

# VILLAGE OF BEECHER, ILLINOIS

---

## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2016

**VILLAGE OF BEECHER, ILLINOIS**

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## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Village's independent auditing firm.



**INDEPENDENT AUDITORS' REPORT**

August 17, 2016

The Honorable Village President  
Members of the Board of Trustees  
Village of Beecher, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beecher, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 of material misstatement.

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

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

**Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 Beecher, Illinois', basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

  
LAUTERBACH & AMEN, LLP



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

# VILLAGE OF BEECHER, ILLINOIS

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

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Our discussion and analysis of the Village of Beecher, Illinois (Village's) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2016. Please read it in conjunction with Village's financial statements, which begin on page 3.

### FINANCIAL HIGHLIGHTS

- The Village decrease beginning net position due mainly to the implementation of GASB Statement No. 68, which requires governments to report net pension liability and related deferred items on the financial statements for IMRF. Beginning net position of the governmental activities decreased \$305,103 and business-type activities by \$134,525 as a result of this implementation.
- The Village's net position decreased as a result of this year's operations. Net position of business-type activities decreased by \$196,992, or 1.2 percent and net position of the governmental activities decreased by \$648,658, or 3.6 percent.
- During the year, government-wide revenues totaled \$4,847,957, while expenses totaled \$5,693,607, resulting in a decrease to net position of \$845,650.
- The Village's net position totaled \$30,987,808 on April 30, 2016, which includes \$29,460,416 net investment in capital assets, \$545,631 subject to external restrictions, and \$981,761 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$113,435, resulting in ending fund balance of \$613,248, an increase of 22.7 percent.

### USING THIS ANNUAL REPORT

#### Government-Wide Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

# VILLAGE OF BEECHER, ILLINOIS

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

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

The Statement of Net Position (presented under the full accrual basis of accounting) reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base equalized assessed value and the condition of the roads as well as water and sewer systems, is needed to determine the overall health of the Village.

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

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

#### Fund Financial Statements

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

#### Governmental Funds

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

# VILLAGE OF BEECHER, ILLINOIS

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

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### USING THIS ANNUAL REPORT – Continued

#### Governmental Funds – Continued

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

The Village maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Joint Fuel Fund, which are considered major funds.

The Village adopts an annual appropriation ordinance for all of the governmental funds, except the Preserve Cardinal Creek Escrow Fund and the Nantucket Escrow Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

#### Proprietary Funds

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

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

The basic proprietary fund financial statements can be found on pages 11 - 13 of this report.

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 - 40 of this report.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 41 - 44 of this report. Individual fund budgetary schedules can be found on pages 45 - 61 of this report.

# VILLAGE OF BEECHER, ILLINOIS

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$30,987,808.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current Assets	\$ 2,448,001	2,582,216	1,007,825	1,063,008	3,455,826	3,645,224
Capital Assets	19,108,064	19,442,231	12,239,682	12,643,503	31,347,746	32,085,734
Deferred Outflows	199,859	-	88,121	-	287,980	-
Total Assets/Deferred Outflows	21,755,924	22,024,447	13,335,628	13,706,511	35,091,552	35,730,958
Long-Term Debt Outstanding	1,642,497	1,106,706	737,950	771,386	2,380,447	1,878,092
Other Liabilities	226,951	177,271	399,012	361,978	625,963	539,249
Deferred Inflows	1,051,322	931,400	46,012	-	1,097,334	931,400
Total Liabilities/Deferred Inflows	2,920,770	2,215,377	1,182,974	1,133,364	4,103,744	3,348,741
Net Position						
Net Investment in Capital Assets	18,001,358	18,286,510	11,459,058	11,509,468	29,460,416	29,795,978
Restricted	545,631	692,770	-	-	545,631	692,770
Unrestricted	288,165	829,790	693,596	1,063,679	981,761	1,893,469
Total Net Position	18,835,154	19,809,070	12,152,654	12,573,147	30,987,808	32,382,217

A large portion of the Village's net position, \$29,460,416 or 95.1 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$545,631 or 1.8 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 3.2 percent, or \$981,761, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

# VILLAGE OF BEECHER, ILLINOIS

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Governmental Activities		Changes in Net Position			
			Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 613,595	657,402	1,617,653	1,429,099	2,231,248	2,086,501
Operating Grants/Contrib.	111,498	-	-	-	111,498	-
General Revenues						
Property Taxes	941,023	928,292	-	-	941,023	928,292
State Income Taxes	464,550	414,611	-	-	464,550	414,611
State Sales Taxes	560,691	655,240	-	-	560,691	655,240
Other Taxes	272,785	283,496	183,714	210,254	456,499	493,750
Interest Income	2,342	2,200	1,106	1,112	3,448	3,312
Miscellaneous	55,421	21,469	23,579	5,300	79,000	26,769
Total Revenues	3,021,905	2,962,710	1,826,052	1,645,765	4,847,957	4,608,475
<b>Expenses</b>						
General Government	853,336	534,406	-	-	853,336	534,406
Public Safety	1,263,807	1,115,137	-	-	1,263,807	1,115,137
Public Works	1,237,325	1,154,428	-	-	1,237,325	1,154,428
Culture and Recreation	289,521	200,842	-	-	289,521	200,842
Interest on Long-Term Debt	71,214	53,716	-	-	71,214	53,716
Water and Sewer	-	-	1,694,513	1,542,546	1,694,513	1,542,546
Refuse	-	-	283,891	281,471	283,891	281,471
Total Expenses	3,715,203	3,058,529	1,978,404	1,824,017	5,693,607	4,882,546
Change in Net Position Before Transfers	(693,298)	(95,819)	(152,352)	(178,252)	(845,650)	(274,071)
Transfers	44,640	44,673	(44,640)	(44,673)	-	-
Change in Net Position	(648,658)	(51,146)	(196,992)	(222,925)	(845,650)	(274,071)
Net Position - Beginning as Restated	19,483,812	19,860,216	12,349,646	12,796,072	31,833,458	32,656,288
Net Position - Ending	18,835,154	19,809,070	12,152,654	12,573,147	30,987,808	32,382,217

Net position of the governmental activities decreased 3.6 percent (\$18,835,154 compared to the beginning total of \$19,483,812). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints was \$288,165.

Net position of business-type activities decreased 1.2 percent (\$12,152,654 compared to the beginning balance of \$12,349,646). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints was \$693,596.

# VILLAGE OF BEECHER, ILLINOIS

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

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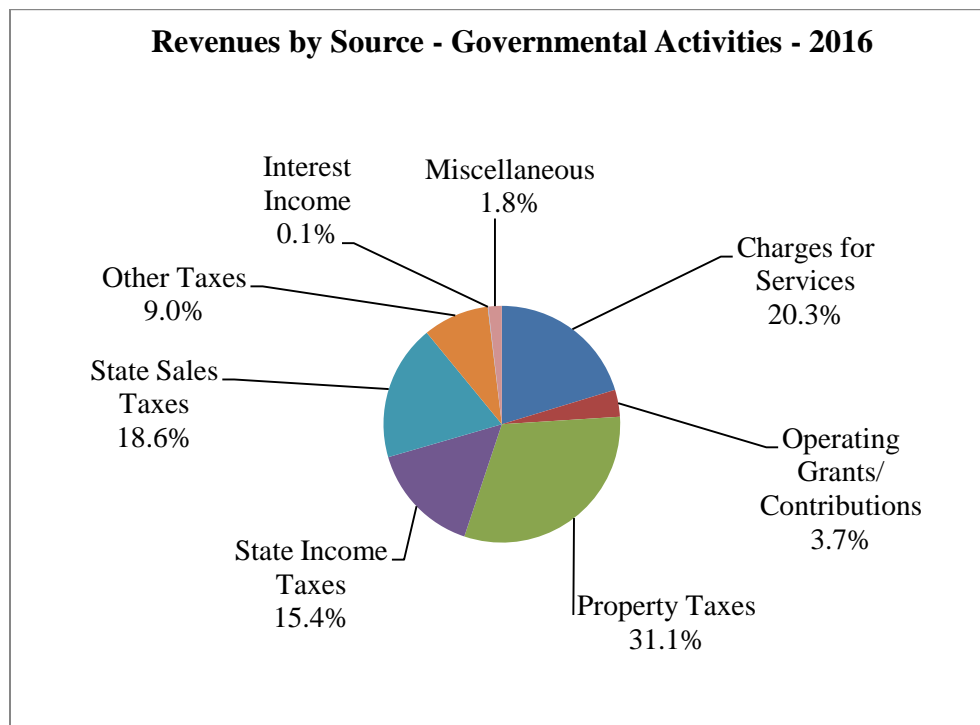
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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

Revenues for governmental activities totaled \$3,021,905, while the cost of all governmental functions totaled \$3,715,203. This results in a deficit of \$693,298 prior to transfers in of \$44,640. In 2015, expenses of \$1,978,404 exceeded revenues of \$1,826,052, resulting in a deficit of \$95,819 prior to transfers in of \$51,146. The deficit in 2016 is due primarily to the implementation of GASB Statement No. 68, which added \$160,156 in expenses and depreciation expense of \$403,702, in the current year.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, state income taxes and state sales taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from other taxes.



# VILLAGE OF BEECHER, ILLINOIS

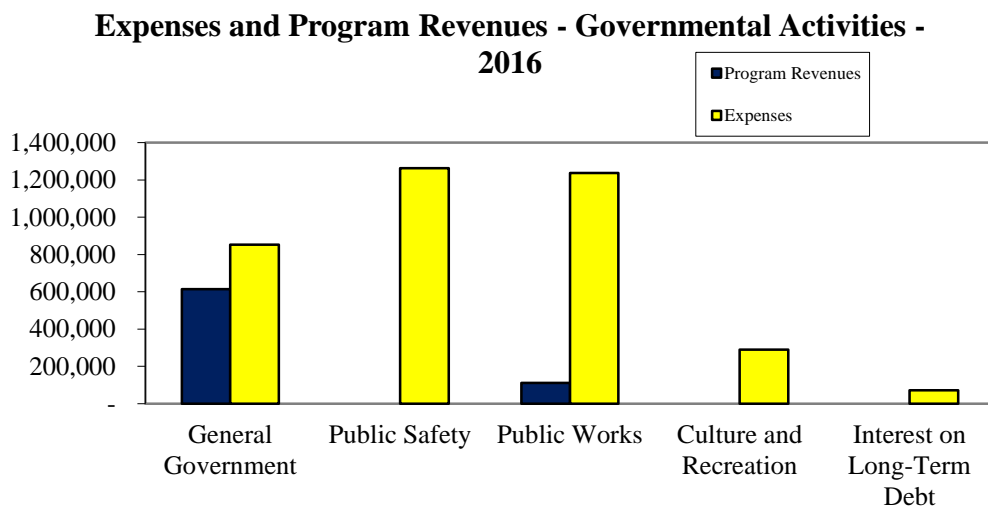
## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities – Continued

The following 'Expenses and Program Revenues' Tables identify those governmental functions where program expenses greatly exceed revenues. The Public Safety, Public Works and Culture and Recreation functions are run for the maintenance of the Village's public safety, parks and public buildings, and generally do not offer revenue producing programs.



