

CITY OF CHILLICOTHE
Chillicothe, Illinois

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

For The Year Ended April 30, 2015

McElhiney, LLC
Certified Public Accountants

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1 – 2
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AN ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3 – 4
AUDITOR'S REPORT ON COMPLIANCE WITH TAX INCREMENT ALLOCATION REDEVELOPMENT ACT	5
MANAGEMENT DISCUSSION AND ANALYSIS	6 – 12
FINANCIAL STATEMENTS:	
- Government-Wide Statement of Net Assets	13
- Government-Wide Statement of Activities	14
- Balance Sheet Governmental Funds	15
- Reconciliation of Fund Balances to the Statement of Net Assets Governmental Funds	16
- Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	17
- Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	18
- Statement of Net Assets Proprietary Fund	19
- Statement of Revenues, Expenses and Changes in Net Assets Proprietary Fund	20
- Statement of Cash Flows Proprietary Fund	21
- Statement of Fiduciary Net Assets Fiduciary Funds	22
- Statement of Changes in Fiduciary Net Assets Fiduciary Funds	23
NOTES TO FINANCIAL STATEMENTS	24 – 38
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION	39

TABLE OF CONTENTS

(Continued)

SUPPLEMENTAL DATA

- Required Supplementary Information Budgetary Comparison Schedule	
General Fund	40
Economic Development Fund	41
Road and Bridge Fund	42
Fire Protection Fund	43
Tax Increment Financing (TIF) Fund	44
- Combining Balance Sheet Nonmajor Governmental Funds	45
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds	46
Statements of Revenues, Expenditures and Changes in Fund Balance – Appropriated and Actual:	
- General Fund	47 – 51
- Police Protection Fund	52
- Motor Fuel Tax Fund	53
- Road and Bridge Fund	54 – 55
- Fire Protection Fund	56
- Civil Defense Fund	57
- Economic Development Fund	58
- Tort Liability Fund	59
- Audit Fund	60
- Social Security Fund	61
- Tax Increment Financing (TIF) Fund	62
- Police Pension Fund	63
- Hotel/Motel Tax Fund	64
- Waterworks and Sewerage Fund	65 – 67
- Schedule of Interfund Payables and Receivables	68
- Schedule of Investments	69
- Schedule of Tax Rates, Extensions and Collections	70
- Schedule of Legal Debt Margin	71

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
And Aldermen
City of Chillicothe, 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 City of Chillicothe, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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 includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and 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 government units, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chillicothe, Illinois, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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.

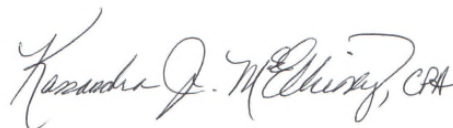
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chillicothe, Illinois's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2015, on our consideration of the City of Chillicothe's internal control over reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City of Chillicothe's internal control over financial reporting and compliance.



Kassandra J. McElhiney, CPA
McElhiney, LLC
Certified Public Accountants

Chillicothe, Illinois
September 27, 2015

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AN ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor
And Aldermen
City of Chillicothe, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Chillicothe, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise City of Chillicothe, Illinois's basic financial statements and have issued our report thereon dated September 27, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Chillicothe, Illinois's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Chillicothe, Illinois's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Chillicothe, Illinois's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiency in the City's internal control to be a significant deficiency:

Likelihood of Detecting Misstatements in the Financial Statements

Subsequent to the conclusion of our audit fieldwork, we draft the City's financial statements, disclosures and related supplemental statements and schedules. Professional Standards allow an auditor to perform this service in the form of technical assistance, but it is understood that the City management is responsible for the financial statements and is required to have a level of involvement and expertise that would result in an understanding of the financial statements and the ability to detect errors, omissions or misstatements, if any should occur.

Through the years, we understand that you have always relied on your auditor to perform this service and we have assumed that it was done correctly. However, our involvement in the drafting of the financial statements does not relieve City management of its responsibility for the accuracy and completeness of those statements.

Your auditors have always discussed the financial statements and related disclosures and schedules, and we believe these discussions would have identified any material errors, omissions or misstatements. However, to fully comply with the rules of ethics and independence, we suggest that the Office Manager and members of the Finance Committee, in a meeting with the auditors, devote more time to the task of reviewing the financial statements so that City management has a more thorough understanding of the full content of the statements prior to their release.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Chillicothe, Illinois's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the paragraphs above.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kassandra J. McElhiney, CPA
McElhiney, LLC
Certified Public Accountants

Chillicothe, Illinois
September 27, 2015

AUDITOR'S REPORT ON COMPLIANCE WITH TAX INCREMENT
ALLOCATION REDEVELOPMENT ACT

Honorable Mayor
and Aldermen
City of Chillicothe, Illinois

Dear Mayor and Aldermen:

I have examined the combined statements of the City of Chillicothe, Illinois, for the year ended April 30, 2015, and have issued my report thereon, dated September 27, 2015. My examination was made in accordance with generally accepted governmental auditing standards, and accordingly, included in such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

The management of the City of Chillicothe, Illinois, is responsible for the City's compliance with laws and regulations. In connection with the examination referred to above, I selected and tested transactions and records from the Plaza Park Tax Increment Area General Obligation bond Fund to determine the City's compliance with subsection (q) of Section 11-74.4-3 of Chapter 24 of the Illinois Revised Statutes (Tax Increment Allocation Redevelopment Act), noncompliance with which could have a material effect on the allowability of redevelopment project costs.

The results of my tests indicate that for the transactions tested, the City of Chillicothe, Illinois, complied with the Statute referred to above. In addition, for those transactions that were not tested, nothing came to my attention to indicate that the City of Chillicothe, Illinois, was not in compliance with this Statute.



Kassandra J. McElhiney, CPA
McElhiney, LLC
Certified Public Accountants

Chillicothe, Illinois
September 27, 2015

City of Chillicothe, Illinois
Management's Discussion and Analysis

The following provides a narrative overview and analysis of the fiscal operations during the fiscal year ended April 30, 2015 for the City of Chillicothe. The Management Discussion and Analysis is to be read in conjunction with the basis financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at April 30, 2015 by \$13.496 million. Net assets from governmental activities totaled \$11.236 million. Of this amount, \$3.377 million is unrestricted and may be used to finance future programs and projects and to meet future obligations to creditors.
- The unrestricted net assets of the business-type activities are \$632,000 and may be used in future operations and to finance future capital projects of the waterworks and sewerage systems.
- Total net assets increased \$702,300 in the fiscal year ended April 30, 2015. Net assets of the governmental activities increased \$638,800, due primarily to decreased spending in the Tax Increment Financing Districts. Net assets of the business-type activities increased \$63,500.
- Total revenues of the governmental activities increased \$180,100 or 5.01%, while total expenses increased \$209,200 or 7.15%.
- As of April 30, 2015, the governmental funds reported a combined ending fund balance of \$6.6 million, an increase of \$567,900 over the prior year. Of the ending fund balance, \$3.01 million is restricted by state statute for specific purposes. The remaining \$3.59 million is unreserved and available to finance future activities.
- The General Fund reported a fund balance of \$3.59 million, an increase of \$517,000 over the prior year. This entire amount is unrestricted and available for discretionary spending.
- On April 1, 2006, the City issued \$2 million in revenue bonds for the purpose of constructing a new water tower and to finance other improvements to the water system. Construction of the tower and other related upgrades have been completed.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These basic statements consist of (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information intended to enhance the reader's understanding of the City's financial position and results of operations.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business.

City of Chillicothe, Illinois
Management's Discussion and Analysis
(Continued)

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the related underlying event occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City 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 or charges (*business-type activities*). The governmental activities of the City include general government, public safety, cemetery operations, city parks and buildings, streets and alleys and economic development.

The business-type activities of the City consist of the water treatment and distribution and the sewerage disposal operations which are accounted for in the combined Waterworks and Sewerage Fund. Both of these activities are collectively referred to in the financial statements as activities of the *primary government*.

As is explained in the notes to the financial statements, no other entities' activities are included in this report. No other separate entities are considered to be connected to the City to a sufficient degree to require inclusion in this report.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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 comparison between governmental funds and governmental activities.

City of Chillicothe, Illinois
Management's Discussion and Analysis
(Continued)

The City maintains twelve individual governmental funds:

- General Fund, Economic Development Fund, Road and Bridge Fund, Fire Protection Fund and Tax Increment Financing Fund are considered major funds, and the 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 these funds.
- The remaining seven governmental funds are considered nonmajor funds and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

Proprietary Fund. Proprietary (enterprise) fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its waterworks and sanitary sewer operations. These operations are accounted for by the City in a single fund.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail.

The basic proprietary fund financial statements can be found on pages 19 through 21 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 24 through 38 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. Combining nonmajor funds statements referred to earlier can be found beginning on pages 45 and 46 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position. Overall, the City's assets exceeded its liabilities by \$13.5 million at the end of the most recent fiscal year.

Of the total net assets, \$5.43 million (40%) represents its investment in capital assets (e.g., land, buildings, infrastructure, equipment), net of depreciation. Management has elected not to capitalize infrastructure retroactively. Consequently, infrastructure assets acquired before May 1, 2004, are not reflected in this report. Another \$4.06 million (30%) represents resources that are subject to restrictions as to how they may be used, such restrictions being imposed by legal requirements other than those imposed by the City Council (e.g. state or federal law).

The remaining balance of unrestricted net assets is \$4.01 million, which consists of \$3.377 million from governmental activities and \$632,300 from business-type activities. These resources are available for financing operations and providing services to the citizenry.

City of Chillicothe, Illinois
Management's Discussion and Analysis
(Continued)

City of Chillicothe's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 7,578,806	\$ 7,006,815	\$ 827,413	\$ 941,232	\$ 8,406,219	\$ 7,948,047
Capital assets	<u>4,125,829</u>	<u>4,075,127</u>	<u>2,788,160</u>	<u>2,707,350</u>	<u>6,913,989</u>	<u>6,782,477</u>
Total Assets	<u>11,704,635</u>	<u>11,081,942</u>	<u>3,615,573</u>	<u>3,648,582</u>	<u>15,320,208</u>	<u>14,730,524</u>
Long-term liabilities	420,481	427,431	1,202,003	1,383,892	1,622,484	1,811,323
Current liabilities	<u>47,750</u>	<u>57,204</u>	<u>153,877</u>	<u>68,490</u>	<u>201,627</u>	<u>125,694</u>
Total Liabilities	<u>468,231</u>	<u>484,635</u>	<u>1,355,880</u>	<u>1,452,382</u>	<u>1,824,111</u>	<u>1,937,017</u>
Net Assets:						
Invested in capital assets	3,938,329	3,875,127	1,495,938	1,323,458	5,434,267	5,198,585
Restricted	3,920,108	3,849,275	131,424	117,348	4,051,532	3,966,623
Unrestricted	<u>3,377,727</u>	<u>2,872,905</u>	<u>632,331</u>	<u>755,394</u>	<u>4,010,298</u>	<u>3,628,299</u>
Total Net Assets	<u>\$ 11,236,164</u>	<u>\$ 10,597,307</u>	<u>\$ 2,259,693</u>	<u>\$ 2,196,200</u>	<u>\$ 13,495,857</u>	<u>\$ 12,793,507</u>

Net assets from governmental activities increased \$638,800 in fiscal year 2015 and net assets from business-type activities increased \$63,500.

