,688,037</u>
Total Liabilities	<u>6,556,300</u>

NET POSITION

Net Investment in Capital Assets	5,412,919
Unrestricted	950,091
Total Net Position	<u>\$ 6,363,010</u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUND - WATER AND SEWER
FOR THE YEAR ENDED APRIL 30, 2015

Operating Revenues:	
Charges for Services	<u>\$ 4,106,738</u>
Operating Expenses:	
Personnel Services	2,243,777
Supplies	408,985
Contractual Services	990,464
Depreciation	<u>571,619</u>
Total Operating Expenses	<u>4,214,845</u>
Income (Loss) from Operations	<u>(108,107)</u>
Non-Operating Revenues (Expenses):	
Investment Income	1,054
Interest Expense	(165,813)
Miscellaneous Income	<u>1,706</u>
Total Non-Operating Revenues (Expenses)	<u>(163,053)</u>
Income (Loss) Before Transfers and Extraordinary Items	(271,160)
Transfers	(74,160)
Debt Principal Forgiveness	<u>1,000,000</u>
Change in Net Position	654,680
Net Position:	
Beginning of Year	<u>5,708,330</u>
End of Year	<u><u>\$ 6,363,010</u></u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUND - WATER AND SEWER
FOR THE YEAR ENDED APRIL 30, 2015

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 4,093,739
Cash Payments to Suppliers for Goods and Services	(1,394,363)
Cash Payments to Employees for Services	(2,267,017)
Net Cash Provided (Used) by Operating Activities	<u>432,359</u>
Cash Flows from Noncapital Financing Activities:	
Transfers to Other Funds	<u>(74,160)</u>
Cash Flows from Capital and Related Financing Activities:	
Loan Proceeds	216,965
Debt Forgiveness	1,000,000
Cash Payments on Long-Term Debt	(1,279,022)
Cash Payments on Interest	(277,581)
Cash Payments on Capital Assets	(181,427)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(521,065)</u>
Cash Flows from Investing Activities:	
Interest Received on Cash and Investments	989
Cash Received from Miscellaneous	1,706
Cash Invested in Investment	(413)
Net Cash Provided (Used) by Investing Activities	<u>2,282</u>
Net Increase (Decrease) in Cash and Cash Investments	(160,584)
Cash and Cash Investments:	
Beginning of Year	<u>1,028,781</u>
End of Year	<u><u>\$ 868,197</u></u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUND - WATER AND SEWER
FOR THE YEAR ENDED APRIL 30, 2015

Reconciliation of Income from Operations to Net Cash	
Provided (Used) by Operating Activities:	
Income (Loss) from Operations	\$ (108,107)
Adjustments to Reconcile Income from Operations to Net	
Cash Provided (Used) by Operating Activities:	
Depreciation	571,619
Change in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	3,579
Unbilled Revenue	(15,883)
Accounts Receivable - Other Governments	2,019
Accounts Receivable - Other	37,909
Prepaid Items	37,443
Increase (Decrease) in:	
Accounts Payable	(72,285)
Accrued Payroll and Benefits	(23,240)
Customer Deposits	(695)
Net Cash Provided (Used) by Operating Activities	<u>\$ 432,359</u>
Non-Cash Investing, Capital and Financing Activities	
Interest Paid	\$ 277,581
Reconciliation of Total Cash and Cash Investments:	
Current Assets	\$ 856,437
Restricted Assets	11,760
Total Cash and Cash Investments	<u>\$ 868,197</u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION TRUST
APRIL 30, 2015

ASSETS

Cash and Cash Investments	\$ 1,023,238
Receivables (Net Where Applicable of Allowance for Doubtful Accounts):	
Other Governments	980
Property Tax	363,110
Interest and Dividends	14,994
Total Receivables	<u>379,084</u>
Interfund Receivable	3,325
Investments, at Fair Value:	
U.S. Government Securities/Fixed Income	1,891,701
Corporate Bonds	643,422
Stock Mutual Funds	2,739,615
Total Investments	<u>5,274,738</u>
Total Assets	<u>6,680,385</u>

LIABILITIES AND NET POSITION

Liabilities:	
Deferred Revenue	363,110
Total Liabilities	<u>363,110</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 6,317,275</u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
POLICE PENSION TRUST
FOR THE YEAR ENDED APRIL 30, 2015

ADDITIONS

Contributions:	
Employer	\$ 378,063
Plan Members	86,804
Total Contributions	<u>464,867</u>
Investment Income:	
Net Appreciation (Depreciation) in Fair Value of Investments	86,380
Net Gain (Loss) on Sale of Investments	(67,915)
Interest	51,459
Dividends	174,648
Total Investment Income	<u>244,572</u>
Total Net Additions	<u>709,439</u>

DEDUCTIONS

Benefits	360,547
Administrative Expenses	37,664
Total Deductions	<u>398,211</u>
Change in Net Position	311,228
Net Position Held in Trust for Pension Benefits:	
Beginning of Year	<u>6,006,047</u>
End of Year	<u>\$ 6,317,275</u>

See Notes to Financial Statements and Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Village of Bethalto (Village) operates under a Mayor-Board of Trustees form of government and provides the following services as authorized by its charter: public safety, development services, public health and welfare, culture, recreation and water/sewer. The accounting and reporting framework and the more significant accounting principles and practices of the Village are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Village's financial activities for the fiscal year.

Financial Reporting Entity

The Village's basic financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Village holds the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Village
- there is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village has no component units or related organizations.

Basis of Presentation – Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Village as a whole excluding fiduciary activities such as employee pension plans. Individual funds are not displayed, but the statements distinguish governmental activities, which are generally supported by taxes and Village general revenues, from business-type activities, which are generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the Village at year-end.

See Independent Auditor's Report

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities and for each identifiable activity of the business-type activities of the Village. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Village's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary, and fiduciary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Village uses three categories of funds: governmental, proprietary and fiduciary.

Measurement Focus/Basis of Accounting

The accounting and reporting policies of the Village relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Village departments. Reimbursements are reported as reductions to expenses. Proprietary and Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Village has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Village considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, charges for services and investment income. In general, other revenues are recognized when cash is received.