#### Business-Type Activities

The following tables compare revenues to expenses in the Water and Sewer and Refuse Funds. Revenues of the Village's business-type activities were \$1,826,052, while expenses were \$1,978,404, resulting in a deficit of \$152,352 prior to transfers out of \$44,640. The deficit in 2016 is due primarily to the implementation of GASB Statement No. 68, which added \$70,615 in expenses in the current year.

The waterworks and sewerage systems are impacted in the prior fiscal year by such factors as leaking mains and service lines which decreased the billed to pumped ratio (these leaks were discovered and all have been repaired), meters which were found to be over-reading and through a process residents reimbursed approximately \$22,000 for these over charges from prior years, and \$14,000 in rebates given to purchasers of new single family homes as an incentive new home builders .



**VILLAGE OF BEECHER, ILLINOIS**

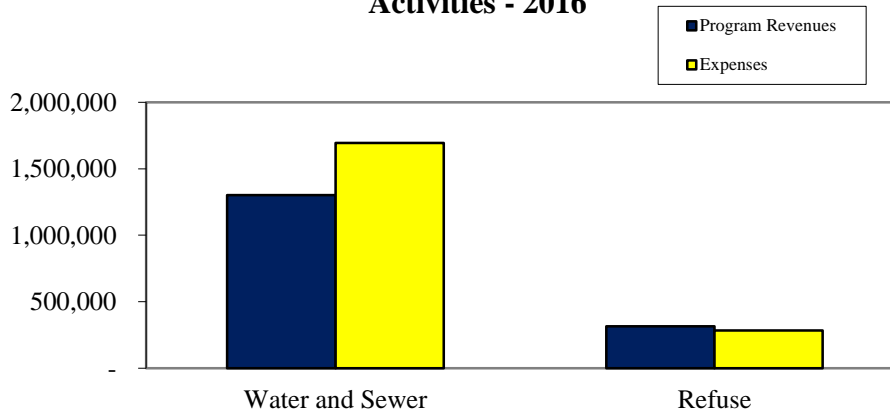
**Management's Discussion and Analysis  
April 30, 2016**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Business-Type Activities – Continued**

**Expenses and Program Revenues - Business-Type  
Activities - 2016**



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$1,168,819, which is \$80,043 less than the beginning fund balances of \$1,248,862. Of the \$1,168,819 total, \$500,701, or approximately 42.8 percent, of the fund balance constitutes unassigned fund balance.

# VILLAGE OF BEECHER, ILLINOIS

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

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

#### Governmental Funds – Continued

The General Fund reported a positive change in fund balance for the year of \$113,435, an increase of 22.7 percent. This was due in large part to revenues for intergovernmental items and miscellaneous being higher than budgeted. Specifically, the budgeted amount for these revenue sources totaled \$993,793 and the actual amount totaled \$1,061,289.

The General Fund is the chief operating fund of the Village. At April 30, 2016, unassigned fund balance in the General Fund was \$500,701, which represents 81.6 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 22.2 percent of total General Fund expenditures.

#### Proprietary funds

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

The Village reports the Water and Sewer Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer systems. The Village provides fresh water from three medium shaft ground supply wells and also owns and maintains its own wastewater treatment facility. The spread between purchase and usage rates is intended to finance the operations of the waterworks and sewerage systems, including labor costs, supplies, and infrastructure maintenance. The monthly service fees are intended for replacement and/or extension of infrastructure.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$2,384,757, compared to budgeted revenues of \$2,314,048. Revenues for intergovernmental items and miscellaneous items were slightly higher than budgeted due to increases in video gaming, income and use taxes.

The General Fund actual expenditures for the year were \$22,310 lower than budgeted (\$2,255,338 actual compared to \$2,277,648 budgeted). The general government, public works and culture and recreation functions' actual expenditures were lower than budgeted expenditures by \$26,050, \$5,437, and \$2,691, respectively. Public works function expenditures were over budget by \$11,868 due to higher than expected ash tree removal costs due to emerald ash borers.

**VILLAGE OF BEECHER, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2016**

**CAPITAL ASSETS**

The Village’s investment in capital assets for its governmental and business-type activities as of April 30, 2016 was \$31,347,746 (net of accumulated depreciation). This investment in capital assets includes land and right of way, construction in progress, land improvements, buildings, equipment and vehicles, storm sewers, transportation network, and water and sewer systems.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and Right of Way	\$ 6,723,745	6,723,745	69,255	69,255	6,793,000	6,793,000
Construction in Progress	57,858	57,858	-	-	57,858	57,858
Land Improvements	436,471	468,732	-	-	436,471	468,732
Buildings	1,108,306	1,133,789	-	-	1,108,306	1,133,789
Equipment and Vehicles	356,315	329,734	122,601	104,767	478,916	434,501
Storm Sewers	6,475,037	6,638,973	-	-	6,475,037	6,638,973
Transportation Network	3,950,332	4,089,400	-	-	3,950,332	4,089,400
Water System	-	-	6,075,728	6,270,003	-	-
Sewer System	-	-	5,972,098	6,199,478	5,972,098	6,199,478
<b>Total</b>	<b>19,108,064</b>	<b>19,442,231</b>	<b>12,239,682</b>	<b>12,643,503</b>	<b>25,272,018</b>	<b>25,815,731</b>

The capital expenses for fiscal year 2016 were:

Equipment and Vehicles \$ 113,615

Additional information on the Village’s capital assets can be found in note 3 on pages 25 - 26 of this report.

# VILLAGE OF BEECHER, ILLINOIS

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

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### DEBT ADMINISTRATION

At year-end, the Village had total outstanding debt of \$1,667,506 as compared to \$1,786,621 the previous year, a decrease of 6.7 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Total	
	Activities		Activities			
2016	2015	2016	2015	2016	2015	
General Obligation Bonds	\$ 1,000,000	1,020,000	-	-	1,000,000	1,020,000
Debt Certificates	106,706	135,721	-	-	106,706	135,721
IEPA Loans Payables	-	-	560,800	630,900	560,800	630,900
Total	1,106,706	1,155,721	560,800	630,900	1,667,506	1,786,621

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$7,939,718.

Additional information on the Village's long-term debt can be found in Note 3 on pages 28 - 30 of this report.

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

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

The Village has adopted a policy of increasing the property tax levy since 2011 while maintaining a balanced budget. This policy reduces the Village's ability to increase its expenditures for operating activities over an extended period of time. Video gaming revenue has been used to offset the impacts of the frozen tax levy. Aging water infrastructure has also caused the Village to increase its water rate by \$1.00 per 1,000 gallons with the proceeds from this rate increase being placed into the Watermain Replacement Account. The Village is also planning for a \$9.2 million wastewater treatment plant rehabilitation in 2019 and an additional 1/2% sales tax was adopted by referendum to fund these improvements. This new tax, along with existing debt collections, should be sufficient to pay the debt service on the new plant. However, increased operating costs of the new facility may require a sewer rate increase in 2019.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Administrator, 625 Dixie Highway, Beecher, IL 60401

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

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

**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Net Position**

**April 30, 2016**

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**See Following Page**

**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Net Position  
April 30, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 1,132,359	744,045	1,876,404
Receivables - Net	946,967	291,549	1,238,516
Due from Other Governments	228,643	-	228,643
Internal Balances	72,420	(72,420)	-
Prepays	67,612	44,651	112,263
Total Current Assets	<u>2,448,001</u>	<u>1,007,825</u>	<u>3,455,826</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	6,781,603	69,255	6,850,858
Depreciable Capital Assets	16,083,896	19,226,394	35,310,290
Accumulated Depreciation	<u>(3,757,435)</u>	<u>(7,055,967)</u>	<u>(10,813,402)</u>
Total Noncurrent Assets	<u>19,108,064</u>	<u>12,239,682</u>	<u>31,347,746</u>
Total Assets	<u>21,556,065</u>	<u>13,247,507</u>	<u>34,803,572</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	<u>199,859</u>	<u>88,121</u>	<u>287,980</u>
Total Assets and Deferred Outflows of Resources	<u>21,755,924</u>	<u>13,335,628</u>	<u>35,091,552</u>

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 117,879	85,727	203,606
Accrued Payroll	31,701	13,978	45,679
Accrued Interest Payable	15,289	9,383	24,672
Current Portion of Long-Term Debt	62,082	289,924	352,006
Total Current Liabilities	226,951	399,012	625,963
Noncurrent Liabilities			
Compensated Absences Payable	29,689	-	29,689
Net Pension Liability - IMRF	560,762	247,250	808,012
General Obligation Bonds Payable	975,000	-	975,000
Debt Certificates Payable	77,046	490,700	567,746
Total Noncurrent Liabilities	1,642,497	737,950	2,380,447
Total Liabilities	1,869,448	1,136,962	3,006,410
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	104,355	46,012	150,367
Property Taxes	946,967	-	946,967
Total Deferred Inflows of Resources	1,051,322	46,012	1,097,334
Total Liabilities and Deferred Inflows of Resources	2,920,770	1,182,974	4,103,744
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,001,358	11,459,058	29,460,416
Restricted - Ribbon of Hope	12,478	-	12,478
Restricted - Veterans Memorial	11,882	-	11,882
Restricted - Nuisance Abatement	16,161	-	16,161
Restricted - Asset Forfeiture	595	-	595
Restricted - Newsletter	3,819	-	3,819
Restricted - Joint Fuel	47,635	-	47,635
Restricted - Motor Fuel Tax	121,809	-	121,809
Restricted - Capital Improvements	331,252	-	331,252
Unrestricted	288,165	693,596	981,761
Total Net Position	18,835,154	12,152,654	30,987,808

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



**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Activities  
For the Fiscal Year Ended April 30, 2016**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 853,336	613,595	-	-
Public Safety	1,263,807	-	-	-
Public Works	1,237,325	-	111,498	-
Culture and Recreation	289,521	-	-	-
Interest on Long-Term Debt	71,214	-	-	-
Total Governmental Activities	3,715,203	613,595	111,498	-
<b>Business-Type Activities</b>				
Water and Sewer	1,694,513	1,302,725	-	-
Refuse	283,891	314,928	-	-
Total Business-Type Activities	1,978,404	1,617,653	-	-
Total Primary Government	5,693,607	2,231,248	111,498	-