City of Chillicothe's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 208,277	\$ 191,885	\$ 916,722	\$ 923,391	\$ 1,124,999	\$ 1,115,276
Capital grants and donations	-	-	-	-	-	-
General Revenues:						
Property taxes	897,399	877,448	-	-	897,399	877,448
Sales taxes	1,055,990	975,215	-	-	1,055,990	975,215
Income taxes	718,254	699,193	-	-	718,254	699,193
Other taxes	486,564	452,901	-	-	486,564	452,901
Interest on investments	5,959	8,042	288	383	6,247	8,425
Other	<u>402,703</u>	<u>390,361</u>	<u>2,497</u>	<u>7,350</u>	<u>405,200</u>	<u>397,711</u>
Total Revenues	<u>3,775,146</u>	<u>3,595,045</u>	<u>919,507</u>	<u>931,124</u>	<u>4,694,653</u>	<u>4,526,169</u>
Expenses:						
General government	713,964	690,648	-	-	713,964	690,648
Public safety	1,402,602	1,389,103	-	-	1,402,602	1,389,103
Cemetery	38,323	45,792	-	-	38,323	45,792
City parks and buildings	177,056	138,718	-	-	177,056	138,718
Streets and alleys	452,976	520,602	-	-	452,976	520,602
Economic development	351,368	141,504	-	-	351,368	141,504
Debt service	-	681	56,015	60,263	56,015	60,944
Waterworks and sewerage						
Operations	-	-	799,999	736,984	799,999	736,984
Total Expenses	<u>3,136,289</u>	<u>2,927,048</u>	<u>856,014</u>	<u>797,247</u>	<u>3,992,303</u>	<u>3,724,295</u>
Change in net assets	638,857	667,997	63,493	133,837	702,350	801,874
Net assets – beginning of year	<u>10,597,307</u>	<u>9,929,310</u>	<u>2,196,200</u>	<u>2,062,323</u>	<u>12,793,507</u>	<u>11,991,633</u>
Net assets – end of year	<u>\$11,236,164</u>	<u>\$10,597,307</u>	<u>\$ 2,259,693</u>	<u>\$ 2,196,200</u>	<u>\$ 13,495,857</u>	<u>\$ 12,793,507</u>

City of Chillicothe, Illinois
Management's Discussion and Analysis
(Continued)

Governmental Activities: Revenues from governmental activities increased \$180,100 (5.01%) during the current year. The most significant changes were:

- Entertainment & Video Gaming Taxes increased \$51,500.
- Sales Tax Revenue increased \$80,800.
- Property tax revenue increased \$20,000.
- Other General Revenue increased \$12,300. This category of revenue is comprised mainly of expense reimbursements and can be expected to vary widely from year to year.

Expenses of governmental activities increased \$209,200 (7.15%). The most significant changes were:

- Economic Development expenses increased \$209,900.
- City parks & buildings expenses increased \$38,300.
- General Government expenditures increased \$23,300.

Business-Type Activities: Revenues remained virtually stable. Expenses increased \$58,800.

Financial Analysis of the Governments Funds

As noted earlier, the City uses fund accounting as a means to ensure and demonstrate compliance with finance related state statutes.

Governmental Funds: The focus of the City's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balances of the City's governmental funds increased \$567,900 for the 2015 fiscal year, and the total balance as of April 30, 2015 was \$6.6 million. Of this amount, \$3.587 million is unrestricted and is available for spending at the City's discretion. Restricted fund balances total \$3.058 million. This restricted amount represents the amounts in the special revenue funds that must, by state and/or federal laws, be spent for specific purposes.

The increase of \$567,900 in the combined fund balances of the governmental funds was due primarily to the \$218,800 increase in the TIF Funds and the \$516,700 increase in the General Fund.

The General Fund is the primary operating fund of the City. The \$3.587 million fund balance of the General Fund is unreserved. As a measure of the General Fund's liquidity, the unreserved fund balance is equal to 196.47% of total fund expenditures for the fiscal year ended April 30, 2015.

City of Chillicothe, Illinois
Management's Discussion and Analysis
(Continued)

Proprietary Funds: The City's proprietary (enterprise) fund is made up of the combined waterworks distribution and sewage disposal operations. The measurement focus of this fund is the same as for the presentation in the government-wide financial statements, but more detail is provided in the fund statement.

The unrestricted net assets of the enterprise fund decreased \$123,000. Operating Revenues decreased \$6,700 from the prior year, while expenses increased \$58,800. As the result, the current year increase in net assets is about \$70,300 less than the prior year increase.

Governmental Funds Budgetary Highlights

Although the City adopts an operating budget each year, it is their annual appropriation ordinance which sets the legal spending limits. For this reason, the budget comparisons presented in this report use appropriated expenses as the budgeted amounts. Revenue comparisons are between actual revenues and the amounts in their annual certified estimate of revenues, a document that is filed in conjunction with their annual appropriation. Neither the appropriated expenditures nor the estimated revenues were amended during the year.

Capital Assets

The City's investment in capital assets for governmental and business-type activities at April 30, 2015, was \$6.91 million (net of accumulated depreciation). Infrastructure assets constructed prior to May 1, 2004, have not been capitalized and, therefore are not included in that figure. Current year additions were \$522,800 (an increase of \$50,700 after depreciation) in the governmental funds, and \$208,600 (an increase of \$80,800 after depreciation) in the enterprise fund.

Current year additions in the governmental funds consisted primarily of infrastructure improvements (street resurfacing, patching and crack sealing) and vehicles in the combined amount of \$451,600.

City of Chillicothe's Capital Assets
(Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 913,829	\$ 829,917	\$ -	\$ -	\$ 913,829	\$ 829,917
Buildings and grounds	714,627	739,874	-	-	714,627	739,874
Infrastructure	1,377,724	1,354,679	2,788,160	2,707,348	4,165,884	4,062,029
Equipment	389,510	427,404	-	-	389,510	427,404
Vehicles	<u>730,139</u>	<u>723,253</u>	-	-	<u>730,139</u>	<u>723,253</u>
Total	\$4,125,829	\$4,075,127	\$ 2,788,160	\$ 2,707,348	\$ 6,913,989	\$ 6,782,477
	=====	=====	=====	=====	=====	=====

Additional information on capital asset activity is available in the notes to financial statements, Note 5 on pages 33 and 34 of this report.

City of Chillicothe, Illinois
Management's Discussion and Analysis
(Continued)

Capital Projects

TIF/Riverfront

During the year, sidewalks were completed at the Eagle Landing.

Water/Sewer Department

Replacement of a water main on Walnut Street from Fourth Street to Santa Fe Avenue was started. A four-inch main was replaced with a six-inch main. The City will redirect a sewer main for the Cloverdale lift station to an undeveloped area in the Riversound subdivision.

Road & Bridge Department

It was a steady year for sidewalk growth and replacement as the city processed fifteen applications for the sidewalk program. Approximately 52% of the money allocated was used. Over \$110,000 was used to overlay streets during the year. We surfaced 1.16 miles (6,200 feet) and sealcoated 800 feet of roadway. A new dump truck was purchased, as was a new mosquito sprayer. The City continues to monitor the drainage problems throughout the town. Next year, the City will be extending the storm sewer on Walnut Street from Fourth Street to Santa Fe Avenue. Funds were made available through the PUATS program, with the City's share expected to be approximately \$145,000.

General and Other Funds

A new Chevrolet Tahoe police vehicle was purchased during the year.

In the upcoming fiscal year, the City is planning ongoing improvements to the City's utility system, buildings, riverfront, streets and sidewalks, as well as to the City cemetery.

Request for Information

This financial discussion and analysis is intended to provide interested parties with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office Manager, City of Chillicothe, 908 N. Second Street, Chillicothe, Illinois 61523.

CITY OF CHILLICOTHE, ILLINOIS
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS
April 30, 2015

	Primary Government		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
<u>ASSETS</u>			
Cash and investments	\$ 6,000,312	\$ 603,456	\$ 6,603,768
Accounts receivable	-	76,887	76,887
Inventories	-	15,646	15,646
Other receivables:			-
Interest	-	-	-
Taxes	1,257,683	-	1,257,683
Loans	320,811	-	320,811
Due from other funds	-	-	-
Restricted assets	-	131,424	131,424
Capital assets, net			
Assets subject to depreciation	3,295,912	2,788,160	6,084,072
Assets not subject to depreciation	<u>829,917</u>	<u>-</u>	<u>829,917</u>
Total Assets	<u>11,704,635</u>	<u>3,615,573</u>	<u>15,320,208</u>
<u>LIABILITIES</u>			
Accounts payable	40,800	16,779	57,579
Accrued and other liabilities	-	41,329	41,329
Due to other funds	(5,550)	5,550	-
Non-current liabilities:			
Due within one year	12,500	90,219	102,719
Due in more than one year	<u>420,721</u>	<u>1,202,003</u>	<u>1,622,724</u>
Total Liabilities	<u>468,471</u>	<u>1,355,880</u>	<u>1,824,351</u>
<u>NET ASSETS</u>			
Invested in capital assets - net of related debt	3,938,329	1,495,938	5,434,267
Restricted for:			
Construction	-	131,424	131,424
Streets and Sidewalks	424,499	-	424,499
Public Safety	511,878	-	511,878
Community Development	2,626,540	-	2,626,540
Other Specific Purposes	357,191	-	357,191
Unrestricted	<u>3,377,727</u>	<u>632,331</u>	<u>4,010,058</u>
Total Net Assets	<u>\$ 11,236,164</u>	<u>\$ 2,259,693</u>	<u>\$ 13,495,857</u>

These financial statements should be read only in connection with
 the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 For the Year Ended April 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		<u>Total</u>	
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>		<u>Primary Government Business-Type Activities</u>
Functions/Programs							
Primary Government:							
Governmental Activities:							
General government	\$ 713,964	\$ 30,060	\$ -	\$ -	\$ (683,904)	\$ -	\$ (683,904)
Public safety	1,402,602	110,018	-	-	(1,292,584)	-	(1,292,584)
Cemetery	38,323	48,970	-	-	10,647	-	10,647
City parks and buildings	177,056	-	-	-	(177,056)	-	(177,056)
Streets and alleys	452,976	19,229	-	-	(433,747)	-	(433,747)
Economic development	351,368	-	-	-	(351,368)	-	(351,368)
Debt Service	-	-	-	-	-	-	-
Total Governmental Activities	<u>3,136,289</u>	<u>208,277</u>	<u>-</u>	<u>-</u>	<u>(2,928,012)</u>	<u>-</u>	<u>(2,928,012)</u>
Business-Type Activities:							
Water & Sewer	<u>856,014</u>	<u>916,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,708</u>	<u>60,708</u>
Total Business-Type Activities	<u>856,014</u>	<u>916,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,708</u>	<u>60,708</u>
Total Primary Government	<u>\$ 3,992,303</u>	<u>\$ 1,124,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,928,012)</u>	<u>60,708</u>	<u>(2,867,304)</u>
General Revenues:							
Property taxes					897,399	-	897,399
Replacement tax					8,667	-	8,667
Telecommunications Taxes					196,606	-	196,606
Sales Taxes					1,055,990	-	1,055,990
Income Taxes					718,254	-	718,254
Gaming & Entertainment Taxes					131,871	-	131,871
Motor Fuel Taxes					149,420	-	149,420
Franchise fees and assessments					95,866	-	95,866
Licenses and fees					139,422	-	139,422
Interest					5,959	288	6,247
Miscellaneous					167,415	2,497	169,912
Total General Revenues					<u>3,566,869</u>	<u>2,785</u>	<u>3,569,654</u>
Change in Net Assets					638,857	63,493	702,350
Net Assets - Beginning of Year					<u>10,597,307</u>	<u>2,196,200</u>	<u>12,793,507</u>
Net Assets - End of Year					<u>\$ 11,236,164</u>	<u>\$ 2,259,693</u>	<u>\$ 13,495,857</u>

These financial statements should be read only in connection with the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2015