Operating revenues and expenses reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports the item, *unavailable revenue*, only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes of \$1,565,320; sales tax of \$85,133; income tax of \$70,876; and excise tax of \$16,720. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Types and Major Funds

Governmental Funds

The Village has presented the following major governmental funds:

General Fund—The General Fund is the main operating fund of the Village. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, capital improvement costs, and payment of long-term debt that are not paid through other funds are paid from the General Fund.

Municipal Retirement/Social Security Fund—The Municipal Retirement/Social Security Fund is used to account for funds received and expended for employee benefits of the Village.

Motor Fuel Tax Fund—The Motor Fuel Tax Fund is used to account for the funds received and expended for the street maintenance program of the Village. The State monitors and audits the use of these resources.

Garbage Fund—The Garbage Fund is used to account for the provision of garbage services to the residents of the Village. Activities of the fund include administration, operations and maintenance, and billing and collection.

Proprietary Fund

The Village has presented the following major proprietary fund:

Water and Sewer Fund—The Water and Sewer Fund is used to account for the provision of water and sewer services to the residential and commercial customers of the Village. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection. The fund also accounts for the accumulation of resources for the payment of long-term debt principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Fiduciary Fund

The Village has presented the following fund:

Police Pension Trust—The Police Pension Fund is used to account for assets held on behalf of the Village's sworn personnel.

Cash and Investments

The Village pools most of their cash and investments. Each fund's portion of the pool is displayed on its respective balance sheet as "cash and cash investments." Each fund whose monies are deposited in the pooled cash accounts has an equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash and cash investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents". For purposes of the statement of cash flows, all cash and investments of the proprietary fund with a maturity date of three months or less are considered to be cash equivalents.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Cash deposits are reported at carrying amount which reasonably estimates fair value.

Prepaid Items

Prepaid balances are for payments made by the Village in the current year for outside services to be provided in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of the fund balance is not available for other subsequent expenditures.

Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Balances to which a fiduciary fund is a party are treated as “external” receivables and payables.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Capital Assets, Depreciation, and Amortization

The Village’s property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost, and comprehensively reported in the government-wide financial statements. Proprietary capital assets are reported in their respective financial statements. Donated assets are stated at fair value on the date donated. The Village generally capitalizes assets that cost one thousand dollars or more as purchase and construction outlays occur. General infrastructure assets are generally capitalized that cost ten thousand dollars or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets which are generally from 3-75 years. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Under GASB Statement 34, the Village is considered a “Phase 3” government and is not required to retroactively report their general infrastructure assets. The Village is, therefore, capitalizing general infrastructure assets prospectively, beginning May 1, 2004.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	10 - 75
Equipment	3 - 33
Water and Sewer System	5 - 50
Vehicles	4 - 15
Infrastructure	40 - 75

Compensated Absences

Sick leave is accrued for Village employees at the rate of 8 to 10 days per year (125 days maximum). Earned sick leave that is over 1,000 hours per employee is paid into a separate retirement fund for each employee. Upon the employee's termination of employment, retirement, or disability, the Village will purchase fifty (50) percent of the employee's accumulated unused sick leave with the dollar value of one-half (1/2) of the fifty percent placed in the employees 457(b) plan provided the employee has completed ten (10) years of employment with the Village. Therefore, a contingent liability exists in the amount of \$175,405 in the General Fund and \$139,254 in the Water and Sewer Fund. Employees are not paid for accumulated sick leave unless used in accordance with the Village's sick leave policy.

Employees accrue vacation time from one to five weeks based upon the years of employment. Employees may carryover unused vacation leave beyond the calendar year in which it is earned. Unused vacation is paid at time of retirement, termination, or death.

Net Position

In the government-wide financial statements, net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable—The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted—Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Proceeds from federal and state grants and the related expenditures have been included in the governmental and proprietary funds.

Committed—The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned—Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent may be expressed by the Board itself or the finance committee or Mayor when the Board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned—Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Village applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Long-Term Debt

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Recently Announced Pronouncements

GASB Statement No. 68—In June, 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The provisions of this Statement will be effective for the fiscal year beginning after June 15, 2014.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Policy and Practice

The Mayor submits an annual budget to the Village Board in accordance with the Illinois State Statutes. The budget is presented to the Village Board for review, and public hearings are held to address priorities and the allocation of resources. In May, the Village Board adopts the annual fiscal year budgets for Village operating funds. Once approved, the Village may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. The budget was approved on July 21, 2014.

Basis of Budgeting

Each fund’s appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel services, other services and charges, supplies, capital outlay, transfers, and debt services. Budget revisions at this level are subject to final review by the Village Board. The level of control is by department within a fund. Expenditures may not exceed budgeted amounts without board approval at this level. Within these control levels, transfers of appropriations may be made with Board approval. Budgeted amounts are as originally adopted by the Village Board.

The budgets for the operating funds, special revenue funds, and the proprietary fund operations are prepared on the modified accrual basis. Revenues and expenditures are budgeted on the modified accrual basis. Project-length financial plans are adopted for all Capital Project Funds. Appropriations for annually budgeted funds lapse at fiscal year end.

NOTE 3: DETAILED NOTES ON FUNDS

Deposits and Investments

Deposits

The Village had the following depository accounts. All deposits are carried at cost plus accrued interest. It is the Village’s policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. However, at times during the year and at year end, there were amounts uninsured and unregistered. Illinois Funds is a state sponsored investment pool; the fair value of which is the same as the value of pool shares. The Illinois Funds is a fully insured account.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured - Bank Accounts	\$ 644,142
Insured - Illinois Funds	347,336
Collateral Held by Pledged Bank's Trust Department in the Village's Name	1,810,285
Uninsured and Unregistered	<u>675,253</u>
Total	<u>\$ 3,477,016</u>

Deposits in each local bank are insured by the FDIC in the amount of \$250,000 for all time and savings account and \$250,000 for all demand deposit accounts. The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the Village’s investments are covered by the SIPC.

Credit Risk – The Village deposit policy is to invest in money market accounts, certificates of deposit, U.S. Government obligations, and other investments as permitted by Illinois State Statutes.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it.

Investments

Generally, the Village investing activities are managed under the custody of the Village Treasurer. Investing is performed in accordance with investment policies complying with state statutes and the Village Board. The Village is allowed to invest in money market accounts, certificates of deposit, U.S. Government obligations, and other investments as permitted by Illinois State Statutes. The Village Police Pension Board has the investing authority over the Police Pension Fund. The Police Pension Board invests in accordance with state statutes. The Police Pension Board is allowed to invest in money market accounts, certificates of deposit, U.S. Government obligations and other investments as permitted by Illinois State Statutes.