General Revenues  
 Taxes  
   Property  
   Telecommunications  
   Gaming  
   Utility  
 Intergovernmental - Unrestricted  
   State Income Taxes  
   State Sales Taxes  
   Replacement Taxes  
   Other Taxes  
 Investment Income  
 Miscellaneous  
 Transfers - Internal Activity

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(239,741)	-	(239,741)
(1,263,807)	-	(1,263,807)
(1,125,827)	-	(1,125,827)
(289,521)	-	(289,521)
(71,214)	-	(71,214)
(2,990,110)	-	(2,990,110)
-	(391,788)	(391,788)
-	31,037	31,037
-	(360,751)	(360,751)
(2,990,110)	(360,751)	(3,350,861)
941,023	-	941,023
114,462	-	114,462
31,581	-	31,581
-	183,714	183,714
464,550	-	464,550
560,691	-	560,691
7,468	-	7,468
119,274	-	119,274
2,342	1,106	3,448
55,421	23,579	79,000
44,640	(44,640)	-
2,341,452	163,759	2,505,211
(648,658)	(196,992)	(845,650)
19,483,812	12,349,646	31,833,458
18,835,154	12,152,654	30,987,808

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

**VILLAGE OF BEECHER, ILLINOIS**

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

	General	Special Revenue Joint Fuel	Nonmajor	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 586,210	36,016	471,733	1,093,959
Receivables - Net of Allowances				
Taxes	946,967	-	-	946,967
Due from Other Governments	186,043	13,477	29,123	228,643
Due from Other Funds	-	-	28,584	28,584
Prepays	67,612	-	-	67,612
Total Assets	<u>1,786,832</u>	<u>49,493</u>	<u>529,440</u>	<u>2,365,765</u>
<b>LIABILITIES</b>				
Accounts Payable	94,517	1,858	21,504	117,879
Accrued Payroll	31,701	-	-	31,701
Advances to Other Funds	71,815	-	-	71,815
Due to Other Funds	28,584	-	-	28,584
Total Liabilities	<u>226,617</u>	<u>1,858</u>	<u>21,504</u>	<u>249,979</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	946,967	-	-	946,967
Total Liabilities and Deferred Inflows of Resources	<u>1,173,584</u>	<u>1,858</u>	<u>21,504</u>	<u>1,196,946</u>
<b>FUND BALANCES</b>				
Nonspendable	67,612	-	-	67,612
Restricted	44,935	47,635	454,127	546,697
Committed	-	-	53,809	53,809
Unassigned	500,701	-	-	500,701
Total Fund Balances	<u>613,248</u>	<u>47,635</u>	<u>507,936</u>	<u>1,168,819</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,786,832</u>	<u>49,493</u>	<u>529,440</u>	<u>2,365,765</u>

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

**VILLAGE OF BEECHER, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Position - Governmental Activities**

**April 30, 2016**

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**Total Governmental Fund Balances** \$ 1,168,819

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial  
resources and therefore, are not reported in the funds. 19,108,064

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.  
Deferred Items - IMRF 95,504

Internal service funds are used by the Village to charge the costs of  
central services and vehicle replacement to individual funds. The assets and liabilities  
of the internal service funds are included in the governmental activities  
in the Statement of Net Position. 182,635

Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

Compensated Absences Payable	(37,111)
Net Pension Liability - IMRF	(560,762)
General Obligation Bonds Payable	(1,000,000)
Debt Certificates Payable	(106,706)
Accrued Interest Payable	<u>(15,289)</u>

**Net Position of Governmental Activities** 18,835,154

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

**VILLAGE OF BEECHER, ILLINOIS**

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

	General	Special Revenue		Totals
		Joint Fuel	Nonmajor	
<b>Revenues</b>				
Taxes	\$ 1,087,066	-	-	1,087,066
Intergovernmental	1,014,520	-	248,961	1,263,481
Charges for Services	86,966	181,256	197,220	465,442
Licenses and Permits	69,327	-	-	69,327
Fines and Forfeitures	78,826	-	-	78,826
Investment Income	1,283	153	906	2,342
Miscellaneous	46,769	-	8,652	55,421
<b>Total Revenues</b>	<b>2,384,757</b>	<b>181,409</b>	<b>455,739</b>	<b>3,021,905</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	576,163	-	-	576,163
Public Safety	1,249,235	-	-	1,249,235
Public Works	388,675	180,743	88,148	657,566
Culture and Recreation	41,265	-	207,596	248,861
Capital Outlay	-	-	321,823	321,823
Debt Service				
Principal Retirement	-	-	49,015	49,015
Interest and Fiscal Charges	-	-	55,925	55,925
<b>Total Expenditures</b>	<b>2,255,338</b>	<b>180,743</b>	<b>722,507</b>	<b>3,158,588</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>129,419</b>	<b>666</b>	<b>(266,768)</b>	<b>(136,683)</b>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	12,000	-	-	12,000
Transfers In	45,264	-	73,248	118,512
Transfers Out	(73,248)	-	(624)	(73,872)
	(15,984)	-	72,624	56,640
<b>Net Change in Fund Balances</b>	<b>113,435</b>	<b>666</b>	<b>(194,144)</b>	<b>(80,043)</b>
<b>Fund Balances - Beginning as Restated</b>	<b>499,813</b>	<b>46,969</b>	<b>702,080</b>	<b>1,248,862</b>
<b>Fund Balances - Ending</b>	<b>613,248</b>	<b>47,635</b>	<b>507,936</b>	<b>1,168,819</b>

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

**VILLAGE OF BEECHER, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities**

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

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**Net Change in Fund Balances - Total Governmental Funds** \$ (80,043)

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

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	69,535
Depreciation Expense	(403,702)

Revenues/Expenses that are deferred in the funds financial statement because it is not  
available and recognized as revenues/expenses in the government-wide financial statements. (99,490)

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.  
Change in Deferred Items - IMRF 1,312

Internal service funds are used by the Village to charge the costs of  
insurance to individual funds. The net revenue of certain activities  
of internal service funds is reported with governmental activities. 8,427

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Additions to Compensated Absences Payable	(16,956)
Additions to Net Pension Liability - IMRF	(161,467)
Retirement of Debt	49,015

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds. (15,289)

**Changes in Net Position of Governmental Activities** (648,658)

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

**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Net Position - Proprietary Funds**  
**April 30, 2016**

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**See Following Page**

**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2016**

<b>ASSETS</b>	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Refuse</u>	<u>Totals</u>	<u>Internal Service Capital Equipment Replacement</u>
Current Assets				
Cash and Investments	\$ 682,717	61,328	744,045	38,400
Receivables - Net of Allowances				
Taxes	24,245	-	24,245	-
Accounts	207,531	59,773	267,304	-
Advances from Other Funds	-	-	-	144,235
Prepays	44,651	-	44,651	-
Total Current Assets	<u>959,144</u>	<u>121,101</u>	<u>1,080,245</u>	<u>182,635</u>
Noncurrent Assets				
Nondepreciable Capital Assets	69,255	-	69,255	-
Depreciable Capital Assets	19,186,494	39,900	19,226,394	-
Accumulated Depreciation	(7,020,057)	(35,910)	(7,055,967)	-
Total Noncurrent Assets	<u>12,235,692</u>	<u>3,990</u>	<u>12,239,682</u>	<u>-</u>
Total Assets	<u>13,194,836</u>	<u>125,091</u>	<u>13,319,927</u>	<u>182,635</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	88,121	-	88,121	-
Total Assets and Deferred Outflows of Resources	<u>13,282,957</u>	<u>125,091</u>	<u>13,408,048</u>	<u>182,635</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	63,102	22,625	85,727	-
Accrued Payroll	13,978	-	13,978	-
Advances to Other Funds	72,420	-	72,420	-
Accrued Interest Payable	9,383	-	9,383	-
Current Portion of Long-Term Debt	289,924	-	289,924	-
Total Current Liabilities	<u>448,807</u>	<u>22,625</u>	<u>471,432</u>	<u>-</u>
Noncurrent Liabilities				
Net Pension Liability - IMRF	247,250	-	247,250	-
Debt Certificate Payable	490,700	-	490,700	-
Total Noncurrent Liabilities	<u>737,950</u>	<u>-</u>	<u>737,950</u>	<u>-</u>
Total Liabilities	<u>1,186,757</u>	<u>22,625</u>	<u>1,209,382</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	46,012	-	46,012	-
Total Liabilities and Deferred Inflows of Resources	<u>1,232,769</u>	<u>22,625</u>	<u>1,255,394</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	11,455,068	3,990	11,459,058	-
Unrestricted	595,120	98,476	693,596	182,635
Total Net Position	<u>12,050,188</u>	<u>102,466</u>	<u>12,152,654</u>	<u>182,635</u>

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



**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended April 30, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Refuse</u>	<u>Totals</u>	<u>Internal Service Capital Equipment Replacement</u>
Operating Revenues				
Charges for Services	\$ 1,302,725	314,928	1,617,653	-
Interfund Services	-	-	-	8,427
Total Operating Revenues	<u>1,302,725</u>	<u>314,928</u>	<u>1,617,653</u>	<u>8,427</u>
Operating Expenses				
Operations	1,262,116	279,901	1,542,017	-
Depreciation	443,911	3,990	447,901	-
Total Operating Expenses	<u>1,706,027</u>	<u>283,891</u>	<u>1,989,918</u>	<u>-</u>
Operating Income (Loss)	<u>(403,302)</u>	<u>31,037</u>	<u>(372,265)</u>	<u>8,427</u>
Nonoperating Revenues (Expenses)				
Disposal of Capital Assets	35,000	-	35,000	-
Investment Income	1,013	93	1,106	-
Utility Tax	183,714	-	183,714	-
Other Income	8,556	7,188	15,744	-
Connection Fees	7,835	-	7,835	-
Interest Expense	(23,486)	-	(23,486)	-
	<u>212,632</u>	<u>7,281</u>	<u>219,913</u>	<u>-</u>
Income (Loss) Before Transfers	<u>(190,670)</u>	<u>38,318</u>	<u>(152,352)</u>	<u>8,427</u>
Transfers Out	<u>(20,000)</u>	<u>(24,640)</u>	<u>(44,640)</u>	<u>-</u>
Change in Net Position	<u>(210,670)</u>	<u>13,678</u>	<u>(196,992)</u>	<u>8,427</u>
Net Position - Beginning as Restated	<u>12,260,858</u>	<u>88,788</u>	<u>12,349,646</u>	<u>174,208</u>
Net Position - Ending	<u>12,050,188</u>	<u>102,466</u>	<u>12,152,654</u>	<u>182,635</u>