	<u>Major Special Revenue Funds</u>					Nonmajor Special Revenue Funds	Total Governmental Funds
	<u>General</u>	<u>Economic Development</u>	<u>Road and Bridge</u>	<u>Fire Protection</u>	<u>TIF Fund</u>		
<u>ASSETS</u>							
Cash and investments	\$ 3,270,564	\$ 644,835	\$ 208,453	\$ 180,588	\$ 1,189,316	\$ 506,556	\$ 6,000,312
Due from (to) other funds	5,550	-	-	-	-	-	5,550
Other receivables:							
Taxes	381,403	-	66,400	49,100	455,800	304,980	1,257,683
Loans	<u>-</u>	<u>244,416</u>	<u>-</u>	<u>-</u>	<u>76,395</u>	<u>-</u>	<u>320,811</u>
Total Assets	<u>3,657,517</u>	<u>889,251</u>	<u>274,853</u>	<u>229,688</u>	<u>1,721,511</u>	<u>811,536</u>	<u>7,584,356</u>
<u>LIABILITIES</u>							
Accounts payable	34,069	-	5,215	-	1,516	-	40,800
Accrued and other liabilities	-	-	-	-	-	-	-
Deferred revenues	<u>35,700</u>	<u>-</u>	<u>66,400</u>	<u>49,100</u>	<u>455,800</u>	<u>290,800</u>	<u>897,800</u>
Total Liabilities	<u>69,769</u>	<u>-</u>	<u>71,615</u>	<u>49,100</u>	<u>457,316</u>	<u>290,800</u>	<u>938,600</u>
<u>FUND BALANCES</u>							
Unreserved, reported in:							
General Fund:							
Undesignated	3,587,748	-	-	-	-	-	3,587,748
Special Revenue Funds:							
Undesignated	<u>-</u>	<u>889,251</u>	<u>203,238</u>	<u>180,588</u>	<u>1,264,195</u>	<u>520,736</u>	<u>3,058,008</u>
Total Fund Balances	<u>3,587,748</u>	<u>889,251</u>	<u>203,238</u>	<u>180,588</u>	<u>1,264,195</u>	<u>520,736</u>	<u>6,645,756</u>
Total Liabilities and Fund Balances	<u>\$ 3,657,517</u>	<u>\$ 889,251</u>	<u>\$ 274,853</u>	<u>\$ 229,688</u>	<u>\$ 1,721,511</u>	<u>\$ 811,536</u>	<u>\$ 7,584,356</u>

These financial statements should be read only in connection with
the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
 RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
For the Year Ended April 30, 2015

Total Fund Balances for Governmental Funds \$ 6,645,756

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

Revenues are recorded in the statement of activities when earned. These amounts are not recorded as revenues in the funds unless they will be received within thirty days after year-end. 897,800

Loan proceeds reflected as prior year revenue in fund are carried as a liability in the Government-Wide Statement of Net Assets. (225,000)

Loan principal payments reflected as expenditures in fund are recognized as a reduction of the liability in the Government-Wide Statement of Net Assets. 37,500

Capital assets used in governmental activities are not financial resources, and are not reported in the funds 4,125,829

Compensated absences are reported as a long-term liability of the governmental activities on the Government-Wide Statement of Net Assets. Because the short-term portion is not determinable, this liability is not included on the balance sheet of the governmental funds. (245,721)

Net Assets of Governmental Activities \$ 11,236,164

These financial statements should be read only in connection with the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2015

	Major Special Revenue Funds					Nonmajor Special Revenue Funds	Total Governmental Funds
	General	Economic Development	Road and Bridge	Fire Protection	TIF Fund		
Revenues							
Property taxes	\$ 34,708	\$ -	\$ 63,357	\$ 49,077	\$ 457,498	\$ 272,259	\$ 876,899
Replacement tax	654	-	408	1,206	-	6,399	8,667
Telecommunications tax	-	-	196,606	-	-	-	196,606
Sales Taxes	1,031,338	-	-	-	-	24,652	1,055,990
Income Taxes	718,254	-	-	-	-	-	718,254
Gaming & Entertainment Taxes	131,871	-	-	-	-	-	131,871
Motor Fuel Tax	-	-	-	-	-	149,420	149,420
Franchise fee	95,866	-	-	-	-	-	95,866
Grant Revenue	-	-	-	-	-	52,078	52,078
Fees & assessments	172,428	-	19,229	15,232	-	91,840	298,729
Cemetery income	48,970	-	-	-	-	-	48,970
Interest	557	4,517	56	25	598	206	5,959
Miscellaneous	108,114	215	-	-	4,250	2,760	115,339
Total Revenues	<u>2,342,760</u>	<u>4,732</u>	<u>279,656</u>	<u>65,540</u>	<u>462,346</u>	<u>599,614</u>	<u>3,754,648</u>
Expenditures							
Current:							
General government	379,248	160	72,153	7,933	10,313	229,116	698,923
Streets, alleys & sidewalks	-	-	264,388	-	5,915	244,382	514,685
Public safety	1,184,519	-	-	-	-	30,660	1,215,179
Cemetery	32,883	-	-	-	-	-	32,883
City parks & buildings	142,821	-	-	-	-	-	142,821
Economic development	71,606	28,805	-	-	227,348	22,428	350,187
Debt Service	-	-	-	12,500	-	-	12,500
Capital outlay	15,021	-	136,647	21,139	-	46,768	219,575
Total Expenditures	<u>1,826,098</u>	<u>28,965</u>	<u>473,188</u>	<u>41,572</u>	<u>243,576</u>	<u>573,354</u>	<u>3,186,753</u>
Other Financing Sources (Uses):							
Operating Transfers In (Out)	-	-	-	-	-	-	-
Principal Payments - Long-Term Debt	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	516,662	(24,233)	(193,532)	23,968	218,770	26,260	567,895
Fund Balances - Beginning of Year	<u>3,071,086</u>	<u>913,484</u>	<u>396,770</u>	<u>156,620</u>	<u>1,045,425</u>	<u>494,476</u>	<u>6,077,861</u>
Fund Balances - End of Year	<u>\$ 3,587,748</u>	<u>\$ 889,251</u>	<u>\$ 203,238</u>	<u>\$ 180,588</u>	<u>\$ 1,264,195</u>	<u>\$ 520,736</u>	<u>\$ 6,645,756</u>

These financial statements should be read only in connection with
the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 567,895

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

Revenues are recorded in the statement of activities when earned. These amounts are not recorded as revenues in the funds unless they will be received within thirty days after year-end. 20,500

Loan principal payments reflected as expenditures in fund are recognized as a reduction of the liability in the Government-Wide Statement of Net Assets. 12,500

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay incurred in the current year	606,692
Depreciation	(555,990)

Decreases in compensated absences are accounted for in the Government-Wide Statement of Activities as a decrease to the liability account rather than as a current expenditure. (12,740)

Change in Net Assets of Governmental Activities \$ 638,857

These financial statements should be read only in connection with the accompanying independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
April 30, 2015

	<u>Waterworks & Sewerage Fund</u>	<u>Total</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 734,880	\$ 734,880
Accounts Receivable	76,887	76,887
Accrued Interest Receivable	-	-
Inventories	<u>15,646</u>	<u>15,646</u>
Total Current Assets	<u>827,413</u>	<u>827,413</u>
 Capital Assets	 <u>2,788,160</u>	 <u>2,788,160</u>
Total Noncurrent Assets	<u>2,788,160</u>	<u>2,788,160</u>
 Total Assets	 <u>3,615,573</u>	 <u>3,615,573</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	16,779	16,779
Customer Deposits and Prepayments	41,329	41,329
Due to other funds	<u>5,550</u>	<u>5,550</u>
Total Current Liabilities	<u>63,658</u>	<u>63,658</u>
 Long-Term Liabilities:		
Debt Certificates, Series 2006	<u>1,292,222</u>	<u>1,292,222</u>
Total Long-Term Liabilities	<u>1,292,222</u>	<u>1,292,222</u>
 Total Liabilities	 <u>1,355,880</u>	 <u>1,355,880</u>
<u>NET ASSETS</u>		
Investment in capital assets - Net of Related Debt	1,495,938	1,495,938
Restricted for Construction	-	-
Unrestricted	<u>763,755</u>	<u>763,755</u>
Total Net Assets	<u>\$ 2,259,693</u>	<u>\$ 2,259,693</u>

These financial statements should be read only in connection with the
independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
For The Year Ended April 30, 2015

	<u>Waterworks & Sewerage Fund</u>	<u>Total</u>
Operating Revenue		
User charges and fees	\$ 888,992	\$ 888,992
Administration fee	27,730	27,730
Miscellaneous	<u>2,497</u>	<u>2,497</u>
Total Operating Revenue	<u>919,219</u>	<u>919,219</u>
Operating Expenses		
Salaries and wages	308,222	308,222
Employee benefits	107,090	107,090
Contractual services	23,713	23,713
Systems expense:		
Engineering	5,800	5,800
Equipment rental	8,290	8,290
Supplies and materials	35,132	35,132
Maintenance and repairs	68,990	68,990
Utilities	58,071	58,071
Vehicle Expense	11,353	11,353
General and administrative	45,504	45,504
Depreciation	<u>127,834</u>	<u>127,834</u>
Total Operating Expenses	<u>799,999</u>	<u>799,999</u>
Operating Income (Loss)	119,220	119,220
Nonoperating Revenues (Expenses)		
Interest Income	288	288
Bond Interest Expense	<u>(56,015)</u>	<u>(56,015)</u>
Total Nonoperating Revenues (Expenses)	<u>(55,727)</u>	<u>(55,727)</u>
Change in Net Assets	63,493	63,493
Net Assets - Beginning of Year	<u>2,196,200</u>	<u>2,196,200</u>
Net Assets - End of Year	<u>\$ 2,259,693</u>	<u>\$ 2,259,693</u>

These financial statements should be read only in connection with the independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended April 30, 2015

	<u>Waterworks & Sewerage Fund</u>	<u>Total</u>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 876,318	\$ 876,318
Cash from miscellaneous operating sources	30,227	30,227
Payments to suppliers	(244,441)	(244,441)
Payments to employees	(308,222)	(308,222)
Payments for employee benefits	<u>(126,498)</u>	<u>(126,498)</u>
Net Cash Provided by Operating Activities	<u>227,384</u>	<u>227,384</u>
 <u>Cash Flows From Capital and Related Financing Activities:</u>		
Water system upgrades	-	-
Proceeds from interfund borrowing	-	-
Purchase of equipment and system extensions	<u>(208,646)</u>	<u>(208,646)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(208,646)</u>	<u>(208,646)</u>
 <u>Cash Flows from Investing Activities:</u>		
Interest on Investments	288	288
Payment of Bond Principal and Interest	<u>(148,359)</u>	<u>(148,359)</u>
Net Cash Provided by Investing Activities	<u>(148,071)</u>	<u>(148,071)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (129,333)	 (129,333)
 Cash and Cash Equivalents - Beginning of Year	 <u>864,213</u>	 <u>864,213</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 734,880</u>	 <u>\$ 734,880</u>
	-	
 <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>		
Operating Income (Loss)	\$ 119,220	\$ 119,220
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	127,834	127,834
Changes in assets and liabilities:		
Accounts Receivable (increase) decrease	(15,514)	(15,514)
Accounts Payable increase (decrease)	<u>(4,156)</u>	<u>(4,156)</u>
Net Cash Provided by Operating Activities	<u>\$ 227,384</u>	<u>\$ 227,384</u>

These financial statements should be read only in connection with the
independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2015

	<u>Police Pension Fund</u>	<u>Sanitary District Trust Fund</u>
<u>ASSETS</u>		
Cash and Investments	\$ 2,824,172	\$ -
Property Taxes Receivable	200,000	-
Accounts Receivable	-	-
Accrued Interest Receivable	1,543	-
Due from Other Funds	<u>-</u>	<u>-</u>
Total Assets	<u>3,025,715</u>	<u>-</u>
<u>LIABILITIES</u>		
Accounts Payable	<u>-</u>	
Total Liabilities	<u>-</u>	<u>\$ -</u>
<u>NET ASSETS</u>		
Held in trust for pension benefits	<u>\$ 3,025,715</u>	
Held in trust for Sanitary District		<u>\$ -</u>

These financial statements should be read only in connection with the independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended April 30, 2015

	<u>Police Pension Fund</u>
Additions	
Employer Contributions:	
Property Taxes	\$ 199,652
Replacement Tax	4,565
Total Employer Contributions	<u>204,217</u>
Employee Contributions	49,883
Interest Income	17,087
Miscellaneous	<u>-</u>
Total Additions	<u>271,187</u>
Deductions	
Benefit Payments	183,417
General and Administrative	<u>903</u>
Total Deductions	<u>184,320</u>
Change in Net Assets	86,867
Net Assets - Beginning of Year	<u>2,938,848</u>
Net Assets - End of Year	<u>\$ 3,025,715</u>

These financial statements should be read only in connection with the independent auditor's report and notes to financial statements

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015

Note 1: Summary of Significant Accounting Policies

The City of Chillicothe, Illinois is operated under a Mayor-Council form of government.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. For the City's enterprise fund, GASB Statements Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. The following represents the more significant accounting and reporting policies and practices used in the preparation of these financial statements.