At year end, the Village had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities (In Years)</u>				<u>Weighted Average in Years</u>
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
Corporate Bonds	\$ 643,422		\$ 313,253	\$ 330,169		0.59
Stock Mutual Funds	2,739,615				\$ 2,739,615	
U.S. Government Securities	<u>1,891,701</u>	<u>—</u>	<u>1,260,741</u>	<u>366,143</u>	<u>264,817</u>	2.47
Total	<u>\$ 5,274,738</u>	<u>\$ 0</u>	<u>\$ 1,573,994</u>	<u>\$ 696,312</u>	<u>\$ 3,004,432</u>	

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Village invests operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk – The Village investment policy is to invest in money market accounts, certificates of deposit, U.S. Government obligations, and other investments as permitted by Illinois State Statutes. At year end, the Village had the following investments which are rated by Standard and Poors (S&P) and Morningstar (M):

	<u>Balance</u>	<u>Rating</u>
Corporate Bonds	\$ 201,445	A (S & P)
Corporate Bonds	132,859	AA (S & P)
Corporate Bonds	309,118	AA- (S & P)
Stock Mutual Funds	965,853	5 Star (M)
Stock Mutual Funds	1,773,762	4 Star (M)
U.S. Government Securities	422,929	AAA (S & P)
U.S. Government Securities	<u>1,468,772</u>	AA (S & P)
 Total	 <u>\$ 5,274,738</u>	

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

At year-end, the deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Fund</u>	<u>Total Government</u>
Cash and Investments:				
Unrestricted	\$ 1,385,939	\$ 1,006,770	\$ 6,297,976	\$ 8,690,685
Restricted	<u>150,037</u>	<u>11,760</u>	<u> </u>	<u>161,797</u>
 Total	 <u>\$ 1,535,976</u>	 <u>\$ 1,018,530</u>	 <u>\$ 6,297,976</u>	 <u>\$ 8,852,482</u>

See Independent Auditor's Report

Receivables and Uncollectible Accounts

Enterprise Receivables and Uncollectible Accounts

Significant receivables include amounts due from customers primarily for utility services. These receivables are due within one year. Enterprise funds report accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using historical experience. Related amounts are shown in the following table:

	<u>Major Enterprise Fund</u>
	<u>Water</u>
	<u>and Sewer</u>
Accounts Receivable, Gross	\$ 201,513
Less Allowance for Uncollectible Accounts	<u>(13,449)</u>
Net Accounts Receivable	<u>\$ 188,064</u>
Uncollectible Amounts Netted with Revenues	\$ 0

Property Taxes Receivable and Property Tax Calendar

Property taxes are collected and remitted to the Village by one county government. Taxes levied annually in December are due in four installments on July 9, September 9, October 9, and December 9, 2015. Major tax payments are received June through February. Lien date for real property is January 1. The tax levy was approved on December 1, 2014.

At fiscal year-end, the receivables represent 2014 taxes to be collected. Taxes collected during the current year were from the 2013 tax levy.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the Village regardless of when cash is received. Over time, substantially all property taxes are collected.

Intergovernmental Receivables and Deferred Inflows

Intergovernmental receivables are primarily comprised of amounts due from state funded sources. Revenue is recorded as earned when eligibility requirements are met. Grant revenues, shown as deferred inflows in the governmental fund financial statements, include unearned revenue and revenue received more than 60 days following year end (unavailable to pay liabilities in the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide statements if grantor eligibility requirements are met.

Restricted Assets

Restricted assets are also reported in various funds for cash deposited in bank accounts legally restricted for specified uses such as the payment of water and sewer customer deposits and for miscellaneous projects.

Capital Assets

Capital asset activity for the year ended is as follows:

	<u>Beginning of Year</u>	<u>Additions/ Completion</u>	<u>Retirements/ Adjustments</u>	<u>End of Year</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 775,653			\$ 775,653
Construction in Progress	<u>1,139,550</u>	\$ 831,421	\$ 615,137	<u>1,355,834</u>
Total Capital Assets, Not Being Depreciated	<u>1,915,203</u>	<u>831,421</u>	<u>615,137</u>	<u>2,131,487</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,637,991	139,000		2,776,991
Buildings and Improvements	1,903,155	11,552		1,914,707
Equipment	2,224,697	88,637	5,579	2,307,755
Vehicles	1,903,902			1,903,902
Infrastructure	<u>8,102,889</u>	<u>535,482</u>		<u>8,638,371</u>
Total Capital Assets, Being Depreciated	<u>16,772,634</u>	<u>774,671</u>	<u>5,579</u>	<u>17,541,726</u>
Less Accumulated Depreciation for:				
Land Improvements	645,977	93,134		739,111
Buildings and Improvements	858,497	42,422		900,919
Equipment	1,637,732	117,882	5,579	1,750,035
Vehicles	1,316,130	109,690		1,425,820
Infrastructure	<u>591,704</u>	<u>176,303</u>		<u>768,007</u>
Total Accumulated Depreciation	<u>5,050,040</u>	<u>539,431</u>	<u>5,579</u>	<u>5,583,892</u>
Total Capital Assets, Being Depreciated, Net	<u>11,722,594</u>	<u>235,240</u>		<u>11,957,834</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,637,797</u>	<u>\$ 1,066,661</u>	<u>\$ 615,137</u>	<u>\$ 14,089,321</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 248,083			\$ 248,083
Construction in Progress	<u>92,470</u>	\$ 92,443	\$ 69,130	<u>115,783</u>
Total Capital Assets, Not Being Depreciated	<u>340,553</u>	<u>92,443</u>	<u>69,130</u>	<u>363,866</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	440,328			440,328
Equipment	2,270,731	88,984		2,359,715
Water and Sewer System	18,200,456	69,130		18,269,586
Vehicles	<u>338,004</u>			<u>338,004</u>
Total Capital Assets, Being Depreciated	<u>21,249,519</u>	<u>158,114</u>		<u>21,407,633</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	220,677	15,131		235,808
Equipment	1,867,633	72,498		1,940,131
Water and Sewer System	7,345,609	482,519		7,828,128
Vehicles	<u>331,271</u>	<u>1,471</u>		<u>332,742</u>
Total Accumulated Depreciation	<u>9,765,190</u>	<u>571,619</u>		<u>10,336,809</u>
Total Capital Assets, Being Depreciated, Net	<u>11,484,329</u>	<u>(413,505)</u>		<u>11,070,824</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,824,882</u>	<u>\$ (321,062)</u>	<u>\$ 69,130</u>	<u>\$ 11,434,690</u>