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

**VILLAGE OF BEECHER, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended April 30, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Refuse</u>	<u>Totals</u>	<u>Internal Service Capital Equipment Replacement</u>
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 1,472,707	311,115	1,783,822	(13,158)
Payments to Employees	(420,209)	-	(420,209)	-
Payments to Suppliers	(659,325)	(279,896)	(939,221)	-
Payments for Interfund Services	-	-	-	8,427
	<u>393,173</u>	<u>31,219</u>	<u>424,392</u>	<u>(4,731)</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(20,000)	(24,640)	(44,640)	-
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(44,080)	-	(44,080)	-
Disposal of Capital Asset	(35,000)	-	(35,000)	-
Retirement of Debt	(283,200)	-	(283,200)	-
Interest Expense	(23,486)	-	(23,486)	-
	<u>(385,766)</u>	<u>-</u>	<u>(385,766)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment Income	1,013	93	1,106	-
Net Change in Cash and Cash Equivalents	(11,580)	6,672	(4,908)	(4,731)
Cash and Cash Equivalents - Beginning	694,297	54,656	748,953	43,131
Cash and Cash Equivalents - Ending	<u>682,717</u>	<u>61,328</u>	<u>744,045</u>	<u>38,400</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(403,302)	31,037	(372,265)	8,427
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation Expense	443,911	3,990	447,901	-
Other Income	200,105	7,188	207,293	-
(Increase) Decrease in Current Assets	(30,123)	(11,001)	(41,124)	(13,158)
Increase (Decrease) in Current Liabilities	182,582	5	182,587	-
Net Cash Provided by Operating Activities	<u>393,173</u>	<u>31,219</u>	<u>424,392</u>	<u>(4,731)</u>

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

# VILLAGE OF BEECHER, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Beecher (Village), Illinois, is a municipal corporation governed by an elected board. The Village operates under a Trustee-Village form of government and provides the following services: public safety, parks and recreation, public works, and water, sewer and refuse collection services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP in the United States). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations).

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

#### BASIS OF PRESENTATION

##### Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, public works, culture and recreation, and general administrative services are classified as governmental activities. The Village's water and sewer services and refuse services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

## VILLAGE OF BEECHER, ILLINOIS

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

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

##### BASIS OF PRESENTATION – Continued

##### Government-Wide Financial Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, culture and recreation, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

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

##### Fund Financial Statements

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

# VILLAGE OF BEECHER, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

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

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

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

#### Governmental Funds

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

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

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains five special revenue funds. The Joint Fuel Fund, a major fund, is used to account for the activities related to joint fuel purchase and consumption under intergovernmental agreements administered by the Village. Revenues reflect sales of fuel to other governments and the associated costs of fuel as an expenditure.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a nonmajor fund.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains four nonmajor capital projects funds.

## VILLAGE OF BEECHER, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Proprietary Funds

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

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

**Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund. The Capital Equipment Replacement Fund is used to account for the replacement of vehicles and equipment owned by the Village for street maintenance, water and sewer systems, refuse collection, and parks and recreation. The Village's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

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

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

# VILLAGE OF BEECHER, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

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

##### Measurement Focus – Continued

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

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

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

## VILLAGE OF BEECHER, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

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

###### Basis of Accounting – Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, and of the Village's internal service funds are charges to customers for sales and services.

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

###### Cash and Investments

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

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

###### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.



## VILLAGE OF BEECHER, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

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

##### Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants. Business-type activities report charges for services as their major receivables.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and storm sewers are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

**VILLAGE OF BEECHER, ILLINOIS**

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

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

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

**Capital Assets – Continued**

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	30 - 50 Years
Land Improvements	30 - 50 Years
Equipment and Vehicles	5 - 15 Years
Water and Sewer Systems	20 - 50 Years
Transportation Network	10 - 40 Years

**Compensated Absences**

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

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

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

# VILLAGE OF BEECHER, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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

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

##### Long-Term Obligations

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

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

##### Net Position

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**BUDGETARY INFORMATION**

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

The Village Board receives a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of the annual appropriation ordinance. Responsibility for control of and amendments to the budget rests with the Village Board.

Budget data is reported under the modified accrual basis of accounting.

The budget was not amended during fiscal year 2016.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
July 4th Commission	\$ 60,374

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

**DEPOSITS AND INVESTMENTS**

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

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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

## VILLAGE OF BEECHER, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

##### DEPOSITS AND INVESTMENTS – Continued

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

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$1,866,936 and the bank balances totaled \$1,893,403. In addition, the Village has \$9,468 invested in the Illinois Funds at year-end.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, no investment shall exceed two years' maturity, unless approved by President and Board of Trustees or there is no interest penalty or finance charge for withdrawal of the funds. The Illinois Funds has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not mitigate credit risk. At year-end, the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires that any funds exceeding FDIC insurance amounts and deposited in financial institution shall be collateralized using publicly issued securities. The collateral amount shall be a minimum of 110% of the amount being collateralized. At year-end, all deposits were covered by FDIC insurance or collateral held by the Village or safekeeping in the Village's name.

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

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village has no investments that represent 5% or more of the total cash and investment portfolio.

##### **PROPERTY TAXES**

Property taxes for 2015 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). The county installments are due June 1 and September 1. The counties collect such taxes and remit them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land and Right of Way	\$ 6,723,745	-	-	6,723,745
Construction in Progress	57,858	-	-	57,858
	<u>6,781,603</u>	-	-	<u>6,781,603</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	674,755	-	-	674,755
Buildings	1,233,361	-	-	1,233,361
Equipment and Vehicles	557,425	69,535	-	626,960
Storm Sewers	8,196,794	-	-	8,196,794
Transportation Network	5,352,026	-	-	5,352,026
	<u>16,014,361</u>	<u>69,535</u>	-	<u>16,083,896</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	206,023	32,261	-	238,284
Buildings	99,572	25,483	-	125,055
Equipment and Vehicles	227,691	42,954	-	270,645
Storm Sewers	1,557,821	163,936	-	1,721,757
Transportation Network	1,262,626	139,068	-	1,401,694
	<u>3,353,733</u>	<u>403,702</u>	-	<u>3,757,435</u>
<b>Total Net Depreciable Capital Assets</b>	<u>12,660,628</u>	<u>(334,167)</u>	-	<u>12,326,461</u>
<b>Total Net Capital Assets</b>	<u>19,442,231</u>	<u>(334,167)</u>	-	<u>19,108,064</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 8,999
Public Safety	14,572
Public Works	339,471
Culture and Recreation	<u>40,660</u>
	<u>403,702</u>

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 69,255	-	-	69,255
Depreciable Capital Assets				
Equipment and Vehicles	556,273	44,080	-	600,353
Water System	8,564,023	-	-	8,564,023
Sewer System	10,062,018	-	-	10,062,018
	<u>19,182,314</u>	<u>44,080</u>	<u>-</u>	<u>19,226,394</u>
Less Accumulated Depreciation				
Equipment and Vehicles	451,506	26,246	-	477,752
Water System	2,294,020	194,275	-	2,488,295
Sewer System	3,862,540	227,380	-	4,089,920
	<u>6,608,066</u>	<u>447,901</u>	<u>-</u>	<u>7,055,967</u>
Total Net Depreciable Capital Assets	<u>12,574,248</u>	<u>(403,821)</u>	<u>-</u>	<u>12,170,427</u>
Total Net Capital Assets	<u><u>12,643,503</u></u>	<u><u>(403,821)</u></u>	<u><u>-</u></u>	<u><u>12,239,682</u></u>

Depreciation expense was charged to business-type as follows:

Water	\$ 196,605
Sewer	247,306
Refuse	<u>3,990</u>
	<u><u>447,901</u></u>

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

Interfund balances are advances in anticipation of receipts. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental	General	<u>\$ 28,584</u>

**Interfund Advances**

Interfund advances represent payments for capital assets on behalf of these funds. These amounts will be paid over several years. Interfund advances as of the date of this report are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Equipment Replacement	General	\$ 71,815
Capital Equipment Replacement	Water and Sewer	<u>72,420</u>
		<u>144,235</u>

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 624
General	Water and Sewer	20,000
General	Refuse	24,640
Nonmajor Governmental	General	<u>73,248</u>
		<u>118,512</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

The Village transferred the remaining fund balance in the Park Improvement Fund, a Nonmajor Governmental Fund, to the General Fund as of April 30, 2016.



**VILLAGE OF BEECHER, ILLINOIS**

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

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

**LONG-TERM DEBT**

**General Obligation Bonds**

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,100,000 General Obligation Bonds of 2009, due in annual installments of \$15,000 to \$165,000 plus interest at 3.00% to 5.45% through January 15, 2029.	Debt Service	\$ 1,020,000	-	20,000	1,000,000

**IEPA Loans Payable**

The Village has entered into loan agreements with the IEPA to provide low interest financing for water and sewer improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,284,120 IEPA Loan Payable of 1996 due in semi-annual installments of \$112,536 through December 1, 2016, including interest at 3.15%.	Water and Sewer	\$ 432,924	-	213,100	219,824

**Debt Certificates**

The Village issues debt certificates to provide funds for the acquisition of capital equipment. Debt Certificates are direct obligations and pledge the full faith and credit of the Village. Debt Certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$701,000 General Obligation Limited Tax Debt Certificate of 2013 due in annual installments of \$70,100 through May 14, 2023, plus interest at 2.50%.	Water and Sewer	\$ 630,900	-	70,100	560,800

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**LONG-TERM DEBT – Continued**

**Debt Certificates – Continued**

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$150,000 Debt Certificate of 2014 due in annual installments of \$31,692 through October 15, 2019, including interest at 2.15%.	Public Infrastructure	\$ 135,721	-	29,015	106,706
		766,621	-	99,115	667,506

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 20,155	33,912	16,956	37,111	7,422
Net Pension Liability - IMRF	399,295	161,467	-	560,762	-
General Obligation Bonds	1,020,000	-	20,000	1,000,000	25,000
Debt Certificates	135,721	-	29,015	106,706	29,660
	<u>1,575,171</u>	<u>195,379</u>	<u>65,971</u>	<u>1,704,579</u>	<u>62,082</u>
<b>Business-Type Activities</b>					
Net Pension Liability - IMRF	176,058	71,192	-	247,250	-
IEPA Loans Payable	432,924	-	213,100	219,824	219,824
Debt Certificates	630,900	-	70,100	560,800	70,100
	<u>1,239,882</u>	<u>71,192</u>	<u>283,200</u>	<u>1,027,874</u>	<u>289,924</u>

For governmental activities, the compensated absences and the net pension liability are generally liquidated by the General Fund. The general obligation bonds are being liquidated by the Debt Service Fund. In addition, the Debt Certificates are being liquidated by the Public Infrastructure Fund.