A. The Reporting Entity

In accordance with Governmental Accounting Standards Board pronouncement 14, The Financial Reporting Entity, the City includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by, or dependent on, the Mayor and City Council. The criteria used to determine such control or dependency include:

- a. Selection of the governing authority
- b. Accountability of management to the Mayor and City Council
- c. Influence of the Mayor and City Council upon agency operations
- d. Budgetary authority
- e. Responsibility for funding deficits or ability to control the use of surplus funds
- f. Fiscal management, including control over the collection and disbursement of funds and asset ownership
- g. Power to levy taxes independent of City government
- h. Geographical area benefiting from agency activities.

Based on the above criteria, the financial statements of the Police Pension Fund are included in the accompanying financial statement. The annual funding of police pensions is provided by taxes levied by the City Council. The four-person Board of Directors is comprised of two civilians appointed by the Mayor and two policemen on active duty who are elected by their peers. The operations of the fund are reported in the Police Pension Fund, a Fiduciary Fund.

B. Fund Accounting

The accounts of the City are organized on the basis of fund and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements of this report, into four generic fund types and three broad fund categories as follows:

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than general long-term debt) that are legally restricted to expenditures for specific purposes.

PROPRIETARY FUNDS

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 of the governing body is that the cost of providing water and sewer services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

The City acts in a fiduciary capacity over two major activities.

Police Pension Fund:

Police officers employed by the City receive pension coverage under State Statute commonly referred to as the "Illinois Pension Code." The pensions are funded partly by employee contributions and partly by City contributions. Employee contributions are a fixed percentage of gross earnings, and the City contribution is actuarially determined. Assets are managed by a board consisting of three appointed civilians, one of whom is the City Treasurer, two elected active police officers and one retired police officer. Pension fund assets are separated from City assets, and invested in the name of the Police Pension Fund. Investments are managed by the pension fund board in accordance with the limitations imposed by State Statute.

Sanitary District Trust Fund:

A portion of the City's sewerage system is under the control of a separate sanitary district. The City has contracted with the district to carry out the billing and collection of monthly user fees. The amounts collected each month are paid over to the sanitary district by the middle of the following month. An agreed-upon fee is retained by the City.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

C. Government-wide and Fund Financial Statements (continued)

activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resource focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued):

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued):

Property taxes, state-shared revenue, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the City.

The government reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Tax Increment Financing (TIF) Fund is a Special Revenue Fund. It accounts for all taxes received, as well as payments received on loans made to businesses within the City's two TIF districts and monies disbursed for community promotion and development.

The Road and Bridge Fund is a Special Revenue Fund. It accounts for all taxes received and monies disbursed for street maintenance and repairs

The Economic Development Fund is a Special Revenue Fund. It accounts for all payments received on the City's HELP loans and monies expended for the purpose of civic activities and community promotion.

The Fire Protection Fund is a Special Revenue Fund. It accounts for all taxes received and monies expended for the purpose of fire protection.

The government reports the following major proprietary fund:

The Waterworks and Sewerage Fund, in which user charges to customers based on water consumption comprise substantially all fund revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the City's waterworks and sewerage function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenue of the City's proprietary fund relates to charges to customers for sales and services. The waterworks and sewerage fund also recognizes the collection of tap fees intended to recover current costs as operating revenue. The portion intended

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

to recover the cost of infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

E. Budgetary Policies

In accordance with State Statutes, the City adopts an annual appropriation ordinance for each fiscal year ending April 30. This ordinance sets the legal spending limits for the City for the fiscal year to which the ordinance applies. However, at any time during the second half of the fiscal year, the Council, by a two-thirds vote, can make transfers within any department or other separate agency, of amounts appropriated for one corporate purpose to another corporate purpose. Such transfers cannot reduce an appropriation below an amount sufficient to cover all obligations against that appropriation.

State Statutes also provide for the passage of a supplemental appropriation ordinance in the event that additional revenue becomes available to the City. The supplemental appropriation can only be based on revenue that was not available for appropriation when the annual appropriation ordinance was adopted. The budgetary data present in the combined statement of Revenues and Expenditures - Budget/Appropriations and Actual are adopted on a basis consistent with generally accepted accounting principles.

Appropriations for a particular year lapse at the end of the fiscal year. However, a municipality may, by referendum, accumulate a surplus from the tax levy for general corporate purposes for a specified building project.

Expenditures are controlled at the fund level.

F. Fixed Assets and Long-Term Liabilities

Capital Assets

The methods of accounting for and reporting capital assets (vehicles, real property and equipment) depends on whether the assets are used in governmental fund or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Assets. All capital assets are presented at historical cost.

In the governmental funds, infrastructure assets (roads, bridges, storm sewers, dry wells, etc) were not capitalized prior to May 1, 2004.

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

F. Fixed Assets and Long-Term Liabilities (continued)

Capital Assets (continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities. Accumulated depreciation is netted against the cost of the capital assets and the net amount is presented in the Statement of Net Assets. Depreciation is calculated over the estimated useful life of capital assets using the straight-line method.

Various capitalization thresholds are used to determine whether a newly-acquired asset will be capitalized and depreciated or expensed in the year acquired.

These thresholds are:

Buildings and improvements	\$ 5,000
Machinery, furniture and equipment	1,000
Infrastructure	10,000
Utility system improvements	10,000
Vehicles	5,000

The range of estimated useful lives by type of assets is:

Buildings	40 to 50 years
Machinery, furniture and equipment	3 to 10 years
Infrastructure	5 to 20 years
Utility system improvements	10 to 40 years
Vehicles	5 to 10 years

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are reported as capital outlay expenditures in the year of acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements

Long-Term Debt

All long-term debt for both the governmental and proprietary funds are reported as liabilities in the government-wide statements. The City's long-term debt consists of installment contracts in the governmental funds and debt certificates in the proprietary fund.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and the payment of principal is reported as other financing uses. For the proprietary fund, long-term debt activity is accounted for the same in the fund financial statements as in the government-wide statements.

CITY OF CHILLICOTHE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

G. Cash and Investments

Cash and cash equivalents reflected on the Statement of Net Assets consist of cash on hand, demand deposits and cash invested through the Illinois Funds. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents consist of cash on hand, demand deposits, Illinois Funds and certificates of deposit with a maturity of one year or less.

Investments are stated at cost which equals fair market value. The City currently has no traded securities. City policy requires that such investments, when present, be valued at the last reported sales price. The Illinois Funds is an external investment pool regulated by state statutes. Participant's shares are valued by the pool on a fair value basis.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City policy is to require that all bank deposits not insured by the Federal Deposit Insurance Corporation (FDIC) must be collateralized by the pledging of bank-owned securities. These securities must be pledged in the City's name and held by an agent of the pledging institution.

At year end, investment in Illinois Funds are rated AAAM by Standard & Poor's.

At April 30, 2015, the carrying amount of the City's deposits (checking accounts) was \$599,990 and the bank balance was \$838,090. In addition, the Police Pension Fund had deposits totaling \$19,343, and the bank balance was \$19,343. Of the bank balances, all was covered by FDIC insurance.

Investments

State statutes allow municipalities to invest in certificates of deposit, passbooks and money market accounts so long as these investments are insured by federal depository insurance or by pledging of the bank's own securities. Also, the City can invest in direct debt securities of the United States Government. The Police Pension Fund and Employee Deferred Compensation Plan are also authorized to invest in bonds of the State of Illinois or of any county, township or municipal corporation of the State of Illinois. The City can also invest in "Illinois Funds", a public investment pool managed by the State Treasurer's office.

Of the \$6,133,505 carried as investments and restricted assets of the primary government, \$5,890,505 was invested in Illinois Funds, \$100,000 in certificates of deposit, and \$143,000 in money market accounts. In addition, the Police Pension Fund had investments totaling \$2,723,592 which was comprised of certificates of deposit totaling \$2,580,284 and money market deposits of \$81,237.

CITY OF CHILLICOTHE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
April 30, 2015
 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

G. Cash and Investments (Continued):

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Cash and Investments:			
Checking Accts	\$ 563,329	\$ 36,661	\$ 599,990
Money Market Accts	-	143,000	143,000
Certificates of Deposit	100,000	-	100,000
Illinois Funds	<u>5,335,385</u>	<u>423,696</u>	<u>5,759,081</u>
Totals	<u>5,998,714</u>	<u>603,357</u>	<u>6,602,071</u>
Restricted Assets:			
Checking Accts	-	-	-
Illinois Funds	-	<u>131,424</u>	<u>131,424</u>
Totals	-	<u>131,424</u>	<u>131,424</u>
City Totals	<u>\$ 5,998,714</u>	<u>\$ 734,781</u>	<u>\$ 6,733,495</u>

H. Accounts Receivable - Utility Customers

Utility customers are billed monthly for usage through the previous month. Accounts receivable at April 30 consist of amounts that have been billed but remain uncollected at year end and an estimated amount for unbilled usage for the month of April.

The City uses the direct write-off method of recognizing bad debt losses. No allowance for doubtful accounts has been provided since the amount of such an allowance would not be significant.

I. Real Estate Taxes

State statutes require that the City file its tax levy by the second Tuesday in December. The levy is filed with the County Clerk who then extends these taxes (or that portion legally allowed) as a lien against real property located in the taxing district. The lien date is January 1.

Taxes extended for a given year are due in equal installments, generally on the first day of June and September of the following year. The due date of the first installment for 2014 taxes for Peoria County residents is June 9, 2015. The latest dates for payment without penalty are June 9 and September 9.

Once collected, the County Treasurer is required by statute to distribute tax collections to the individual taxing bodies within thirty days of the date collected. The first distribution from the County to local taxing bodies is scheduled to be on or before July 9, 2015.

CITY OF CHILLICOTHE
 NOTES TO FINANCIAL STATEMENTS
April 30, 2015
 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued):

I. Real Estate Taxes (Continued):

Taxes extended during the current year will not be received soon enough to pay liabilities of the current period. Therefore, these amounts are recorded as taxes receivable and as deferred revenue at year-end. The revenue will be recognized in the period in which they become both measurable and available.

Note 2: Taxes Receivable and Deferred Revenue

Tax revenues are recorded as receivable at year end if the amounts are measurable, even though collection will not occur until the subsequent period. Amounts that are measurable but will not be collected soon enough to pay current expenses are recorded as deferred revenue. These amounts will be reported as revenue when measurable and available.

Note 3: Receivables and Payables

Receivables as of year-end for the City's individual major and nonmajor funds are as follows:

	General Fund	Waterworks & Sewerage	Major Funds	Non-major Funds	Total
Receivables:					
Taxes	\$ 381,403	\$ -0-	\$ 571,300	\$ 304,980	\$ 1,257,683
Accounts	-0-	76,887	-0-	-0-	76,887
Loans	<u>-0-</u>	<u>-0-</u>	<u>320,811</u>	<u>-0-</u>	<u>320,811</u>
Net Receivables	<u>\$ 381,403</u>	<u>\$ 61,373</u>	<u>\$ 892,111</u>	<u>\$ 304,980</u>	<u>\$ 1,510,089</u>

Note 4: Revolving Loans Receivable

In past years, the City has received several Community Development Block Grants for the purpose of making low-interest loans to area businesses. As a condition of these grants, the City was allowed to retain all or part of the loan repayments. These recaptured funds are deposited into a revolving loan fund to be used for future loans with conditions similar to those contained in the original grant document. At the end of the period under audit, outstanding loans totaled \$129,632. Interest rates vary from 1% to 5.75% with repayment terms of three to ten years. Of the \$129,632 due from Economic Development loan recipients, \$105,773 is expected to be received more than one year from the end of the current fiscal year.