See Independent Auditor's Report

Depreciation expense, which includes the assets that were acquired through capital leases, was charged as a direct expense as follows:

Governmental Activities:	
General Government and Administration	\$ 31,375
Public Safety	127,722
Streets and Highways	243,400
Cultural and Recreational	136,934
Total Depreciation Expense - Governmental Activities	<u>\$ 539,431</u>
Business-Type Activities:	
Water and Sewer	\$ 571,619
Total Depreciation Expense - Business-Type Activities	<u>\$ 571,619</u>

Long-Term Debt

The following is a summary of long-term debt transactions for the year ended:

	<u>Beginning of Year</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>End of Year</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Lease Purchase Commitments	\$ 186,243		\$ 26,503	\$ 159,740	\$ 25,193
Notes Payable	<u>3,963,777</u>	<u>\$ 600,000</u>	<u>566,431</u>	<u>3,997,346</u>	<u>565,647</u>
Total Governmental Activities	<u>4,150,020</u>	<u>600,000</u>	<u>592,934</u>	<u>4,157,086</u>	<u>590,840</u>
<u>Business-Type Activities:</u>					
Lease Purchase Commitments	170,444		107,997	62,447	56,751
Notes Payable	<u>6,913,384</u>	<u>216,965</u>	<u>1,171,025</u>	<u>5,959,324</u>	<u>276,983</u>
Total Business-Type Activities	<u>7,083,828</u>	<u>216,965</u>	<u>1,279,022</u>	<u>6,021,771</u>	<u>333,734</u>
Total Government	<u>\$ 11,233,848</u>	<u>\$ 816,965</u>	<u>\$ 1,871,956</u>	<u>\$ 10,178,857</u>	<u>\$ 924,574</u>

Lease Purchase Commitments

The Village entered into a lease purchase agreement on October 4, 2010, for the purchase of a fire truck; 120 monthly payments are required of \$2,693.67. The current portion due is \$25,193. The general fund is making these payments.

The Village entered into a lease purchase agreement on September 9, 2010, for the purchase of water plant/tower and improvements; 20 quarterly payments are required of \$27,649.16. The current portion due is \$54,658. The water and sewer fund is making these payments.

The Village entered into a lease purchase agreement on October 3, 2013, for the purchase of a copier; 60 monthly payments are required of \$202. The current portion due is \$2,093. The water and sewer fund is making these payments.

The assets acquired through capital leases are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Governmental Activities:			
Public Safety:			
Vehicles	\$ 314,828	\$ 79,155	\$ 235,673
Cultural and Recreational:			
Equipment	<u>8,158</u>	<u>8,158</u>	<u>0</u>
Total Governmental Activities	<u>322,986</u>	<u>87,313</u>	<u>235,673</u>
Business-Type Activities:			
Water and Sewer:			
Water and Sewer System	<u>510,745</u>	<u>229,651</u>	<u>281,094</u>
Total Business-Type Activities	<u>510,745</u>	<u>229,651</u>	<u>281,094</u>
	<u>\$ 833,731</u>	<u>\$ 316,964</u>	<u>\$ 516,767</u>

Notes Payable

The Village financed on February 18, 2009, the purchase of 5 dump trucks for \$440,380 through First National Bank of Staunton. The agreement calls for monthly principal and interest payments of \$4,520 for 120 months with interest at a rate of 4.29%. The final payment is due February 18, 2019. The current portion due is \$42,943. The general fund is making these payments.

The Village financed on March 5, 2009, the purchase of a street sweeper for \$161,650 through First National Bank of Staunton. The agreement calls for monthly principal and interest payments of \$1,660 for 120 months with interest at a rate of 4.29%. The final payment is due March 5, 2019. The current portion due is \$15,810. The general fund was making these payments.

The Village financed on December 7, 2010, the purchase of a sewer detention basin, a lift station, and sewer lines for a total of \$1,120,643 through the Illinois Environmental Protection Agency. On February 16, 2012, the loan was amended for a total of \$1,202,450, with principal forgiveness of \$280,161, making total amount due \$847,305. The agreement calls for semi-annual payments for 20 years with an interest rate of 1.25%. The final payment is due May, 2031. The current portion due is \$44,271. The water and sewer fund is making these payments.

The Village financed on August 9, 2011, the purchase of 4 police cars for \$86,361 through First National Bank of Staunton. The agreement calls for monthly principal and interest payments of \$1,517.15 for 60 months with interest at a rate of 2.046%. The final payment is due August 15, 2016. The current portion due is \$16,404. The general fund is making these payments.

The Village entered into an installment agreement on November 15, 2011, for the purchase of land for \$212,472.50 with the land owners. The agreement calls for monthly principal and interest payments of \$2,500 for 60 months with interest at a rate of 3.5%. The final payment is due November 15, 2016, with a balloon payment. The current portion due is \$25,837. The water and sewer fund is making these payments.

The Village financed on September 27, 2012, water infrastructure up to the amount of \$6,000,000 through the Illinois Environmental Protection Agency. On August 26, 2014, the loan was amended for a total of \$6,124,515, with principal forgiveness of \$1,000,000, making the total amount due \$5,124,515. The agreement calls for semi-annual payments for 20 years with an interest rate of 2.295%. The final payment is due August, 2034. The current portion due is \$206,875. The water and sewer fund is making these payments.

The Village entered into General Obligation Project and Refunding Debt Certificates on March 4, 2013, to finance and refinance municipal facilities for an amount up to \$5,000,000. The agreement calls for quarterly payments for 10 years with an interest rate of 2.6%. The final payment is due March, 2022. The amount that has been disbursed as of April 30, 2015 is \$4,618,058. The current portion due is \$478,701. The TIF Fund is making these payments.