For business-type activities, the net pension liability, the IEPA Loans Payable and the Debt Certificates are being liquidated by the Water and Sewer Fund.

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**LONG-TERM DEBT – Continued**

**Legal Debt Margin**

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

Assessed Valuation - 2015	<u>\$ 92,054,706</u>
Legal Debt Limit - 8.625% of Assessed Value	7,939,718
Amount of Debt Applicable to Limit	<u>1,106,706</u>
Legal Debt Margin	<u>6,833,012</u>

**Debt Service Requirements to Maturity**

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

Fiscal Year	Governmental Activities				Business-Type Activities			
	General		Debt		IEPA		Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 25,000	52,418	29,660	2,032	219,824	5,208	70,100	13,358
2018	25,000	51,355	30,313	1,379	-	-	70,100	11,542
2019	30,000	50,218	30,981	711	-	-	70,100	9,765
2020	40,000	48,793	15,752	94	-	-	70,100	7,988
2021	45,000	46,873	-	-	-	-	70,100	6,231
2022	55,000	44,623	-	-	-	-	70,100	4,435
2023	65,000	41,763	-	-	-	-	70,100	2,658
2024	80,000	38,350	-	-	-	-	70,100	881
2025	90,000	34,110	-	-	-	-	-	-
2026	110,000	29,340	-	-	-	-	-	-
2027	125,000	23,510	-	-	-	-	-	-
2028	145,000	16,823	-	-	-	-	-	-
2029	165,000	8,993	-	-	-	-	-	-
Totals	1,000,000	487,169	106,706	4,216	219,824	5,208	560,800	56,858

# VILLAGE OF BEECHER, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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

#### NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of April 30, 2016:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	19,108,064
Less Capital Related Debt:		
General Obligation Bonds of 2009		(1,000,000)
Debt Certificate of 2014		<u>(106,706)</u>
Net Investment in Capital Assets		<u>18,001,358</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		12,239,682
Less Capital Related Debt:		
IEPA Loan Payable		(219,824)
General Obligation Limited Tax Debt Certificate of 2013		<u>(560,800)</u>
Net Investment in Capital Assets		<u>11,459,058</u>

#### NET POSITION/FUND BALANCE RESTATEMENTS

Net position was restated due to the implementation of GASB Statement No. 68 in the Governmental Activities and Water and Sewer Fund. Also, compensated absences are now recorded in the Governmental Activities. In addition, beginning fund balance in the General Fund was restated to for several prior period adjustments of receivables and payables. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 19,809,070	19,483,812	(325,258)
Business-Type Activities	12,573,147	12,349,646	(223,501)
Water and Sewer	12,395,383	12,260,858	(134,525)
General	670,524	499,813	(170,711)

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**FUND BALANCE CLASSIFICATIONS**

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

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

	General	Special Revenue Joint Fuel	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 67,612	-	-	67,612
Restricted				
Ribbon of Hope	12,478	-	-	12,478
Veterans Memorial	11,882	-	-	11,882
Nuisance Abatement	16,161	-	-	16,161
Asset Forfeiture	595	-	-	595
Newsletter	3,819	-	-	3,819
Joint Fuel	-	47,635	-	47,635
Motor Fuel Tax	-	-	121,809	121,809
Debt Service	-	-	1,066	1,066
Capital Improvements	-	-	331,252	331,252
	44,935	47,635	454,127	546,697
Committed				
Beautification and Festivals	-	-	48,897	48,897
Youth Programs	-	-	4,912	4,912
	-	-	53,809	53,809
Unassigned	500,701	-	-	500,701
Total Fund Balances	613,248	47,635	507,936	1,168,819

**Minimum Fund Balance Policy.** The Village has established a fund balance policy for the General Fund. The policy requires unassigned fund balance to be maintained in the General Fund equivalent to \$250,000.

**VILLAGE OF BEECHER, ILLINOIS**

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

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

**FUND BALANCE CLASSIFICATIONS**

**Committed Fund Balance.** The Village reports committed fund balance in the July 4<sup>th</sup> Commission Fund, the Beautification Fund and in the Youth Commission Fund, all nonmajor funds. Board approval (ordinance and/or resolution) is required to establish, modify or rescind a fund balance commitment. The Village’s Board has committed the funds through formal Board action by passing an ordinance for future culture and recreation expenditures.

**NOTE 4 – OTHER INFORMATION**

**RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; natural disasters; illness of employees; and injuries to the Village’s employees. The Village purchases third party indemnity insurance for employee health, dental, and vision.

**Eastern Will Council of Mayors for Health Management (Eastern Will)**

The Village is also a member of an organization of municipalities forming the Eastern Will Council of Mayors for Health Management (Eastern Will) which participates in the Intergovernmental Personnel Benefits Cooperative (IPBC), a cooperative formed for the purpose of administering personnel health benefit programs for its member units’ employees. The Eastern Will Board of Directors is represented by a delegate from each of the members.

Eastern Will members’ costs of the IPBC Administrative Fund and Benefit Pool, as calculated by IPBC, are shared by each member in the same proportion as its participating employees bear to the total participating employees of eastern Will. Benefit Pool Costs are calculated based on health programs as follows:

	PPO	HMO
Member Responsible	Claims under \$30,000	Claims under \$75,000
Shared Among Members of IPBC	Claims between \$30,000 and \$125,000	
Reinsured	Claims over \$125,000	Claims over \$75,000

The Village’s payments are recorded in the financial statements as expenditures/expenses in the appropriate funds, and reflect its share of premium payments and any deficits of Eastern Will. Dividends declared by IPBC allocable to Eastern Will are available to reduce future premium payments.

In September, 2014 the police personnel began health insurance coverage under a separate health and welfare policy with the Teamsters Local 727.

## **VILLAGE OF BEECHER, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2016**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **COMMITMENTS**

The Village has entered into an agreement with the Villages of University Park, Crete, Peotone, Monee and the Fire Protection Districts of Beecher, Monee, and Crete Township for maintenance and operations of a centralized public safety communications system. During fiscal year ended April 30, 2016, the Village paid \$98,329 to Eastern Will County Communication Center.

##### **CONTINGENT LIABILITIES**

###### **Litigation**

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

###### **Grants**

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

##### **SALES TAX REBATE AGREEMENTS**

The Village has entered into sales tax rebate agreements with various entities for periods of varying length and maturities. During 2016, rebates amounted to \$134,959.

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN**

###### **Illinois Municipal Retirement Fund (IMRF)**

The Village the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

## VILLAGE OF BEECHER, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

##### Plan Descriptions

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

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

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

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

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



# VILLAGE OF BEECHER, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Plan Descriptions – Continued

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

Inactive Plan Members Currently Receiving Benefits	7
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>21</u>
Total	<u><u>37</u></u>

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 11.39% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.48%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

**VILLAGE OF BEECHER, ILLINOIS**

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

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**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Plan Descriptions – Continued**

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

**Discount Rate**

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

**Discount Rate Sensitivity**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability	\$ 1,649,977	808,012	136,981

**VILLAGE OF BEECHER, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2016**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 4,844,868	4,269,515	575,353
Changes for the year:			
Service Cost	145,091	-	145,091
Interest on the Total Pension Liability	363,567	-	363,567
Difference Between Expected and Actual Experience of the Total Pension Liability	(176,431)	-	(176,431)
Changes of Assumptions	7,594	-	7,594
Contributions - Employer	-	135,725	(135,725)
Contributions - Employees	-	53,623	(53,623)
Net Investment Income	-	21,504	(21,504)
Benefit Payments, including Refunds of Employee Contributions	(126,752)	(126,752)	-
Other (Net Transfer)	-	(103,690)	103,690
Net Changes	213,069	(19,590)	232,659
Balances at December 31, 2015	5,057,937	4,249,925	808,012

**VILLAGE OF BEECHER, ILLINOIS**

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

**NOTE 4 – OTHER INFORMATION – Continued**

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

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

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

For the year ended April 30, 2016, the Village recognized pension expense of \$230,771. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(150,367)	(150,367)
Change in Assumptions	6,472	-	6,472
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	237,735	-	237,735
Pension Contributions Made Subsequent to the Measurement Date	43,773	-	43,773
Total Deferred Amounts Related to IMRF	<u>287,980</u>	<u>(150,367)</u>	<u>137,613</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 78,265
2018	34,492
2019	34,492
2020	34,491
2021	(24,942)
Thereafter	<u>(19,185)</u>
Total	<u>137,613</u>

## VILLAGE OF BEECHER, ILLINOIS

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

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#### NOTE 4 – OTHER INFORMATION – Continued

##### **OTHER POST-EMPLOYMENT BENEFITS**

The Village has evaluated its potential other post-employment benefits liability with fewer than 100 members. Former employees who choose to retain their rights to health insurance through the Village are required to pay 50% of the current premium. As the implicit cost of this retirees paying 50% of the premium is immaterial, the Village has not recorded any postemployment benefit liability as of April 30, 2016. In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

##### **SUBSEQUENT EVENT**

On July 11, 2016, the Village approved an Ordinance #1245 authorizing the borrowing of \$350,000 for 18 months, plus interest at 1.24% loan from First Community Bank and Trust to finance the design of the sewer treatment facility rehabilitation.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions  
    Illinois Municipal Retirement Fund
  
- Schedule of Changes in the Employer's Net Pension Liability  
    Illinois Municipal Retirement Fund
  
- Budgetary Comparison Schedules  
    General Fund  
    Joint Fuel – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF BEECHER, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2016**

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Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 135,725	\$ 135,725	\$ -	\$ 1,191,617	11.39%

Notes to the Required Supplementary Information:

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

Note:

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

# VILLAGE OF BEECHER, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2016

	December 31, 2015
Total Pension Liability	
Service Cost	\$ 145,091
Interest	363,567
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(176,431)
Change of Assumptions	7,594
Benefit Payments, Including Refunds of Member Contributions	<u>(126,752)</u>
Net Change in Total Pension Liability	213,069
Total Pension Liability - Beginning	<u>4,844,868</u>
Total Pension Liability - Ending	<u><u>5,057,937</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 135,725
Contributions - Members	53,623
Net Investment Income	21,504
Benefit Payments, Including Refunds of Member Contributions	(126,752)
Other (Net Transfer)	<u>(103,690)</u>
Net Change in Plan Fiduciary Net Position	(19,590)
Plan Net Position - Beginning	<u>4,269,515</u>
Plan Net Position - Ending	<u><u>4,249,925</u></u>
Employer's Net Pension Liability	<u><u>\$ 808,012</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.02%
Covered-Employee Payroll	\$ 1,191,617
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	67.81%