During the year ended April 30, 1988, the City issued \$1.875 million in Tax Increment Area General Obligation Bonds. The proceeds from this bond issue have been used to develop and improve properties in the area designated as the Tax Increment Financing District. One of the methods for accomplishing this purpose was to establish a low-interest revolving loan fund. Two such loans totaling \$108,000 were extended to businesses in the district. Both loans have been repaid.

On August 13, 2012, the City loaned \$120,000 from the TIF Revolving Loan Fund to a local organization for the purpose of making technological improvements to the movie theater owned by the organization. The loan bears interest at 2% and is repayable in five annual installments of \$25,459.

CITY OF CHILLICOTHE
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 5: Capital Assets

Capital asset activity of the City's business-type activity was as follows:

	<u>Balance</u> <u>April 30, 2014</u>	<u>Additions</u>	<u>Disposals and</u> <u>Adjustments</u>	<u>Balance</u> <u>April 30, 2015</u>
Business-Type Activity:				
Capital assets being depreciated:				
Construction in Process	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Water System	4,666,112	130,969	-0-	4,797,081
Water Meters	310,705	77,677	-0-	388,382
Operating Equipment	160,395	-0-	-0-	160,395
Vehicles	223,313	-0-	-0-	223,313
Office Equipment	<u>20,226</u>	<u>-0-</u>	<u>-0-</u>	<u>20,226</u>
Subtotal	<u>5,380,751</u>	<u>208,646</u>	<u>-0-</u>	<u>5,589,397</u>
Accumulated depreciation:				
Construction in Process	-0-	-0-	-0-	-0-
Water System	2,270,644	75,177	-0-	2,345,821
Water Meters	103,783	36,611	-0-	140,394
Operating Equipment	151,168	1,687	-0-	152,855
Vehicles	127,582	14,359	-0-	141,941
Office Equipment	<u>20,226</u>	<u>-0-</u>	<u>-0-</u>	<u>20,226</u>
Subtotal	<u>2,673,403</u>	<u>127,834</u>	<u>-0-</u>	<u>2,801,237</u>
Net Capital Assets being Depreciated	<u>2,707,348</u>	<u>80,812</u>	<u>-0-</u>	<u>2,788,160</u>
Net Capital Assets	<u>\$ 2,707,348</u>	<u>\$ 80,812</u>	<u>\$ -0-</u>	<u>\$ 2,788,160</u>

Depreciation expense for the City's business-type activity was \$127,834 for the year ended April 30, 2015.

Capital asset activity of the City's governmental activities was as follows:

	<u>Balance</u> <u>April 30, 2014</u>	<u>Additions</u>	<u>Disposals and</u> <u>Adjustments</u>	<u>Balance</u> <u>April 30, 2015</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 829,917	\$ 83,912	\$ -0-	\$ 913,829
Capital assets being depreciated:				
Buildings	62,626	-0-	-0-	62,626
Building Improvements	170,582	15,000	-0-	185,582
Park Improvements	810,693	-0-	-0-	810,693
Equipment	968,612	56,110	-0-	1,024,722
Vehicles	1,772,581	148,464	-0-	1,921,045
Infrastructure	<u>2,871,499</u>	<u>303,206</u>	<u>-0-</u>	<u>3,174,705</u>
Subtotal	<u>6,656,593</u>	<u>522,780</u>	<u>-0-</u>	<u>7,179,373</u>
Accumulated depreciation:				
Buildings	16,287	1,254	-0-	17,541
Building Improvements	67,105	7,691	-0-	74,796
Park Improvements	220,635	31,302	-0-	251,937
Equipment	541,208	94,004	-0-	635,212
Vehicles	1,049,328	141,578	-0-	1,190,906
Infrastructure	<u>1,516,820</u>	<u>280,161</u>	<u>-0-</u>	<u>1,796,981</u>
Subtotal	<u>3,411,383</u>	<u>555,990</u>	<u>-0-</u>	<u>3,967,373</u>
Net Capital Assets being Depreciated	<u>3,245,210</u>	<u>(33,210)</u>	<u>-0-</u>	<u>3,212,000</u>
Net Capital Assets	<u>\$ 4,075,127</u>	<u>\$ 50,702</u>	<u>\$ -0-</u>	<u>\$ 4,125,829</u>

CITY OF CHILLICOTHE
 NOTES TO FINANCIAL STATEMENTS
April 30, 2015
 (Continued)

Note 5: Capital Assets (continued)

Depreciation expense totaling \$555,990 was charged to governmental activities as follows:

General Government	\$ 2,302
Public Safety	187,423
Cemetery	5,440
City Parks and Buildings	49,235
Streets and Alleys	310,409
Economic Development	<u>1,181</u>
Subtotal	<u>\$ 555,990</u>

Note 6: Debt Certificates Payable

On April 1, 2006, the City entered into an installment contract and issued Debt Certificates totaling \$2,000,000. The proceeds were used for the construction of a new water tower and improvements to the City's water system.

This debt is a general obligation of the City. Repayment, however, will be made from revenues generated by the Waterworks and Sewerage Fund. A monthly assessment of \$5 per water customer has been instituted for the purpose of providing funds for repayment.

The contract calls for twenty annual payments of \$148,470 beginning April 1, 2007. The final payment is due April 1, 2026. The certificates bear interest at 4.1% per annum. Following is the schedule of remaining bond principal and interest maturities:

SCHEDULE OF BOND PRINCIPAL AND INTEREST MATURITIES

Years Ending <u>April 30</u>	Principal Balance, <u>Beginning</u>	Interest Due 4/1	Principal Due 4/1	Principal Balance, <u>Ending</u>
2015				\$ 1,292,222
2016	\$ 1,292,222	\$ 54,491	\$ 93,979	1,198,243
2017	1,198,243	49,128	99,342	1,098,901
2018	1,098,901	45,055	103,415	995,486
2019	995,486	40,815	107,655	887,831
2020	887,831	36,401	112,069	775,762
2021	775,762	31,807	116,663	659,099
2022	659,099	27,023	121,447	537,652
2023	537,652	22,043	126,427	411,225
2024	411,225	16,861	131,609	279,616
2025	279,616	11,464	137,006	142,610
2026	142,610	<u>5,860</u>	<u>142,610</u>	-0-
Totals		<u>\$ 340,948</u>	<u>\$ 1,292,222</u>	

CITY OF CHILLICOTHE
 NOTES TO FINANCIAL STATEMENTS
April 30, 2015
 (Continued)

Note 6: Debt Certificates Payable (Continued)

Current year activity relating to the Debt Certificates was as follows:

<u>Fund Debt Retired By</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Waterworks Fund	\$ 1,383,892	- 0 -	\$ 91,670	\$ 1,292,222

Note 7: Installment Loan Payable

On August 30, 2005, the City borrowed \$100,000 from an area corporation formed for the purpose of encouraging and assisting with commercial development. Proceeds from the loan were used to purchase a grain terminal located on the riverfront within the City limits. The City intends to hold the property for future development.

The loan requires monthly payments of \$1,085 beginning September 30, 2005, with the final payment due on August 31, 2015. The loan bears interest at 5% per annum. The loan was paid in full during the Year Ending April 30, 2014.

Current year activity relating to the Installment Loan was as follows:

<u>Fund Debt Retired By</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Tax Increment Financing Fund	\$ -0-	\$ - 0 -	\$ -0-	\$ - 0 -

Note 8: Installment Loan Payable

On July 7, 2009, the City received a \$250,000, no-interest loan through the State of Illinois' Fire Truck Revolving Loan Program. Proceeds from the loan were used for the down payment on a new aerial ladder truck. The loan is to be repaid over 20 years at \$12,500 per year beginning November 1, 2010, and each November 1st thereafter, through November 1, 2029.

Current year activity relating to the Installment Loan was as follows:

<u>Fund Debt Retired By</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Fire Protection Fund	\$ 200,0000	- 0 -	\$ 12,500	\$ 187,500

CITY OF CHILLICOTHE
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 9: Interfund Transfers

The City had no interfund transfers for the year ended April 30, 2015.

Note 10: Restricted Assets

Amounts carried as restricted assets are those amounts for which use is restricted by ordinance or contract. These amounts consist of deferred compensation and police pension fund assets.

Note 11: Deferred Compensation Plan

City employees with at least one year seniority are eligible to participate in a deferred compensation plan. The City is committed to a contribution of 3% of the employees' gross wages, while the employee may contribute amounts generally not to exceed one-third of gross wages.

Amounts contributed to the plan are being used to purchase annuities for participating employees. The annuity program is being administered by Massachusetts Mutual Life Insurance Company. Investments in annuity contracts are carried at cost.

Employer contributions are immediately vested. The City's contributions to the plan for the years ended April 30, 2015 and 2014 were \$39,249 and \$35,561 respectively.

Note 12: Pension Plan

The City of Chillicothe established a Police Pension Fund on March 23, 1971. The plan is operated under Article 3 of the Illinois Pension Code.

The Plan is a defined benefit plan. The Illinois Revised Statutes, Chapter 108 1/2, paragraph 3-111, defines the benefit as follows:

An officer who is age 50 or more with 20 or more years of creditable service and who is no longer a police officer, shall receive 50% of the salary attached to the rank held for one year immediately prior to retirement. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years to a maximum 75% of the base salary.

A police officer mandatorially retired due to age who has at least 8 but less than 20 years of service, shall receive a pension equal to 2.5% of the base salary for each year of creditable service.

A police officer who returns or is separated from service, having at least 8 but less than 20 years of creditable service, who is not mandatorially retired due to age, and who does not apply for a refund of contributions at his last separation from service, shall receive a pension upon attaining age 60. The pension amount will be equal to 2.5% of the base salary for each year of creditable service.

CITY OF CHILLICOTHE
 NOTES TO FINANCIAL STATEMENTS
April 30, 2015
 (Continued)

Note 12: Pension Plan (Continued)

An annual increase equal to 3% of the original pension is granted each January following retirement.

The Illinois Pension Code also provides for pension payments to survivors and for pensions to disabled police officers.

The contribution rate for police officers is 9.9% of gross salary. The City of Chillicothe is obligated to contribute annually the amount necessary to arrive at the annual requirements as contemplated by Section 3-125 of the Illinois Pension Code. The annual requirements are to be provided by tax levy and equal to:

- (1) The normal cost of the pension fund for the year plus,
- (2) The amount necessary to amortize the fund's unfunded accrued liabilities so that all unfunded liabilities are eliminated by January 2, 2033.

The City is notified of its annual requirement by letter from the Illinois Department of Insurance. The annual requirement is determined by actuarial computations based on information obtained at the end of the preceding year. The annual requirement for the City is computed as the total requirement less anticipated interest income and contributions from participants.

The annual required contribution and related actuarial information for the current year is as follows:

Annual Pension Cost	\$ 183,417
Contribution Made	254,100
Actuarial Valuation Date	5/1/2014
Actuarial Cost Method	Entry Age/Normal Cost
Amortization Method	Level % of Payroll Closed Basis
Remaining Amortization	26 years
Interest Rate Assumption	6.00%
Salary Progression Assumption	4.5%
Unfunded Accrued Liability	\$ 1,576,853

Employee contributions for the year were \$49,883.

Note 13: Accumulated Compensated Absences

The City permits employees to accumulate vacation, sick and personal days. Unused amounts are to be paid to the employees upon separation from service. In the employing funds (Governmental and Enterprise Funds), the expense for these compensated absences is recognized when the payments are actually made.

A liability for accumulated compensated absences in the amount of \$245,721 is carried in the Government-Wide Statement of Net Assets as non-current, because the short-term portion, if any, cannot be accurately determined.