The Village financed on May 9, 2012, the purchase of clean energy electrical equipment for \$80,000 through Madison County Community Development. The agreement calls for monthly principal payments of \$982.38 with an interest rate of 0%. The final payment is due September, 2019. The current portion due is \$11,789. The general fund is making these payments.

The annual aggregate maturities for each debt type for the years subsequent are as follows:

Lease Purchase Commitments

Year Ending <u>April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 25,193	\$ 4,438	\$ 56,751	\$ 938	\$ 87,320
2017	28,310	4,014	2,196	227	34,747
2018	29,258	3,066	2,305	119	34,748
2019	30,238	2,086	1,195	17	33,536
2020	31,251	1,072			32,323
2021	15,490	146			15,636
Total	<u>\$ 159,740</u>	<u>\$ 14,822</u>	<u>\$ 62,447</u>	<u>\$ 1,301</u>	<u>\$ 238,310</u>

Notes Payable

Year Ending <u>April 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 565,647	\$ 100,313	\$ 276,984	\$ 128,211	\$ 1,071,155
2017	575,969	85,521	283,234	121,960	1,066,684
2018	585,809	69,642	289,635	115,560	1,060,646
2019	592,938	53,329	296,189	109,005	1,051,461
2020	536,447	38,396	294,901	102,320	972,064
2021-2025	7,429,527	34,500	1,455,787	420,184	9,339,998
2026-2030			1,618,106	257,865	1,875,971
2031-2035			1,444,488	80,412	1,524,900
Total	<u>\$ 10,286,337</u>	<u>\$ 381,701</u>	<u>\$ 5,959,324</u>	<u>\$ 1,335,517</u>	<u>\$ 17,962,879</u>

Included in the principal amount for notes payable (Governmental Activities) for the final year is amounts for IMRF and Police Pension obligations of \$2,244,604 and \$4,044,387, respectively.

All lease purchase commitments and notes payable are collateralized by the assets of the Village. The fair market value of these assets is \$31,453,806.

Defeasance of Debt

During the fiscal year ending April 30, 2004, outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the bonds. The bonds mature February, 2020. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. At fiscal year-end, the following bonds are considered defeased:

	<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>
<u>Business-Type Activities:</u>			
Major Enterprise Fund:			
Golf Course Fund	Develop Land	2000	\$ 1,690,000

The Village has a legal debt margin of 8.625% (\$11,787,433) of the assessed valuation. The Village has used 43.7% (\$5,156,669) of the legal debt margin, which excludes the \$5,022,188 IEPA loan which is to be repaid solely from revenue derived from the system; therefore, making it not part of the Village's indebtedness.

Rental Commitments

The Village leases a copier under an operating lease with a monthly payment of \$205.23. The operating lease expires during the fiscal year 2016. The lease agreement provides for a fair market value purchase option at the end of the lease. The General Fund paid \$2,463 during the fiscal year.

At year end, future minimum lease payments under operating leases are as follows:

<u>April 30,</u>	<u>Amount Due</u>
2016	\$ <u>410</u>
Total	\$ <u><u>410</u></u>

Fund Balance

The following is a breakdown of the Village’s fund balance accounts according to their classifications (unspendable, committed, restricted) and the reason for the classification.

	<u>Unspendable</u> Prepaid <u>Items</u>	<u>Committed</u> Construction <u>Projects</u>	<u>Restricted</u> Special Revenue <u>Funds</u>	Unassigned <u>(Deficit)</u>	<u>Total</u>
General		\$ 1,346,023		\$ (858,642)	\$ 487,381
Municipal Retirement/ Social Security			\$ 296,549		296,549
Motor Fuel Tax			623,639		623,639
Garbage			28,202		28,202
TIF			174,180		174,180
Civil Defense			3,835		3,835
Audit			5,423		5,423
Liability Insurance	\$ 167,470	_____	_____	(96,869)	70,601
 Total	 \$ 167,470	 \$ 1,346,023	 \$ 1,131,828	 \$ (955,511)	 \$ 1,689,810

Net Investment in Capital Assets

The “net investment in capital assets” amount reported on the government-wide statement of net position is determined as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Net Investment in Capital Assets:		
Cost of Capital Assets	\$ 19,673,213	\$ 21,771,499
Less Accumulated Depreciation	5,583,892	10,336,809
Book Value	14,089,321	11,434,690
Less Capital Related Debt	10,446,077	6,021,771
 Net Investment in Capital Assets	 \$ 3,643,244	 \$ 5,412,919

NOTE 4: BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY

Receivables and Payables

Generally, outstanding balances between funds reported as “due to/from other funds” include outstanding charges by one fund to another for services or goods, and other miscellaneous receivables/payables between funds. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans).

Due to/from other funds within the reporting entity are substantially for the purposes of subsidizing expenses paid by another fund. Police Pension Fund receivables are expected to be paid within the year. All other are not expected to be paid within the year.

The following schedule reports receivables and payables within the reporting entity at year-end:

	Due To				
	<u>Governmental Activities</u>				
	Major Governmental		Other Governmental	Fudiciary	
	<u>Funds</u>		<u>Funds</u>	<u>Fund</u>	
<u>Due From Primary Government</u>	<u>General</u>	<u>Garbage</u>	<u>TIF</u>	<u>Police Pension</u>	<u>Total Due From</u>
Governmental Activities:					
Major Governmental Fund:					
General Fund			\$ 160,841	\$ 3,325	\$ 164,166
Business-Type Activities:					
Major Enterprise Fund:					
Water and Sewer	\$ 3,899	\$ 25,367	_____	_____	29,266
Total Due To	<u>\$ 3,899</u>	<u>\$ 25,367</u>	<u>\$ 160,841</u>	<u>\$ 3,325</u>	<u>\$ 193,432</u>

Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and assets acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

The government-wide statement of activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following schedule reports transfers and payments within the reporting entity:

	<u>Transfers In</u>		
	<u>Governmental Activities</u>		
	<u>Major Governmental</u>	<u>Other Governmental</u>	
	<u>Funds</u>	<u>Funds</u>	
<u>Transfers From Primary Government</u>	<u>General</u>	<u>TIF</u>	<u>Total</u>
<u>Governmental Activities:</u>			<u>Transfers</u>
<u>Major Governmental Funds:</u>			<u>From</u>
General		\$ 475,000	\$ 475,000
<u>Business-Type Activities:</u>			
Water and Sewer	\$ 74,160		74,160
Total	<u>\$ 74,160</u>	<u>\$ 475,000</u>	<u>\$ 549,160</u>

NOTE 5: PENSION PLANS

Illinois Municipal Retirement Fund – Defined Benefit Pension Plan

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

Funding Policy. As set by statute, the Village plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village annual required contribution rate for calendar year 2014 was 12.66%. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The Village’s required contribution for calendar year 2014 was \$294,902.