Note:

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



**VILLAGE OF BEECHER, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,085,473	1,085,473	1,087,066
Intergovernmental	973,893	973,893	1,014,520
Charges for Services	80,928	80,928	86,966
Licenses and Permits	82,183	82,183	69,327
Fines and Forfeitures	71,076	71,076	78,826
Investment Income	595	595	1,283
Miscellaneous	19,900	19,900	46,769
Total Revenues	<u>2,314,048</u>	<u>2,314,048</u>	<u>2,384,757</u>
Expenditures			
Current			
General Government	602,213	602,213	576,163
Public Safety	1,237,367	1,237,367	1,249,235
Public Works	394,112	394,112	388,675
Culture and Recreation	43,956	43,956	41,265
Total Expenditures	<u>2,277,648</u>	<u>2,277,648</u>	<u>2,255,338</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,400</u>	<u>36,400</u>	<u>129,419</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	500	500	12,000
Transfers In	44,640	44,640	45,264
Transfers Out	(81,540)	(81,540)	(73,248)
	<u>(36,400)</u>	<u>(36,400)</u>	<u>(15,984)</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	113,435
Fund Balance - Beginning as Restated			<u>499,813</u>
Fund Balance - Ending			<u><u>613,248</u></u>

**VILLAGE OF BEECHER, ILLINOIS**

**Joint Fuel - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 290,400	290,400	181,256
Investment Income	-	-	153
Total Revenues	290,400	290,400	181,409
Expenditures			
Public Works			
Supplies	290,400	290,400	180,743
Change in Fund Balance	<u>-</u>	<u>-</u>	666
Fund Balance - Beginning			<u>46,969</u>
Fund Balance - Ending			<u><u>47,635</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedules – Internal Service Fund

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

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

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

### **Joint Fuel Fund**

The Joint Fuel Fund is used to account for the activities related to joint fuel purchase and consumption under intergovernmental agreements administered by the Village. Revenues reflect sales of fuel to other governments and the associated costs of fuel as an expenditure.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for revenue from the state gasoline tax restricted by the state for roadway improvements and maintenance.

### **July 4th Commission Fund**

The July 4th Commission Fund is used to account for to provide a family-oriented celebration over the Fourth of July holiday in addition to providing funds for the maintenance and improvements to Firemen's Park.

### **Beautification Fund**

The Beautification Fund is used to account for the planting of flowers and other visibly attractive amenities to improve the appearance and quality of life for Village residents and visitors.

### **Youth Commission Fund**

The Youth Commission Fund is used to account for providing alternatives for youth activities and recreation outside of organized sports programs.

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

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### **DEBT SERVICE FUND**

The Debt Service Fund is reported as a major fund and is used to account for funds restricted, committed or assigned for principal retirements, interest and fiscal charges for debt issues.

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### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

#### **Park Improvement Fund**

The Park Improvement Fund is used to account for for the collection of tap-in fees for the water and sewer systems and for the disbursement of funds for water and sewer capital improvements.

#### **Public Infrastructure Fund**

The Public Infrastructure Fund is used to account for for the collection of the ½% additional municipal sales tax for public infrastructure projects.

#### **Preserve at Cardinal Creek Escrow Fund**

The Preserve at Cardinal Creek Escrow Fund is used to account for the public improvements necessary for the completion of the subdivision per approved plans.

#### **Nantucket Escrow Fund**

The Nantucket Escrow Fund is used to account for the public improvements necessary for the completion of the subdivision per approved plans.

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

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## **ENTERPRISE FUNDS**

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

### **Water and Sewer Fund**

The Water and Sewer Fund is used to account for water and sewer services to residents of the Village and other commercial users.

### **Refuse Fund**

The Refuse Fund is used to account for refuse services to residents of the Village and other commercial users.

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## **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

### **Capital Equipment Replacement Fund**

The Capital Equipment Replacement Fund is used to account for the replacement of vehicles and equipment owned by the Village for street maintenance, water and sewer systems, refuse collection, and parks and recreation.

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**VILLAGE OF BEECHER, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Taxes			
Property	\$ 944,909	944,909	941,023
Telecommunication	120,000	120,000	114,462
Video Gaming	20,564	20,564	31,581
Total Taxes	<u>1,085,473</u>	<u>1,085,473</u>	<u>1,087,066</u>
Intergovernmental			
State Replacement	6,775	6,775	7,468
Sales	420,573	420,573	423,228
State Use	84,565	84,565	100,315
State Income	417,982	417,982	464,550
Grants	36,998	36,998	11,959
Miscellaneous	7,000	7,000	7,000
Total Intergovernmental	<u>973,893</u>	<u>973,893</u>	<u>1,014,520</u>
Charges for Services			
Impact Fees	-	-	986
Re-Inspection Fees	100	100	-
Mosquito Abatement Program Fees	19,728	19,728	20,115
Franchise Fees	61,100	61,100	65,865
Charges for Services	<u>80,928</u>	<u>80,928</u>	<u>86,966</u>
Licenses and Permits	<u>82,183</u>	<u>82,183</u>	<u>69,327</u>
Fines and Forfeitures			
Court and Local Fines	<u>71,076</u>	<u>71,076</u>	<u>78,826</u>
Investment Income	<u>595</u>	<u>595</u>	<u>1,283</u>
Miscellaneous			
Reimbursed Expenditures	9,000	9,000	11,795
Miscellaneous Income	10,900	10,900	34,974
Total Miscellaneous	<u>19,900</u>	<u>19,900</u>	<u>46,769</u>
Total Revenues	<u>2,314,048</u>	<u>2,314,048</u>	<u>2,384,757</u>

**VILLAGE OF BEECHER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
General Government			
Administrative Department	\$ 251,755	251,755	255,293
Comprehensive Expenditures	113,003	113,003	108,764
Inspectional Services	53,587	53,587	40,307
Buildings, Public Properties and Capital Improvements	36,185	36,185	24,124
Tax Rebates and Incentives	147,683	147,683	147,675
Total General Government	602,213	602,213	576,163
Public Safety			
Emergency Services and Disaster Agency	7,828	7,828	8,694
Police Department	1,229,539	1,229,539	1,240,541
Total Public Safety	1,237,367	1,237,367	1,249,235
Public Works			
Health and Sanitation Department	9,210	9,210	9,210
Streets and Alleys Department	384,902	384,902	379,465
Total Public Works	394,112	394,112	388,675
Culture and Recreation			
Parks	43,956	43,956	41,265
Total Expenditures	2,277,648	2,277,648	2,255,338



**VILLAGE OF BEECHER, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2016**

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	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 183,997	1,066	286,670	471,733
Due from Other Governments	9,920	-	19,203	29,123
Due from Other Funds	-	-	28,584	28,584
Total Assets	193,917	1,066	334,457	529,440
<b>LIABILITIES</b>				
Accounts Payable	18,299	-	3,205	21,504
<b>FUND BALANCES</b>				
Restricted	121,809	1,066	331,252	454,127
Committed	53,809	-	-	53,809
Total Fund Balances	175,618	1,066	331,252	507,936
Total Liabilities and Fund Balances	193,917	1,066	334,457	529,440

**VILLAGE OF BEECHER, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Intergovernmental	\$ 111,498	-	137,463	248,961
Charges for Services	197,220	-	-	197,220
Investment Income	304	11	591	906
Miscellaneous	8,652	-	-	8,652
Total Revenues	317,674	11	138,054	455,739
Expenditures				
Public Works	88,148	-	-	88,148
Culture and Recreation	207,596	-	-	207,596
Capital Outlay	33,102	-	288,721	321,823
Debt Service				
Principal Retirement	-	20,000	29,015	49,015
Interest and Fiscal Charges	-	53,248	2,677	55,925
Total Expenditures	328,846	73,248	320,413	722,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,172)	(73,237)	(182,359)	(266,768)
Other Financing Sources (Uses)				
Transfers In		73,248	-	73,248
Transfers Out		-	(624)	(624)
		73,248	(624)	72,624
Change in Fund Balances	(11,172)	11	(182,983)	(194,144)
Fund Balances - Beginning	186,790	1,055	514,235	702,080
Fund Balances - Ending	175,618	1,066	331,252	507,936

**VILLAGE OF BEECHER, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet  
April 30, 2016**

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	Motor Fuel Tax	July 4th Commission	Beautification	Youth Commission	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 130,188	44,908	3,989	4,912	183,997
Due from Other Governments	9,920	-	-	-	9,920
Total Assets	140,108	44,908	3,989	4,912	193,917
<b>LIABILITIES</b>					
Accounts Payable	18,299	-	-	-	18,299
<b>FUND BALANCES</b>					
Restricted	121,809	-	-	-	121,809
Committed	-	44,908	3,989	4,912	53,809
Total Fund Balances	121,809	44,908	3,989	4,912	175,618
Total Liabilities and Fund Balances	140,108	44,908	3,989	4,912	193,917

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**VILLAGE OF BEECHER, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	Motor Fuel Tax	July 4th Commission	Beautification	Youth Commission	Totals
Revenues					
Intergovernmental	\$ 111,498	-	-	-	111,498
Charges for Services	-	197,220	-	-	197,220
Investment Income	203	85	6	10	304
Miscellaneous	-	-	315	8,337	8,652
Total Revenues	111,701	197,305	321	8,347	317,674
Expenditures					
Public Works	88,148	-	-	-	88,148
Culture and Recreation	-	200,374	493	6,729	207,596
Capital Outlay	33,102	-	-	-	33,102
Total Expenditures	121,250	200,374	493	6,729	328,846
Change in Fund Balances	(9,549)	(3,069)	(172)	1,618	(11,172)
Fund Balances - Beginning	131,358	47,977	4,161	3,294	186,790
Fund Balances - Ending	121,809	44,908	3,989	4,912	175,618

**VILLAGE OF BEECHER, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 103,526	103,526	111,498
Grants	118,400	118,400	-
Investment Income	100	100	203
Miscellaneous	53,727	53,727	-
Total Revenues	<u>275,753</u>	<u>275,753</u>	<u>111,701</u>
Expenditures			
Public Works			
Contractual Services	2,900	2,900	9,796
Supplies	107,000	107,000	78,352
Capital Outlay	165,853	165,853	33,102
Total Expenditures	<u>275,753</u>	<u>275,753</u>	<u>121,250</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	(9,549)
Fund Balance - Beginning			<u>131,358</u>
Fund Balance - Ending			<u>121,809</u>