CITY OF CHILLICOTHE
NOTES TO FINANCIAL STATEMENTS
April 30, 2015
(Continued)

Note 14: Property Redevelopment and Tax Increment Financing

The City has designated two separate but contingent areas of the City for redevelopment through Tax Increment Financing. Under Tax Increment financing, the equalized assessed valuation of the district is frozen when the district is established

All taxes derived from any increase in equalized assessed valuations after that date are to be applied to the payment of the related development and financing costs. In addition, on November 26, 1986, the City Council passed Ordinance 988, authorizing the use of sales tax increment allocation financing for the district. As such, incremental sales tax revenue generated within the district has also been used to carry out the redevelopment. The redevelopment will be accomplished by such means as low-interest loans to businesses locating or expanding in the district, direct grants to businesses or developers, infrastructure improvements paid for by the City, and such other legal means as may be determined by the Council to be in the best interest of the City in accomplishing its redevelopment plan.

Note 15: Deficit Fund Balances

At April 30, 2015, none of the City funds had a deficit fund balance.

Note 16: Budgetary Compliance

During the years ended April 30, 2015 and 2014, none of the City funds overspent its appropriation.

Note 17: Commitments and Contingencies

In November, 2005, the City entered into an agreement with the owners of a local restaurant located within the City's Tax Increment Financing District. Under the agreement, the City agreed to pay \$300,000 towards the acquisition of the site to be used to construct a new facility. In return, the owners guaranteed the City that sales tax revenues paid to the City over the twelve year period ending in 2018, would be equal to or greater than \$24,177 per year. Currently, annual property taxes on the facility are about \$30,000.

On July 28, 2003, the City entered into a redevelopment agreement for the purpose of constructing a new retail/service facility located within the Tax Increment Financing District. Under the terms of the agreement, the City paid \$110,000 to reduce the cost of the project site. In return, the Developer has constructed a 4,200 square foot building with a value of approximately \$450,000. In addition, the Developer has assured the City that additional real estate taxes to be received by the City over the next twelve years will exceed \$110,000. If the projected incremental tax revenue is not realized, the shortfall will be paid to the City by the Developer.

Finally, on November 27, 2006, the City entered into an agreement with developers to renovate a commercial building for the purpose of locating a new retail establishment. The City has reimbursed the developers \$200,000 of the renovation cost. The City's commitment was based on the developers' assurance that the City's share of cumulative sales tax revenues for the first ten years will equal no less that \$200,000. This guarantee is being evaluated each year. The developers are required to make up any shortfall in sales tax revenue.

INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION

Honorable Mayor
and Aldermen
City of Chillicothe, Illinois

The accompanying supplementary information is presented for purposes of analysis and is not considered necessary for a fair presentation of the basic financial statements. My examination of the basic financial statements was made for the primary purpose of formulating an opinion on those statements. This supplementary information has been subjected to the applicable audit procedures I performed in my examination of the related financial statements.

In my opinion, all of the supplementary information is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.



Kassandra J. McElhiney, CPA
McElhiney, LLC
Certified Public Accountants

Chillicothe, Illinois
September 27, 2015

CITY OF CHILLICOTHE, ILLINOIS
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
For the Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
Resources (Inflows):			
Local Taxes	\$ 27,000	\$ 166,579	\$ 139,579
State Taxes	1,235,000	1,750,246	515,246
State Grants	-	-	-
Licenses, fines and permits	81,000	170,778	89,778
Franchise fee	95,000	95,866	866
Cemetery income	24,600	48,970	24,370
Interest	1,000	557	(443)
Miscellaneous	82,000	109,764	27,764
Other financing sources - fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>1,545,600</u>	<u>2,342,760</u>	<u>797,160</u>
Charges to Appropriation (Outflows):			
General & Administrative	1,011,900	379,248	(632,652)
Public Safety	1,479,550	1,184,519	(295,031)
Cemetery	107,200	32,883	(74,317)
City Parks & Buildings	301,000	142,821	(158,179)
Economic Development	116,300	71,606	(44,694)
Capital Outlay	1,220,000	15,021	(1,204,979)
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>4,235,950</u>	<u>1,826,098</u>	<u>(2,409,852)</u>
Fund Balance Reconciliation			
Fund Balance - Beginning of Year	3,071,086	3,071,086	-
Change in Fund Balance	<u>(2,690,350)</u>	<u>516,662</u>	<u>3,207,012</u>
Fund Balance - End of Year	<u>\$ 380,736</u>	<u>\$ 3,587,748</u>	<u>\$ 3,207,012</u>

CITY OF CHILLICOTHE, ILLINOIS
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 ECONOMIC DEVELOPMENT FUND
For the Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
Resources (Inflows):			
Local Taxes	\$ -	\$ -	\$ -
Interest	-	4,517	4,517
Miscellaneous	-	215	215
Other financing sources - fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>-</u>	<u>4,732</u>	<u>4,732</u>
Charges to Appropriation (Outflows):			
Economic Development	-	160	160
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>-</u>	<u>160</u>	<u>160</u>
Fund Balance Reconciliation			
Fund Balance - Beginning of Year	913,484	913,484	-
Change in Fund Balance	<u>-</u>	<u>4,572</u>	<u>4,572</u>
Fund Balance - End of Year	<u>\$ 913,484</u>	<u>\$ 918,056</u>	<u>\$ 4,572</u>

CITY OF CHILLICOTHE, ILLINOIS
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 ROAD AND BRIDGE FUND
For the Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
Resources (Inflows):			
Local Taxes	\$ 55,000	\$ 63,765	\$ 8,765
Equipment Rental	-	-	-
Tonnage Fees	20,000	19,229	(771)
Telecommunications Tax	210,000	196,606	(13,394)
Interest	-	56	56
Miscellaneous	-	-	-
Operating Transfers In	-	-	-
Other financing sources - fund balance	<u>1,374,967</u>	<u>-</u>	<u>(1,374,967)</u>
Amounts available for appropriation	<u>1,659,967</u>	<u>279,656</u>	<u>(1,380,311)</u>
Charges to Appropriation (Outflows):			
General & Administrative	100,500	72,153	(28,347)
Streets, Alleys & Sidewalks	1,180,000	264,388	(915,612)
Capital Outlay	<u>153,000</u>	<u>136,647</u>	<u>(16,353)</u>
Total Charges to Appropriations	<u>1,433,500</u>	<u>473,188</u>	<u>(960,312)</u>
Fund Balance Reconciliation			
Fund Balance - Beginning of Year	396,770	396,770	-
Change in Fund Balance	<u>226,467</u>	<u>(193,532)</u>	<u>(419,999)</u>
Fund Balance - End of Year	<u>\$ 623,237</u>	<u>\$ 203,238</u>	<u>\$ (419,999)</u>

CITY OF CHILLCOTHE, ILLINOIS
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 FIRE PROTECTION FUND
For the Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
Resources (Inflows):			
Local Taxes	\$ 49,170	\$ 50,283	\$ 1,113
Interest	-	25	25
Miscellaneous	-	-	-
Grant revenue	-	15,232	15,232
Operating transfers in	-	-	-
Other financing sources - fund balance	<u>489,907</u>	<u>-</u>	<u>(489,907)</u>
Amounts available for appropriation	<u>539,077</u>	<u>65,540</u>	<u>(473,537)</u>
Charges to Appropriation (Outflows):			
General & Administrative	31,000	7,933	(23,067)
Public Safety	50,000	-	(50,000)
Debt Service	15,000	12,500	(2,500)
Capital Outlay	<u>300,000</u>	<u>21,139</u>	<u>(278,861)</u>
Total Charges to Appropriations	<u>396,000</u>	<u>41,572</u>	<u>(354,428)</u>
Fund Balance Reconciliation			
Fund Balance - Beginning of Year	156,620	156,620	-
Change in Fund Balance	<u>143,077</u>	<u>23,968</u>	<u>(119,109)</u>
Fund Balance - End of Year	<u>\$ 299,697</u>	<u>\$ 180,588</u>	<u>\$ (119,109)</u>

CITY OF CHILLICOTHE, ILLINOIS
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 TAX INCREMENT FINANCING (TIF) FUND
For the Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
Resources (Inflows):			
Local Taxes	\$ 457,000	\$ 457,498	\$ 498
Interest	-	598	598
Miscellaneous	-	4,250	4,250
Other financing sources - fund balance	<u>2,043,437</u>	<u>-</u>	<u>(2,043,437)</u>
Amounts available for appropriation	<u>2,500,437</u>	<u>462,346</u>	<u>(2,038,091)</u>
Charges to Appropriation (Outflows):			
General & Administrative	588,000	10,313	(577,687)
Streets & Alleys	293,000	5,915	(287,085)
Economic Development	1,100,000	227,348	(872,652)
Debt Service	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>1,981,000</u>	<u>243,576</u>	<u>(1,737,424)</u>
Fund Balance Reconciliation			
Fund Balance - Beginning of Year	1,045,425	1,045,425	-
Change in Fund Balance	<u>519,437</u>	<u>218,770</u>	<u>(300,667)</u>
Fund Balance - End of Year	<u>\$ 1,564,862</u>	<u>\$ 1,264,195</u>	<u>\$ (300,667)</u>

CITY OF CHILLICOTHE, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2015

	<u>Police Protection Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Civil Defense Fund</u>	<u>Tort Liability Fund</u>	<u>Audit Fund</u>	<u>Social Security Fund</u>	<u>Hotel/ Motel Tax Fund</u>	<u>Totals</u>
<u>ASSETS</u>								
Cash	\$ 69,325	\$ 12,049	\$ 590	\$ 5,015	\$ 1,121	\$ 11,282	\$ 1,497	\$ 100,879
Investments	165,273	128,632	4,902	18,141	31,516	41,416	15,797	405,677
Taxes receivable	40,600	14,180	1,500	117,700	15,000	116,000	-	304,980
Due from other funds	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
	<u>275,198</u>	<u>154,861</u>	<u>6,992</u>	<u>140,856</u>	<u>47,637</u>	<u>168,698</u>	<u>17,294</u>	<u>811,536</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	40,600	-	1,500	117,700	15,000	116,000	-	290,800
	<u>40,600</u>	<u>-</u>	<u>1,500</u>	<u>117,700</u>	<u>15,000</u>	<u>116,000</u>	<u>-</u>	<u>290,800</u>
Total Liabilities	40,600	-	1,500	117,700	15,000	116,000	-	290,800
Fund Balance	<u>234,598</u>	<u>154,861</u>	<u>5,492</u>	<u>23,156</u>	<u>32,637</u>	<u>52,698</u>	<u>17,294</u>	<u>520,736</u>
Total Liabilities and Fund Balance	<u>\$ 275,198</u>	<u>\$ 154,861</u>	<u>\$ 6,992</u>	<u>\$ 140,856</u>	<u>\$ 47,637</u>	<u>\$ 168,698</u>	<u>\$ 17,294</u>	<u>\$ 811,536</u>

CITY OF CHILLICOTHE, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended April 30, 2015