Three-Year Trend Information

Actuarial Valuation <u>Date</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12-31-14	\$ 294,902	100%	\$ 0
12-31-13	304,152	100%	0
12-31-12	314,488	99%	0

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village plan's unfunded actuarial accrued liability at December 31, 2012, is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 70.27% funded. The actuarial accrued liability for benefits was \$7,549,322 and the actuarial value of assets was \$5,304,718, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,244,604. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$2,329,400 and the ratio of the UAAL to the covered payroll was 96%.

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

Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Village paid \$270,355, the total required contribution for the year.

Police Pension

Sworn police personnel are covered by the Police Pension Defined Benefit Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2015, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated	
Employees Entitled to Benefits but Not Yet Receiving Benefits	12
Current Employees:	
Vested	0
Nonvested	<u>16</u>
Total	<u>28</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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% of such salary for each additional year of service over 20 years up to 30 years, and by 1% of such salary for each additional year of service over 30 years, to a maximum of 75% 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 retires with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Employees are required by ILCS to contribute 9.9% 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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2015, the Village's contribution was 42.27% of covered payroll.

Summary of Significant Accounting Policies and Plan Asset Matters

Significant Investments

The following list is the investments held at year end that represent 5% of the Police Pension Plan (other than U.S. Government guaranteed obligations). Information for the IMRF is not available.

	<u>Cost</u>	<u>Market Value</u>
Federated Prime Cash Obligation	\$ 705,329	\$ 705,329
Federated International Leaders R6	448,972	456,130
Fidelity Spartan Intl Idx Advtg	438,389	455,138
Fidelity Spartan Mid Cap Idx Advtg	314,915	319,034
Hodges Small Cap Institutional	305,376	317,910
Vanguard Russell 1000 Index I	983,670	999,590

See Independent Auditor's Report

Annual Pension Costs

Employer annual pension costs (APC), actual contributions, and the net pension obligation (NPO) are as follows: (The NPO is the cumulative difference between the annual required contribution (ARC) and the contributions actually made.) Police pension information presented is for the fiscal years ending April 30, 2014, 2013, and 2012.

Defined Benefit Pension Plan	<u>Police Pension</u>
Annual Pension Cost (APC)	\$ 1,321,960
	713,279
	590,188
Actual Contribution	\$ 425,902
	405,186
	392,380
Percentage of ARC Contributed	116.17%
	140.00%
	139.75%
NPO (Assets)	\$ 4,044,387
	3,148,329
	2,840,236

The NPO at April 30, 2014 has been calculated as follows:

	<u>Police Pension</u>
Annual Required Contribution	\$ 366,626
Adjustment to Annual Required Contribution	<u>955,334</u>
Annual Pension Cost	1,321,960
Contributions Made	<u>425,902</u>
Increase (Decrease) in Net Pension Obligation	896,058
Net Pension Obligation, Beginning of Year	<u>3,148,329</u>
Net Pension Obligation, End of Year	<u>\$ 4,044,387</u>

See Independent Auditor's Report

Actuarial Valuation Date	April 30, 2014
Actuarial Cost Method	Entry-age Normal
Asset Valuation Method	Cost
Amortization Method	Level % of Payroll
Amortization Period	26 Years, Closed

Significant Actuarial Assumptions

a) Rate of Return on Present and Future Assets	7%
b) Projected Salary Increase-Attributable to Inflation	5.5%
c) Additional Projected Salary Increase-Seniority/Merit	1971 Group Annuity Experience Tables

As of April 30, 2014, the most recent actuarial valuation date, the plan was 61.41% funded. The actuarial accrued liability for benefits was \$10,479,943 and the actuarial value of assets was \$6,435,556, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,044,387. The covered payroll (annual payroll of active employees covered by the plan) was \$949,523 and the ratio of the UAAL to the covered payroll was 425.94%.

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

Deferred Compensation Plan

The Village maintains a deferred compensation plan for its employees under the provisions of Internal Revenue Code Section 457. The plan, available to all full-time employees, allows participants to defer a portion of their salary until future years. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The Village has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for this plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and are not subject to claims of the Village's creditors. Accordingly, those plan assets are not reported as a part of these financial statements.

NOTE 6: RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs: property, liability, and worker's compensation. During the year ended, there were no significant reductions in coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years.

NOTE 7: DATE OF MANAGEMENT REVIEW

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through October 20, 2015, the date of the management representation letter and the date the financial statements were available to be issued.

VILLAGE OF BETHALTO, ILLINOIS
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED APRIL 30, 2015

Illinois Municipal Retirement Fund - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12-31-14	\$ 5,304,718	\$ 7,549,322	\$ 2,244,604	70.27%	\$ 2,329,400	96.36%
12-31-13	6,812,688	8,954,350	2,141,662	76.08%	2,300,699	93.09%
12-31-12	7,138,206	8,965,631	1,827,425	79.62%	2,426,607	75.31%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$6,482,118. On a market basis, the funded ratio would be 85.86%.