**VILLAGE OF BEECHER, ILLINOIS**

**July 4th Commission - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 140,000	140,000	197,220
Investment Income	-	-	85
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>197,305</u>
Expenditures			
Culture and Recreation			
Other Charges	<u>140,000</u>	<u>140,000</u>	<u>200,374</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	(3,069)
Fund Balance - Beginning			<u>47,977</u>
Fund Balance - Ending			<u><u>44,908</u></u>

**VILLAGE OF BEECHER, ILLINOIS**

**Beautification - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	6
Miscellaneous	10,000	10,000	315
Total Revenues	10,000	10,000	321
Expenditures			
Culture and Recreation			
Other Charges	10,000	10,000	493
Change in Fund Balance	<u>-</u>	<u>-</u>	(172)
Fund Balance - Beginning			<u>4,161</u>
Fund Balance - Ending			<u>3,989</u>

**VILLAGE OF BEECHER, ILLINOIS**

**Youth Commission - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	10
Miscellaneous	18,200	18,200	8,337
Total Revenues	<u>18,200</u>	<u>18,200</u>	<u>8,347</u>
Expenditures			
Culture and Recreation			
Other Charges	<u>18,200</u>	<u>18,200</u>	<u>6,729</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	1,618
Fund Balance - Beginning			<u>3,294</u>
Fund Balance - Ending			<u><u>4,912</u></u>



**VILLAGE OF BEECHER, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	11
Expenditures			
Debt Service			
Principal Retirement	20,000	20,000	20,000
Interest and Fiscal Charges	53,248	53,248	53,248
Total Expenditures	73,248	73,248	73,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,248)	(73,248)	(73,237)
Other Financing Sources			
Transfers In	73,248	73,248	73,248
Change in Fund Balance	-	-	11
Fund Balance - Beginning			1,055
Fund Balance - Ending			1,066

**VILLAGE OF BEECHER, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2016**

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	Park Improvement	Public Infrastructure	Preserve at Cardinal Creek Escrow	Nantucket Escrow	Totals
<b>ASSETS</b>					
Cash and Investments	\$ -	176,564	39,760	70,346	286,670
Due from Other Governments	-	19,203	-	-	19,203
Due from Other Funds	-	28,584	-	-	28,584
Total Assets	-	224,351	39,760	70,346	334,457
<b>LIABILITIES</b>					
Accounts Payable	-	3,205	-	-	3,205
<b>FUND BALANCES</b>					
Restricted	-	221,146	39,760	70,346	331,252
Total Liabilities and Fund Balances	-	224,351	39,760	70,346	334,457

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**VILLAGE OF BEECHER, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	Park Improvement	Public Infrastructure	Preserve at Cardinal Creek Escrow	Nantucket Escrow	Totals
Revenues					
Intergovernmental	\$ -	137,463	-	-	137,463
Investment Income	2	318	157	114	591
Total Revenues	2	137,781	157	114	138,054
Expenditures					
Capital Outlay	225	155,126	125,246	8,124	288,721
Debt Service					
Principal Retirement	-	29,015	-	-	29,015
Interest and Fiscal Charges	-	2,677	-	-	2,677
Total Expenditures	225	186,818	125,246	8,124	320,413
Excess (Deficiency) of Revenues Over (Under) Expenditures	(223)	(49,037)	(125,089)	(8,010)	(182,359)
Other Financing (Uses)					
Transfers Out	(624)	-	-	-	(624)
Change in Fund Balances	(847)	(49,037)	(125,089)	(8,010)	(182,983)
Fund Balances - Beginning	847	270,183	164,849	78,356	514,235
Fund Balances - Ending	-	221,146	39,760	70,346	331,252

**VILLAGE OF BEECHER, ILLINOIS**

**Park Improvement - Capital Projects Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	2
Miscellaneous	250	250	-
Total Revenues	<u>250</u>	<u>250</u>	<u>2</u>
Expenditures			
Capital Outlay	<u>250</u>	<u>250</u>	<u>225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(223)
Other Financing (Uses)			
Transfers Out	<u>-</u>	<u>-</u>	<u>(624)</u>
Change in Fund Balance	<u><u>-</u></u>	<u><u>-</u></u>	<u>(847)</u>
Fund Balance - Beginning			<u>847</u>
Fund Balance - Ending			<u><u>-</u></u>

**VILLAGE OF BEECHER, ILLINOIS**

**Public Infrastructure - Capital Projects Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Sales Taxes	\$ 143,742	143,742	137,463
Investment Income	100	100	318
Miscellaneous	100,000	100,000	-
Total Revenues	<u>243,842</u>	<u>243,842</u>	<u>137,781</u>
Expenditures			
Capital Outlay	212,150	212,150	155,126
Debt Service			
Principal Retirement	29,015	29,015	29,015
Interest and Fiscal Charges	2,677	2,677	2,677
Total Expenditures	<u>243,842</u>	<u>243,842</u>	<u>186,818</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	(49,037)
Fund Balance - Beginning			<u>270,183</u>
Fund Balance - Ending			<u>221,146</u>

**VILLAGE OF BEECHER, ILLINOIS**

**Water and Sewer - Enterprise Fund - by Account**

**Combining Statement of Net Position**

**April 30, 2016**

<b>ASSETS</b>	Water Account	Sewer Account	Totals
Current Assets			
Cash and Investments	\$ 626,499	56,218	682,717
Receivables - Net of Allowances			
Taxes	-	24,245	24,245
Accounts	116,918	90,613	207,531
Prepays	21,722	22,929	44,651
Total Current Assets	<u>765,139</u>	<u>194,005</u>	<u>959,144</u>
Noncurrent Assets			
Nondepreciable Capital Assets	69,255	-	69,255
Depreciable Capital Assets	8,787,605	10,398,889	19,186,494
Accumulated Depreciation	<u>(2,701,430)</u>	<u>(4,318,627)</u>	<u>(7,020,057)</u>
Total Noncurrent Assets	<u>6,155,430</u>	<u>6,080,262</u>	<u>12,235,692</u>
Total Assets	<u>6,920,569</u>	<u>6,274,267</u>	<u>13,194,836</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	50,404	37,717	88,121
Total Assets and Deferred Outflows of Resources	<u>6,970,973</u>	<u>6,311,984</u>	<u>13,282,957</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	42,152	20,950	63,102
Accrued Payroll	7,995	5,983	13,978
Advances from Other Funds	-	72,420	72,420
Accrued Interest Payable	6,497	2,886	9,383
Current Portion of Long-Term Debt	70,100	219,824	289,924
Total Current Liabilities	<u>126,744</u>	<u>322,063</u>	<u>448,807</u>
Noncurrent Liabilities			
Net Pension Liability - IMRF	141,423	105,827	247,250
Debt Certificate Payable	490,700	-	490,700
Total Noncurrent Liabilities	<u>632,123</u>	<u>105,827</u>	<u>737,950</u>
Total Liabilities	<u>758,867</u>	<u>427,890</u>	<u>1,186,757</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	26,318	19,694	46,012
Total Liabilities and Deferred Inflows of Resources	<u>785,185</u>	<u>447,584</u>	<u>1,232,769</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,594,630	5,860,438	11,455,068
Unrestricted	<u>591,158</u>	<u>3,962</u>	<u>595,120</u>
Total Net Position	<u>6,185,788</u>	<u>5,864,400</u>	<u>12,050,188</u>

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

**VILLAGE OF BEECHER, ILLINOIS**

**Water and Sewer - Enterprise Fund - by Account**

**Combining Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Water Account	Sewer Account	Totals
<b>Operating Revenues</b>			
Charges for Services			
Water Fees	\$ 699,623	-	699,623
Sewer Fees	-	565,760	565,760
Lift Station Fees	-	9,836	9,836
Water Tap In Fees	8,927	-	8,927
Sewer Tap In Fees	-	18,579	18,579
Total Operating Revenues	708,550	594,175	1,302,725
<b>Operating Expenses</b>			
Operations			
Salaries and Benefits	367,469	264,804	632,273
Building and Equipment Maintenance	34,600	66,666	101,266
Utilities	31,001	63,802	94,803
Contractual Services	122,867	150,194	273,061
Other Supplies	94,566	7,979	102,545
Other Operating Expenses	15,995	19,178	35,173
Capital Outlay	22,995	-	22,995
Depreciation	196,605	247,306	443,911
Total Operating Expenses	886,098	819,929	1,706,027
Operating Income (Loss)	(177,548)	(225,754)	(403,302)
<b>Nonoperating Revenues (Expenses)</b>			
Disposal of Capital Assets	-	35,000	35,000
Investment Income	630	383	1,013
Utility Tax	-	183,714	183,714
Other Income	6,978	1,578	8,556
Connection Fees	7,835	-	7,835
Interest Expense	(14,309)	(9,177)	(23,486)
	1,134	211,498	212,632
Income (Loss) Before Transfers	(176,414)	(14,256)	(190,670)
Transfers Out	-	(20,000)	(20,000)
Change in Net Position	(176,414)	(34,256)	(210,670)
Net Position - Beginning as Restated	6,362,202	5,898,656	12,260,858
Net Position - Ending	6,185,788	5,864,400	12,050,188

## VILLAGE OF BEECHER, ILLINOIS

### Water and Sewer - Enterprise Fund - by Account

#### Combining Statement of Cash Flows For the Fiscal Year Ended April 30, 2016

	Water Account	Sewer Account	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 703,762	768,945	1,472,707
Payments to Employees	(240,353)	(179,856)	(420,209)
Payments to Suppliers	(366,490)	(292,835)	(659,325)
	<u>96,919</u>	<u>296,254</u>	<u>393,173</u>
Cash Flows from Noncapital Financing Activities			
Transfers Out	-	(20,000)	(20,000)
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	(44,080)	(44,080)
Disposal of Capital Asset	-	(35,000)	(35,000)
Retirement of Debt	(70,100)	(213,100)	(283,200)
Interest Expense	(14,309)	(9,177)	(23,486)
	<u>(84,409)</u>	<u>(301,357)</u>	<u>(385,766)</u>
Cash Flows from Investing Activities			
Investment Income	630	383	1,013
Net Change in Cash and Cash Equivalents	13,140	(24,720)	(11,580)
Cash and Cash Equivalents - Beginning	<u>613,359</u>	<u>80,938</u>	<u>694,297</u>
Cash and Cash Equivalents - Ending	<u><u>626,499</u></u>	<u><u>56,218</u></u>	<u><u>682,717</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(177,548)	(225,754)	(403,302)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	196,605	247,306	443,911
Other Income	14,813	185,292	200,105
(Increase) Decrease in Current Assets	(19,601)	(10,522)	(30,123)
Increase (Decrease) in Current Liabilities	82,650	99,932	182,582
Net Cash Provided by Operating Activities	<u><u>96,919</u></u>	<u><u>296,254</u></u>	<u><u>393,173</u></u>