	Police Protection Fund	Motor Fuel Tax Fund	Civil Defense Fund	Tort Liability Fund	Audit Fund	Social Security Fund	Hotel/ Motel Tax Fund	Totals
<u>Revenues</u>								
Property taxes	\$ 41,492	\$ -	\$ 1,488	\$ 107,503	\$ 15,971	\$ 105,805	\$ -	\$ 272,259
Telecommunications tax	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	24,652	24,652
Motor Fuel Tax	-	149,420	-	-	-	-	-	149,420
Replacement tax	1,013	-	38	2,450	398	2,500	-	6,399
Grant revenue	-	52,078	-	-	-	-	-	52,078
Interest	105	21	1	34	4	39	2	206
Equipment rental	-	-	-	-	-	-	-	-
Fees & Assessments	91,840	-	-	-	-	-	-	91,840
Miscellaneous	2,760	-	-	-	-	-	-	2,760
Total Revenues	<u>137,210</u>	<u>201,519</u>	<u>1,527</u>	<u>109,987</u>	<u>16,373</u>	<u>108,344</u>	<u>24,654</u>	<u>599,614</u>
<u>Expenditures</u>								
Current:								
General Government	-	-	-	128,356	13,005	87,755	-	229,116
Streets, alleys & Sidewalks	-	244,382	-	-	-	-	-	244,382
Public Safety	29,253	-	1,407	-	-	-	-	30,660
Economic Development	-	-	-	-	-	-	22,428	22,428
Capital Expenditures	46,768	-	-	-	-	-	-	46,768
Total Expenditures	<u>76,021</u>	<u>244,382</u>	<u>1,407</u>	<u>128,356</u>	<u>13,005</u>	<u>87,755</u>	<u>22,428</u>	<u>573,354</u>
Excess of Revenues Over (Under) Expenditures	<u>61,189</u>	<u>(42,863)</u>	<u>120</u>	<u>(18,369)</u>	<u>3,368</u>	<u>20,589</u>	<u>2,226</u>	<u>26,260</u>
<u>Other Financing Sources (Uses)</u>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	61,189	(42,863)	120	(18,369)	3,368	20,589	2,226	26,260
Fund Balance, Beginning	<u>173,409</u>	<u>197,724</u>	<u>5,372</u>	<u>41,525</u>	<u>29,269</u>	<u>32,109</u>	<u>15,068</u>	<u>494,476</u>
Fund Balance, Ending	<u>\$ 234,598</u>	<u>\$ 154,861</u>	<u>\$ 5,492</u>	<u>\$ 23,156</u>	<u>\$ 32,637</u>	<u>\$ 52,698</u>	<u>\$ 17,294</u>	<u>\$ 520,736</u>

CITY OF CHILLICOTHE, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

<u>Revenues</u>	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
State and Federal Revenue:			
Income taxes	\$ 439,000	\$ 597,107	\$ 158,107
Sales tax	710,000	1,031,338	321,338
Local Use tax	85,000	121,147	36,147
Personal property replacement tax	1,000	654	(346)
State grant	-	-	-
	<u>1,235,000</u>	<u>1,750,246</u>	<u>515,246</u>
Local Taxes:			
Property Tax	34,773	34,708	(65)
Entertainment Tax	45,000	57,505	12,505
Video Gaming Tax	<u>27,000</u>	<u>74,366</u>	<u>47,366</u>
	<u>106,773</u>	<u>166,579</u>	<u>59,806</u>
Other Local Revenues:			
Licenses	18,000	20,580	2,580
Aggregation Fee	22,000	30,700	8,700
Fines	55,000	110,018	55,018
Permits and zoning fees	8,000	9,480	1,480
Cemetery lot sales	11,000	27,750	16,750
Cemetery grave openings	13,000	20,415	7,415
Cemetery foundation permits	600	805	205
Rentals	1,800	1,650	(150)
Cable TV franchise	95,000	95,866	866
Interest	1,000	557	(443)
Expense reimbursements	80,200	89,636	9,436
Donations	-	254	254
Miscellaneous	<u>-</u>	<u>18,224</u>	<u>18,224</u>
	<u>305,600</u>	<u>425,935</u>	<u>120,335</u>
Total Revenues	<u>\$ 1,647,373</u>	<u>\$ 2,342,760</u>	<u>\$ 695,387</u>

CITY OF CHILLICOTHE, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Expenditures:</u>			
Current:			
General Government:			
Official salaries -			
Mayor and Aldermen	\$ 40,000	\$ 34,220	\$ 5,780
City Clerk	15,000	12,075	2,925
City Treasurer	5,500	3,300	2,200
Office Manager	41,000	31,506	9,494
Zoning Officer	5,200	4,020	1,180
Building Code Inspector	15,000	-	15,000
Plat Officer	5,000	-	5,000
City Collector	22,000	-	22,000
Deputy - City Clerk	20,000	-	20,000
Liquor Commissioner	500	280	220
	<u>169,200</u>	<u>85,401</u>	<u>83,799</u>
Wages - Office	24,000	16,450	7,550
Wages - Part-time Office	15,000	-	15,000
Telephone expense	11,000	4,760	6,240
Dues & Subscriptions	4,800	1,513	3,287
Postage expense	5,000	429	4,571
Printing expense	5,000	-	5,000
Garbage disposal	10,000	4,870	5,130
Check printing & bank service charge	3,000	-	3,000
Miscellaneous	58,000	17,727	40,273
Employee Deferred Compensation	6,000	2,978	3,022
Social security retirement expense	-	-	-
Uniform expense	700	550	150
Operating supplies	8,000	3,997	4,003
Office Equipment	12,000	865	11,135
Legal services	150,000	57,286	92,714
Engineer fees	35,000	1,110	33,890
Street light expense	60,000	40,581	19,419
Travel & Entertainment	5,000	842	4,158
Convention, seminars & workshops	20,000	8,507	11,493
Election expense	1,500	-	1,500
Community Planning	10,000	14,980	(4,980)
Zoning Board expense	2,500	737	1,763
Board of Fire & Police Commission	12,000	9,680	2,320
Ambulance provider fee	75,000	50,000	25,000
Codification of Ordinances	10,000	3,742	6,258
Contingency Fund	40,000	-	40,000
Special Civic Activities	5,000	285	4,715
Public Official Bonds	3,000	-	3,000
Maintenance & Repair - Equipment	10,000	1,620	8,380
Insurance - Employee Benefit Group	42,000	23,793	18,207
Insurance - Unemployment	50,000	-	50,000
Insurance - General Coverage	30,000	-	30,000
Tree City, USA	5,000	2,714	2,286
Comprehensive Sidewalk Program	-	-	-
Tree Removal	10,000	10,200	(200)

CITY OF CHILLICOTHE, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015
(Continued)

	<u>Original/ Final Budget</u>	<u>2015 Actual</u>	<u>Variance with Final Budget</u>
<u>Expenditures: (Continued)</u>			
Current:			
General Government:			
Publication - Bids and Elections	9,000	1,104	7,896
Publication - Ordinance	5,000	72	4,928
Publication - Other	-	-	-
Professional Service Fee	15,000	10,229	4,771
Computer Software and Training	17,200	1,792	15,408
Annual Audit	3,000	-	3,000
Random Testing	5,000	434	4,566
Annexation incentive	50,000	-	50,000
	<u>842,700</u>	<u>293,847</u>	<u>548,853</u>
Total General Government	<u>1,011,900</u>	<u>379,248</u>	<u>632,652</u>
Public Safety:			
Police Department:			
Police Chief - Salary	72,000	70,664	1,336
Police Labor - Wages	839,000	753,170	85,830
Deferred Compensation	10,000	7,381	2,619
Health Insurance	230,000	218,446	11,554
Uniform Expense	12,000	9,565	2,435
Gas and Oil	60,000	36,541	23,459
Telephone	12,000	10,386	1,614
Rental - Equipment	-	-	-
Dues and Subscriptions	5,000	2,108	2,892
Printing Expense	2,500	913	1,587
Miscellaneous	24,000	73	23,927
Office Supplies & Postage	7,000	2,780	4,220
Office Equipment	12,000	-	12,000
Travel Expense	500	-	500
Training Schools & Tuitions	-	-	-
Maintenance & Repair - Equipment	13,000	2,439	10,561
Maintenance & Repair - Vehicles	16,000	8,274	7,726
Animal Control Services	15,000	1,531	13,469
Jail Fees	-	-	-
	<u>1,330,000</u>	<u>1,124,271</u>	<u>205,729</u>
Fire Department:			
Salary - Fire Chief	25,000	13,092	11,908
Uniform Expense	37,550	19,255	18,295
Automobile Expense - Fire Chief	1,000	320	680
Utilities - Heating & Lighting	20,000	11,477	8,523
Gas and Oil	6,000	3,398	2,602
Telephone	8,000	5,261	2,739
Miscellaneous	6,500	-	6,500
Supplies - Cleaning	3,500	201	3,299
Maintenance & Repair - Equipment	10,000	3,109	6,891
Maintenance & Repair - Vehicles	20,000	4,135	15,865
Department Restructuring	10,000	-	10,000
Insurance - Vehicles and Other	-	-	-
Conventions & Seminars	2,000	-	2,000
	<u>149,550</u>	<u>60,248</u>	<u>89,302</u>
Total Public Safety	<u>1,479,550</u>	<u>1,184,519</u>	<u>295,031</u>

CITY OF CHILLICOTHE, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015
(Continued)

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Expenditures: (Continued)</u>			
Current:			
Cemetery:			
Wages - Cemetery Labor	45,000	22,158	22,842
Gas and Oil	6,000	2,571	3,429
Miscellaneous	2,000	-	2,000
Supplies - Materials	8,000	1,229	6,771
Equipment - Operating	2,000	205	1,795
Equipment Rental	-	-	-
Engineer Fees	5,000	-	5,000
Trees, Shrubs, Sod & Seed	-	1,916	(1,916)
Maintenance & Repair - Equipment	6,000	1,221	4,779
Maintenance & Repair - Grave Stones	3,000	420	2,580
Maintenance & Repair - Fence	8,000	-	8,000
Maintenance & Repair - Vehicles	2,500	307	2,193
Maintenance & Repair - Streets	3,000	-	3,000
Maintenance & Repair - Building	3,000	-	3,000
Tree & Stump Removal	2,500	-	2,500
Telephone	700	136	564
Office Supplies & Software	-	-	-
Cemetery Records System	1,300	692	608
Unemployment Insurance	8,000	1,380	6,620
Employee Deferred Compensation	1,200	648	552
Total Cemetery	<u>107,200</u>	<u>32,883</u>	<u>74,317</u>
City Parks and Buildings:			
City Parks:			
Wages - Parks Labor	34,500	20,171	14,329
Deferred Compensation	1,000	534	466
Gas and Oil	5,000	2,255	2,745
Tree Removal	1,000	-	1,000
Miscellaneous	1,000	-	1,000
Supplies - Materials	5,000	1,339	3,661
Equipment - Operating & Recreational	2,000	-	2,000
Trees, Shrubs, Sod & Seed	-	-	-
Maintenance & Repair - Benches/Tables	1,500	-	1,500
Maintenance & Repair - Equipment	5,000	1,420	3,580
Maintenance & Repair - Vehicles	5,000	175	4,825
Maintenance & Repair - Boat Ramp	5,000	-	5,000
Maintenance & Repair - Playground Eq.	3,000	357	2,643
Park Land Improvements	15,000	-	15,000
Rentals	2,000	1,187	813
	<u>86,000</u>	<u>27,438</u>	<u>58,562</u>
City Buildings:			
Wages - Janitor	35,000	33,672	1,328
Part-time Labor	19,000	144	18,856
Health Insurance	16,000	15,862	138
Utilities - Heating & Lighting	65,000	50,489	14,511
Equipment Rental	1,000	-	1,000
Uniform Expense	800	550	250
Supplies - Materials & Cleaning	5,000	1,224	3,776
Miscellaneous	1,000	-	1,000
Equipment - Office	-	-	-
Maintenance & Repair - Buildings	60,000	10,670	49,330
Maintenance & Repair - Equipment	2,500	-	2,500
Maintenance & Repair - Parks	3,500	380	3,120
Professional Services	3,000	-	3,000
Employee Deferred Compensation	2,400	1,672	728
Car Allowance	800	720	80
	<u>215,000</u>	<u>115,383</u>	<u>99,617</u>
Total Parks and Buildings	<u>301,000</u>	<u>142,821</u>	<u>158,179</u>

CITY OF CHILLICOTHE, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015
(Continued)