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

Police Pension - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4-30-14	\$ 6,435,556	\$ 10,479,943	\$ 4,044,387	61.41%	\$ 949,523	425.94%
4-30-13	6,115,766	9,264,095	3,148,329	66.02%	771,127	408.28%
4-30-12	5,782,990	8,623,226	2,840,236	67.06%	815,606	348.24%
4-30-10	4,952,200	7,594,628	2,642,428	65.21%	843,595	313.23%
4-30-09	4,451,350	7,628,552	3,177,202	58.35%	960,839	330.67%
4-30-08	4,858,577	6,775,429	1,916,852	71.71%	974,120	196.78%

Police Pension - Schedule of Employer Contribution

Fiscal Year	Annual Required Contribution	Percentage Contributed
2014	\$ 366,626	116.17%
2013	289,416	140.00%
2012	280,765	139.75%

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VILLAGE OF BETHALTO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2015

	<u>BUDGETED AMOUNTS</u>				<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL GAAP BASIS</u>	<u>ADJUSTMENTS BUDGET BASIS</u>	<u>ACTUAL BUDGET BASIS</u>	
Revenues:					
Property Tax	\$ 806,000	\$ 793,030		\$ 793,030	\$ (12,970)
Charges for Services	32,000	31,434		31,434	(566)
Licenses and Permits	44,740	72,908		72,908	28,168
Intergovernmental	2,763,500	2,595,861		2,595,861	(167,639)
Investment Income	1,500	1,953		1,953	453
Fines and Forfeitures	28,000	27,276		27,276	(724)
Miscellaneous	201,500	277,383		277,383	75,883
Total Revenues	<u>3,877,240</u>	<u>3,799,845</u>		<u>3,799,845</u>	<u>(77,395)</u>
Expenditures:					
Current:					
General Government	946,900	979,361		979,361	(32,461)
Public Safety	1,552,500	1,517,995		1,517,995	34,505
Streets and Highways	403,950	545,328		545,328	(141,378)
Cultural and Recreational	309,200	262,202		262,202	46,998
Capital Outlay	1,405,500	944,770		944,770	460,730
Debt Services:					
Principal	106,826	87,911		87,911	18,915
Interest and Fiscal Charges		19,343		19,343	(19,343)
Total Expenditures	<u>4,724,876</u>	<u>4,356,910</u>		<u>4,356,910</u>	<u>367,966</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(847,636)</u>	<u>(557,065)</u>		<u>(557,065)</u>	<u>290,571</u>
Other Financing Sources (Uses):					
Transfers In	274,243	74,160		74,160	(200,083)
Transfers Out	(500,000)	(475,000)		(475,000)	25,000
Loan Proceeds	537,000	600,000		600,000	63,000
Donated Infrastructure		10,000		10,000	10,000
Total Other Financing Sources (Uses)	<u>311,243</u>	<u>209,160</u>		<u>209,160</u>	<u>(102,083)</u>
Net Change in Fund Balance	(536,393)	(347,905)		(347,905)	188,488
Fund Balance:					
Beginning of Year (Deficit)	<u>(1,321,342)</u>	<u>(1,321,342)</u>		<u>(1,321,342)</u>	
End of Year (Deficit)	<u>\$ (1,857,735)</u>	<u>\$ (1,669,247)</u>	<u>\$</u>	<u>\$ (1,669,247)</u>	<u>\$ 188,488</u>

See Independent Auditor's Report

VILLAGE OF BETHALTO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED APRIL 30, 2015

	<u>BUDGETED AMOUNTS</u>				<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL AND FINAL</u>	<u>ACTUAL GAAP BASIS</u>	<u>ADJUSTMENTS BUDGET BASIS</u>	<u>ACTUAL BUDGET BASIS</u>	
Revenues:					
Property Tax	\$ 295,000	\$ 294,299		\$ 294,299	\$ (701)
Intergovernmental	6,000	7,416		7,416	1,416
Total Revenues	<u>301,000</u>	<u>301,715</u>		<u>301,715</u>	<u>715</u>
Expenditures:					
Current:					
General Government	<u>259,500</u>	<u>277,133</u>		<u>277,133</u>	<u>(17,633)</u>
Net Change in Fund Balance	41,500	24,582		24,582	(16,918)
Fund Balance:					
Beginning of Year	<u>271,967</u>	<u>271,967</u>	<u> </u>	<u>271,967</u>	<u> </u>
End of Year	<u>\$ 313,467</u>	<u>\$ 296,549</u>	<u>\$ </u>	<u>\$ 296,549</u>	<u>\$ (16,918)</u>

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VILLAGE OF BETHALTO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2015

	<u>BUDGETED</u> <u>AMOUNTS</u>				VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u> AND <u>FINAL</u>	ACTUAL GAAP <u>BASIS</u>	ADJUSTMENTS BUDGET <u>BASIS</u>	ACTUAL BUDGET <u>BASIS</u>	
Revenues:					
Intergovernmental	\$ 231,400	\$ 494,552		\$ 494,552	\$ 263,152
Investment Income	400	452		452	52
Total Revenues	<u>231,800</u>	<u>495,004</u>		<u>495,004</u>	<u>263,204</u>
Expenditures:					
Current:					
Streets and Highways	<u>125,000</u>	<u>77,304</u>		<u>77,304</u>	<u>47,696</u>
Excess (Deficiency) of Revenues Over Expenditures	106,800	417,700		417,700	215,508
Other Financing Sources (Uses):					
Transfer In	<u>200,000</u>				<u>200,000</u>
Net Change in Fund Balance	306,800	417,700		417,700	415,508
Fund Balance:					
Beginning of Year	<u>203,520</u>	<u>203,520</u>	<u> </u>	<u>203,520</u>	<u> </u>
End of Year	<u>\$ 510,320</u>	<u>\$ 621,220</u>	<u>\$ </u>	<u>\$ 621,220</u>	<u>\$ 415,508</u>

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VILLAGE OF BETHALTO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GARBAGE FUND
FOR THE YEAR ENDED APRIL 30, 2015

	<u>BUDGETED</u> <u>AMOUNTS</u>				<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u> <u>AND</u> <u>FINAL</u>	<u>ACTUAL</u> <u>GAAP</u> <u>BASIS</u>	<u>ADJUSTMENTS</u> <u>BUDGET</u> <u>BASIS</u>	<u>ACTUAL</u> <u>BUDGET</u> <u>BASIS</u>	
Revenues:					
Property Tax	\$ 107,000	\$ 106,894		\$ 106,894	\$ (106)
Charges for Services	<u>572,800</u>	<u>578,706</u>		<u>578,706</u>	<u>5,906</u>
Total Revenues	<u>679,800</u>	<u>685,600</u>		<u>685,600</u>	<u>5,800</u>
Expenditures:					
Current:					
General Government	<u>654,400</u>	<u>659,101</u>		<u>659,101</u>	<u>(4,701)</u>
Net Change in Fund Balance	25,400	26,499		26,499	1,099
Fund Balance:					
Beginning of Year	<u>1,703</u>	<u>1,703</u>	<u> </u>	<u>1,703</u>	<u> </u>
End of Year	<u>\$ 27,103</u>	<u>\$ 28,202</u>	<u>\$ </u>	<u>\$ 28,202</u>	<u>\$ 1,099</u>

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VILLAGE OF BETHALTO, ILLINOIS
NOTES TO BUDGETARY COMPARISONS
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED APRIL 30, 2015

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The Village prepares the budget on the modified accrual basis of accounting.