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



**VILLAGE OF BEECHER, ILLINOIS**

**Water Account - Enterprise Fund**

**Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Fees	\$ 567,919	567,919	699,623
Water Tap In Fees	-	-	8,927
Total Operating Revenues	567,919	567,919	708,550
Operating Expenses			
Operations			
Salaries and Benefits	313,115	313,115	367,469
Building and Equipment Maintenance	41,100	41,100	34,600
Utilities	32,900	32,900	31,001
Contractual Services	212,347	212,347	122,867
Other Supplies	96,992	96,992	94,566
Other Operating Expenses	41,104	41,104	15,995
Capital Outlay	641,000	641,000	22,995
Depreciation	-	-	196,605
Total Operating Expenses	1,378,558	1,378,558	886,098
Operating Income (Loss)	(810,639)	(810,639)	(177,548)
Nonoperating Revenues (Expenses)			
Investment Income	540	540	630
Debt Issuance	695,000	695,000	-
IDOT Grant	30,000	30,000	-
Other Income	90,595	90,595	6,978
Connection Fees	4,350	4,350	7,835
Interest Expense	-	-	(14,309)
	820,485	820,485	1,134
Income (Loss) Before Transfers	9,846	9,846	(176,414)
Transfers In	39,384	39,384	-
Transfers Out	(49,230)	(49,230)	-
	(9,846)	(9,846)	-
Change in Net Position	-	-	(176,414)
Net Position - Beginning as Restated			6,362,202
Net Position - Ending			6,185,788

**VILLAGE OF BEECHER, ILLINOIS**

**Sewer Account - Enterprise Fund**

**Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Fees	\$ 571,486	571,486	565,760
Lift Station Fees	9,300	9,300	9,836
Sewer Tap In Fees	-	-	18,579
Total Operating Revenues	<u>580,786</u>	<u>580,786</u>	<u>594,175</u>
Operating Expenses			
Operations			
Salaries and Benefits	229,570	229,570	264,804
Building and Equipment Maintenance	61,100	61,100	66,666
Utilities	67,001	67,001	63,802
Contractual Services	154,372	154,372	150,194
Other Supplies	8,000	8,000	7,979
Other Operating Expenses	328,346	328,346	19,178
Depreciation	-	-	247,306
Total Operating Expenses	<u>848,389</u>	<u>848,389</u>	<u>819,929</u>
Operating Income (Loss)	<u>(267,603)</u>	<u>(267,603)</u>	<u>(225,754)</u>
Nonoperating Revenues (Expenses)			
Disposal of Capital Assets	-	-	35,000
Investment Income	300	300	383
Utility Tax	197,151	197,151	183,714
Other Income	92,979	92,979	1,578
Interest Expense	-	-	(9,177)
	<u>290,430</u>	<u>290,430</u>	<u>211,498</u>
Income (Loss) Before Transfers	<u>22,827</u>	<u>22,827</u>	<u>(14,256)</u>
Transfers In	9,846	9,846	-
Transfers Out	(32,673)	(32,673)	(20,000)
	<u>(22,827)</u>	<u>(22,827)</u>	<u>(20,000)</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>(34,256)</u>
Net Position - Beginning as Restated			<u>5,898,656</u>
Net Position - Ending			<u><u>5,864,400</u></u>

**VILLAGE OF BEECHER, ILLINOIS**

**Refuse - Enterprise Fund**

**Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Refuse Fees	\$ 296,595	296,595	314,928
Operating Expenses			
Operations			
Contractual Services	279,073	279,073	279,570
Other Supplies	8,000	8,000	331
Depreciation	-	-	3,990
Total Operating Expenses	287,073	287,073	283,891
Operating Income	9,522	9,522	31,037
Nonoperating Revenues			
Investment Income	-	-	93
Other Income	15,118	15,118	7,188
	15,118	15,118	7,281
Income Before Transfers	24,640	24,640	38,318
Transfers Out	(24,640)	(24,640)	(24,640)
Change in Net Position	-	-	13,678
Net Position - Beginning			88,788
Net Position - Ending			102,466

**VILLAGE OF BEECHER, ILLINOIS**

**Capital Equipment Replacement - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 20,965	20,965	8,427
Operating Expenses			
Operations			
Capital Outlay	20,965	20,965	-
Change in Net Position	<u>-</u>	<u>-</u>	8,427
Net Position - Beginning			<u>174,208</u>
Net Position - Ending			<u>182,635</u>

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF BEECHER, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Bonds of 2009**

**April 30, 2016**

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Date of Issue	April 22, 2007
Date of Maturity	January 15, 2029
Authorized Issue	\$1,100,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 5.45%
Interest Dates	January 15 and July 15
Principal Maturity Date	January 15
Payable at	Bond Trust Services of Rossville, Minnesota

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 25,000	52,418	77,418
2018	25,000	51,355	76,355
2019	30,000	50,218	80,218
2020	40,000	48,793	88,793
2021	45,000	46,873	91,873
2022	55,000	44,623	99,623
2023	65,000	41,763	106,763
2024	80,000	38,350	118,350
2025	90,000	34,110	124,110
2026	110,000	29,340	133,510
2027	125,000	23,510	141,823
2028	145,000	16,823	153,993
2029	165,000	8,993	165,000
	<u>1,000,000</u>	<u>487,169</u>	<u>1,457,829</u>

**VILLAGE OF BEECHER, ILLINOIS**

**Long-Term Debt Requirements**

**Illinois Environmental Protection Agency Loan Payable of 1996  
April 30, 2016**

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Date of Issue	February 2, 1996
Date of Maturity	December 1, 2016
Authorized Issue	\$3,284,120
Interest Rate	3.15%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Illinois Environmental Protection Agency

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 219,824	5,208	225,032

**VILLAGE OF BEECHER, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Debt Certificate of 2013  
April 30, 2016**

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Date of Issue	May 14, 2013
Date of Maturity	May 14, 2023
Authorized Issue	\$701,000
Interest Rate	2.50%
Interest Dates	May 14 and November 14
Principal Maturity Date	May 14
Payable at	First National Bank of Grant Park

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 70,100	13,358	83,458
2018	70,100	11,542	81,642
2019	70,100	9,765	79,865
2020	70,100	7,988	78,088
2021	70,100	6,231	76,331
2022	70,100	4,435	74,535
2023	70,100	2,658	72,758
2024	70,100	881	70,981
	<u>560,800</u>	<u>56,858</u>	<u>617,658</u>



**VILLAGE OF BEECHER, ILLINOIS**

**Long-Term Debt Requirements**

**Debt Certificate of 2014**

**April 30, 2016**

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Date of Issue	October 15, 2014
Date of Maturity	October 15, 2019
Authorized Issue	\$150,000
Interest Rate	2.15%
Interest Dates	Monthly on the 15th
Principal Maturity Dates	Monthly on the 15th
Payable at	First Community Bank

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 29,660	2,032	31,692
2018	30,313	1,379	31,692
2019	30,981	711	31,692
2020	15,752	94	15,846
	<u>106,706</u>	<u>4,216</u>	<u>110,922</u>

**VILLAGE OF BEECHER, ILLINOIS**

**Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections - Last Seven Tax Levy Years  
April 30, 2016**

	<u>2009</u>
Assessed Valuations	<u>\$ 124,022,874</u>
Tax Rates	
Corporate	0.2506
Police Protection	0.0601
Bond and Interest	0.0573
Audit	0.0059
Liability Insurance	0.0278
ESDA	0.0008
IMRF	0.0475
Social Security	0.0500
Public Benefits	<u>0.0193</u>
Total Tax Rates	<u>0.5193</u>
Tax Extensions	
Corporate	\$ 310,801
Police Protection	74,538
Bond and Interest	71,065
Audit	7,317
Liability Insurance	34,478
ESDA	992
IMRF	58,911
Social Security	62,011
Public Benefits	<u>23,936</u>
Total Tax Extensions	<u>644,049</u>
Tax Collections	
General Fund	\$ 566,163
Bond and Interest	<u>71,036</u>
	637,199
Road and Bridge - Township Levy	<u>243,743</u>
Total Collections	<u>880,942</u>
Percentage Collected	
Village Levy	<u>98.94%</u>

N/A - Not Available

2010	2011	2012	2013	2014	2015
121,238,766	112,292,130	104,589,158	96,955,460	93,015,518	92,054,706
0.2652	0.2955	0.3173	0.3423	0.3568	0.3605
0.0637	0.0702	0.0754	0.0813	0.0847	0.0856
0.0583	0.0625	0.0666	0.0764	0.0788	0.0841
0.0063	0.0069	0.0074	0.0079	0.0083	0.0083
0.0295	0.0354	0.0380	0.0410	0.0427	0.0431
0.0009	0.0010	0.0011	0.0012	0.0012	0.0012
0.0504	0.0545	0.0585	0.0631	0.0657	0.0664
0.0530	0.0534	0.0573	0.0618	0.0644	0.0651
0.0205	0.0226	0.0243	0.0262	0.0273	0.0276
0.5478	0.6020	0.6459	0.7012	0.7299	0.7419
321,525	331,823	331,861	331,879	331,879	331,857
77,229	78,829	78,860	78,825	78,784	78,799
70,682	70,183	69,656	74,074	73,296	77,418
7,638	7,748	7,740	7,659	7,720	7,640
35,765	39,751	39,744	39,752	39,718	39,676
1,091	1,123	1,150	1,163	1,116	1,105
61,104	61,199	61,185	61,179	61,111	61,124
64,257	59,964	59,930	59,918	59,902	59,928
24,854	25,378	25,415	25,402	25,393	25,407
664,145	675,998	675,541	679,851	678,919	682,954
605,909	605,885	598,223	597,167	604,241	N/A
70,682	69,656	69,574	74,018	73,129	N/A
676,591	675,541	667,797	671,185	677,370	N/A
253,009	257,499	254,551	257,107	263,653	N/A
929,600	933,040	922,348	928,292	941,023	N/A
101.87%	99.93%	98.85%	98.73%	99.77%	N/A

**VILLAGE OF BEECHER, ILLINOIS**

**Disclosure of Tort Expenditures Under PA-91-0628  
April 30, 2016**

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Liability and Workmen's Compensation Insurance

\$ 135,138