NOTE 2: EXPENDITURES OVER BUDGET

The following funds had expenditures over budget:

	<u>Actual</u>	<u>Budget</u>
Municipal Retirement/Social Security	\$ 277,133	\$ 259,500
Garbage	659,101	654,400

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VILLAGE OF BETHALTO, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENT FUNDS
 APRIL 30, 2015

	<u>CIVIL</u> <u>DEFENSE</u>	<u>AUDIT</u>	<u>LIABILITY</u> <u>INSURANCE</u>	<u>TIF</u>	<u>TOTAL</u>
<u>ASSETS</u>					
Cash and Cash Investments	\$ 3,835	\$ 5,423	\$ 102,092	\$ 13,339	\$ 124,689
Receivables (Net Where Applicable of Allowance for Doubtful Accounts):					
Property Tax	2,440	17,840	242,540	98,840	361,660
Other Funds				160,841	160,841
Prepaid Insurance	_____	_____	167,470	_____	167,470
 Total Assets	 <u>\$ 6,275</u>	 <u>\$ 23,263</u>	 <u>\$ 512,102</u>	 <u>\$ 273,020</u>	 <u>\$ 814,660</u>
<u>LIABILITIES, DEFERRED INFLOWS OF</u> <u>RESOURCES, AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable			\$ 155,812		\$ 155,812
Deferred Inflows of Resources:					
Unavailable Revenues	\$ 2,440	\$ 17,840	242,540	\$ 98,840	361,660
Fund Balance:					
Nonspendable			167,470		167,470
Restricted	3,835	5,423		174,180	226,587
Unassigned (Deficit)	_____	_____	(96,869)	_____	(96,869)
Total Fund Balance	<u>3,835</u>	<u>5,423</u>	<u>113,750</u>	<u>174,180</u>	<u>297,188</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 6,275</u>	 <u>\$ 23,263</u>	 <u>\$ 512,102</u>	 <u>\$ 273,020</u>	 <u>\$ 814,660</u>

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VILLAGE OF BETHALTO, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2015

	<u>CIVIL</u> <u>DEFENSE</u>	<u>AUDIT</u>	<u>LIABILITY</u> <u>INSURANCE</u>	<u>TIF</u>	<u>TOTAL</u>
Revenues:					
Property Tax	\$ <u>2,472</u>	\$ <u>14,014</u>	\$ <u>237,281</u>	\$ <u>94,638</u>	\$ <u>348,405</u>
Expenditures:					
Current:					
General Government		13,389	153,017		166,406
Public Safety	1,881				1,881
Development Services				2,422	2,422
Debt Service:					
Principal				475,799	475,799
Interest and Fiscal Charges				93,705	93,705
Total Expenditures	<u>1,881</u>	<u>13,389</u>	<u>153,017</u>	<u>571,926</u>	<u>740,213</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>591</u>	<u>625</u>	<u>84,264</u>	<u>(477,288)</u>	<u>(391,808)</u>
Other Financing Sources (Uses):					
Transfers In				<u>475,000</u>	<u>475,000</u>
Net Change in Fund Balance	591	625	84,264	(2,288)	83,192
Fund Balance:					
Beginning of Year	<u>3,244</u>	<u>4,798</u>	<u>29,486</u>	<u>176,468</u>	<u>213,996</u>
End of Year	<u>\$ 3,835</u>	<u>\$ 5,423</u>	<u>\$ 113,750</u>	<u>\$ 174,180</u>	<u>\$ 297,188</u>

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VILLAGE OF BETHALTO, ILLINOIS
 SCHEDULE OF TAXES EXTENDED AND COLLECTED
 APRIL 30, 2015

The following are the actual tax rates applicable by levy year to the various levies per \$100 of assessed valuation and the assessed valuation, tax extensions and collections:

	Maximum Levy	2014	2013	2012
General Government	\$.2500	\$ 0.2500	\$ 0.2500	\$ 0.2500
Street and Bridge	.1000	0.0545	0.0588	0.0611
Garbage	.2000	0.0823	0.0778	0.0598
Fire Protection	.2000	0.1551	0.1016	0.1022
Emergency Services	.0500	0.0018	0.0018	0.0017
Police Protection	.0750 *	0.0750	0.0750	0.0750
Liability Insurance	None	0.1793	0.1727	0.1416
Social Security	None	0.1275	0.0995	0.1243
Municipal Retirement	None	0.0952	0.1147	0.0950
Police Pension	None	0.2684	0.2714	0.2408
Audit	None	0.0132	0.0102	0.0091
Street Lighting	.0500	0.0500	0.0500	0.0500
Total		\$ <u>1.3523</u>	\$ <u>1.2835</u>	\$ <u>1.2106</u>

* Limited to .25 Per Capita

Assessed Valuation	\$ <u>136,665,889</u>	\$ <u>137,826,258</u>	\$ <u>140,034,660</u>
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Tax Extension by Levy:

General Government	\$ 341,665	\$ 344,566	\$ 350,087
Street and Bridge	74,483	81,042	85,561
Garbage	112,476	107,229	83,741
Fire Protection	211,969	140,031	143,115
Emergency Services	2,460	2,481	2,381
Police Protection	102,499	103,370	105,026
Liability Insurance	245,042	238,026	198,289
Social Security	174,249	137,137	174,063
Municipal Retirement	130,106	158,087	133,033
Police Pension	366,811	374,060	337,203
Audit	18,040	14,058	12,743
Street Lighting	68,333	68,913	70,017
Total	\$ <u>1,848,133</u>	\$ <u>1,769,000</u>	\$ <u>1,695,260</u>

Amounts Collected on Extensions	\$ <u>0</u>	\$ <u>1,764,613</u>	\$ <u>1,691,677</u>
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Percentage of Total Extensions Collected	<u>0.0 %</u>	<u>99.8 %</u>	<u>99.8 %</u>
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