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Expenditures:</u> (Continued)			
Current:			
Economic Development:			
Wages - Director	60,000	51,341	8,659
Telephone	1,500	1,081	419
Miscellaneous	1,000	-	1,000
Office Equipment & Supplies	3,500	315	3,185
Travel Expense	3,000	133	2,867
Uniform Expense	700	-	700
Seminars/Workshops	2,500	199	2,301
Dues & Subscriptions	1,500	353	1,147
Postage expense	1,000	-	1,000
Unemployment	6,000	-	6,000
Maintenance & Repair - Equipment	1,200	-	1,200
Professional Services	5,000	601	4,399
Insurance - Employees	16,100	15,862	238
Deferred Compensation	3,300	1,533	1,767
Comprehensive Plan	-	-	-
Engineering	5,000	-	5,000
Promotional material	<u>5,000</u>	<u>188</u>	<u>4,812</u>
Total Economic Development	<u>116,300</u>	<u>71,606</u>	<u>44,694</u>
Total Current Expenditures	<u>3,015,950</u>	<u>1,811,077</u>	<u>1,204,873</u>
Capital Expenditures:			
Administrative	740,000	-	740,000
Police Department	50,000	5,133	44,867
Fire Department	262,000	-	262,000
Cemetery and Parks	108,000	-	108,000
Buildings Department	60,000	9,888	50,112
Debt Service:	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Before Other Financing Sources (Uses)	<u>4,235,950</u>	<u>1,826,098</u>	<u>2,409,852</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	(2,588,577)	516,662	3,105,239
Other Financing Sources (Uses):			
Operating transfers In	-	-	-
Operating transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>\$ (2,588,577)</u>	516,662	<u>\$ 3,105,239</u>
<u>Fund Balance, Beginning</u>		<u>3,071,086</u>	
<u>Fund Balance, Ending</u>		<u>\$ 3,587,748</u>	

CITY OF CHILLICOTHE, ILLINOIS
POLICE PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Property taxes	\$ 41,567	\$ 41,492	\$ (75)
Replacement tax	-	1,013	1,013
Fines	-	4,380	4,380
Grants	-	-	-
Vehicle Impoundment	45,000	87,460	42,460
Interest	-	105	105
Miscellaneous	-	<u>2,760</u>	<u>2,760</u>
 Total Revenues	 <u>86,567</u>	 <u>137,210</u>	 <u>50,643</u>
<u>Expenditures</u>	<u>Appropriated</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Public Safety:			
LEADS Program	9,000	3,673	5,327
Training Schools	12,000	7,362	4,638
Supplies	3,000	4,226	(1,226)
Dues & Subscriptions	5,000	1,881	3,119
Maintenance & Repairs	30,000	3,902	26,098
K-9 Expenses	15,000	1,945	13,055
Miscellaneous	<u>20,000</u>	<u>6,264</u>	<u>13,736</u>
Total Public Safety	<u>94,000</u>	<u>29,253</u>	<u>64,747</u>
 Capital:			
Equipment	60,000	10,768	49,232
Police car purchases	<u>80,000</u>	<u>36,000</u>	<u>44,000</u>
Total Capital	<u>140,000</u>	<u>46,768</u>	<u>93,232</u>
 Total Expenditures	 <u>234,000</u>	 <u>76,021</u>	 <u>157,979</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (147,433)</u>	61,189	<u>\$ 208,622</u>
 <u>Fund Balance, Beginning</u>		<u>173,409</u>	
 <u>Fund Balance, Ending</u>		<u>\$ 234,598</u>	

CITY OF CHILLICOTHE, ILLINOIS
MOTOR FUEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Motor Fuel Tax Allotments	\$ 147,000	\$ 149,420	\$ 2,420
State Grants	-	52,078	52,078
Miscellaneous	-	-	-
Interest Income	-	21	21
	<u>147,000</u>	<u>201,519</u>	<u>54,519</u>
Total Revenues			
	<u>Appropriated</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
<u>Expenditures</u>			
Current:			
Wages	\$ -	-	\$ -
Equipment Rental	-	-	-
Culverts	8,000	-	8,000
Sealcoating and Crack Filling	-	-	-
Sidewalks	20,000	-	20,000
Manhole Rings	3,000	-	3,000
Patch and Aggregate	60,000	43,349	16,651
Traffic Control and Signing	-	-	-
Salt & Cinders	30,000	15,186	14,814
Miscellaneous	1,000	316	684
Fill Sand & Gravel	6,000	5,038	962
Street Signs	6,000	1,169	4,831
Line Marker Paint	5,000	-	5,000
Overlay	322,000	137,158	184,842
Engineering	40,000	42,166	(2,166)
	<u>501,000</u>	<u>244,382</u>	<u>256,618</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>\$ (354,000)</u>	(42,863)	<u>\$ 311,137</u>
Fund Balance, Beginning		<u>197,724</u>	
Fund Balance, Ending		<u>\$ 154,861</u>	

CITY OF CHILLICOTHE, ILLINOIS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 55,000	\$ 63,357	\$ 8,357
Replacement Tax	-	408	408
Equipment Rental	-	-	-
Tonnage Fees	20,000	19,229	(771)
Interest	-	56	56
Stimulus Reimbursement	-	-	-
Miscellaneous	-	-	-
Telecommunication Tax	<u>210,000</u>	<u>196,606</u>	<u>(13,394)</u>
Total Revenues	<u>285,000</u>	<u>279,656</u>	<u>(5,344)</u>
<u>Expenditures</u>	<u>Appropriated</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Current:			
General Government:			
Insurance - General	4,000	-	4,000
Insurance - Employees	65,000	62,232	2,768
Insurance - Unemployment	6,000	-	6,000
Telephone	3,500	2,424	1,076
Bank Charges	500	-	500
Miscellaneous	3,000	-	3,000
Office Supplies	1,500	-	1,500
Deferred Compensation	15,000	7,497	7,503
Office Equipment Maintenance	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total General Government	<u>100,500</u>	<u>72,153</u>	<u>28,347</u>
Streets, Alleys & Sidewalks:			
Wages - Department Head	20,000	10,177	9,823
Wages - Labor	197,000	130,040	66,960
Gas & Oil	35,000	15,646	19,354
Equipment Rental	21,000	7,700	13,300
Fill Sand & Gravel	1,500	-	1,500
Miscellaneous	-	9	(9)
Supplies - Operating	10,000	5,544	4,456
Equipment - Operating	9,000	1,437	7,563
Trees, Shrubs, Sod & Seed	-	-	-
New Construction - Streets, Alleys, Sidewalks	-	-	-
Maintenance & Repair - Equipment	13,000	8,685	4,315
Maintenance & Repair - Vehicles	12,000	6,978	5,022
Maintenance & Repair - Dry Wells	60,000	2,176	57,824
Utilities - Stop Lights	10,000	1,080	8,920
Sidewalk Program	30,000	-	30,000

CITY OF CHILLICOTHE, ILLINOIS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015
(Continued)

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Expenditures</u> (Continued)			
Current:			
Streets, Alleys & Sidewalks (Continued)			
Maintenance & Repair - Bridge	100,000	-	100,000
Maintenance & Repair - Building	31,000	-	31,000
Maintenance & Repair - Streets, Alleys & Sidewalks	535,000	67,484	467,516
Maintenance & Repair - Street Signs & Traffic Lights	2,000	-	2,000
Uniforms	3,500	1,925	1,575
Patch	-	-	-
Snow Removal	5,000	-	5,000
Drainage Improvements	50,000	-	50,000
Engineering	30,000	2,106	27,894
Pest Control	5,000	3,401	1,599
	<u>1,180,000</u>	<u>264,388</u>	<u>915,612</u>
Capital:	<u>153,000</u>	<u>136,647</u>	<u>16,353</u>
	<u>1,433,500</u>	<u>473,188</u>	<u>960,312</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(1,148,500)	(193,532)	954,968
Other Financing Sources (Uses):			
Operating Transfers Out	-	-	-
Operating Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,148,500)</u>	(193,532)	<u>\$ 954,968</u>
<u>Fund Balance, Beginning</u>		<u>396,770</u>	
<u>Fund Balance, Ending</u>		<u>\$ 203,238</u>	

CITY OF CHILLICOTHE, ILLINOIS
 FIRE PROTECTION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - APPROPRIATED AND ACTUAL
 For The Year Ended April 30, 2015

	<u>Original/ Final Budget</u>	<u>2015 Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 49,170	\$ 49,077	\$ (93)
Replacement Tax	-	1,206	1,206
Grant Revenue	-	-	-
Foreign Fire Insurance Tax	-	15,232	15,232
Interest Income	-	25	25
Miscellaneous Income	-	-	-
	49,170	65,540	16,370
<u>Expenditures</u>	<u>Appropriated</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Current:			
General Government:			
Conventions and Seminars	4,000	-	4,000
Miscellaneous	27,000	7,933	19,067
Public Safety:			
Maintenance & Repairs	50,000	-	50,000
Debt Service:			
	15,000	12,500	2,500
Capital:			
	300,000	21,139	278,861
	396,000	41,572	331,361
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(346,830)	23,968	347,731
Other Financing Sources (Uses):			
Operating Transfers Out	-	-	-
Operating Transfers In	-	-	-
Excess of Revenues Over (Under) Expenditures	\$ (346,830)	23,968	\$ 347,731
<u>Fund Balance, Beginning</u>		156,620	
<u>Fund Balance, Ending</u>		\$ 180,588	

CITY OF CHILLICOTHE, ILLINOIS
 CIVIL DEFENSE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - APPROPRIATED AND ACTUAL
 For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 1,490	\$ 1,488	\$ (2)
Replacement Tax	-	38	38
Interest Income	-	1	1
	<u>1,490</u>	<u>1,527</u>	<u>37</u>
Total Revenues			
<u>Expenditures</u>	<u>Appropriated</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Current:			
Public Safety:			
Gas and Oil	-	-	-
Alternate Communication	3,000	1,407	1,593
Miscellaneous	1,000	-	1,000
Equipment Maintenance	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Public Safety	7,000	1,407	5,593
Capital:			
	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>10,000</u>	<u>1,407</u>	<u>8,593</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (8,510)</u>	120	<u>\$ 8,630</u>
<u>Fund Balance, Beginning</u>		<u>5,372</u>	
<u>Fund Balance, Ending</u>		<u>\$ 5,492</u>	

CITY OF CHILLICOTHE, ILLINOIS
 ECONOMIC DEVELOPMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	<u>Original/ Final Budget</u>	<u>2015 Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Economic Development Loan Repayments	\$ 24,730	\$ 28,354	\$ 3,624
Interest Income	-	4,517	4,517
Miscellaneous	-	<u>215</u>	<u>215</u>
Total Revenues	<u>24,730</u>	<u>33,086</u>	<u>8,356</u>
 <u>Expenditures</u>			
Current:			
General Government:			
Legal Fees & Miscellaneous	-	160	(160)
Capital: Economic Development Loans	<u>-</u>	<u>114,000</u>	<u>(114,000)</u>
Total Expenditures	<u>-</u>	<u>114,160</u>	<u>(114,160)</u>
Excess of Revenues Over (Under) Expenditures before Adjustments	<u>\$ 24,730</u>	<u>(81,074)</u>	<u>\$ (105,804)</u>
 Adjustments for Items Not Affecting Fund Balance:			
Loan Principal Repayments		(28,354)	
Principal Amount of New Loans		114,000	
 Adjustments for Non-Cash Expenses:			
Bad Debts Expense		(28,805)	
Total Adjustments		<u>56,841</u>	
Excess of Revenues Over (Under) Expenditures		(24,233)	
<u>Fund Balance, Beginning</u>		<u>913,484</u>	
<u>Fund Balance, Ending</u>		<u>\$ 889,251</u>	

CITY OF CHILLICOTHE, ILLINOIS
TORT LIABILITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 107,701	\$ 107,503	\$ (198)
Replacement Tax	-	2,450	2,450
Interest Income	-	<u>34</u>	<u>34</u>
Total Revenues	<u>107,701</u>	109,987	<u>2,286</u>
 <u>Expenditures</u>			
Current:			
General Government:			
Tort Judgments and Liability Insurance	<u>200,000</u>	<u>128,356</u>	<u>71,644</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (92,299)</u>	(18,369)	<u>\$ 73,930</u>
<u>Fund Balance, Beginning</u>		<u>41,525</u>	
<u>Fund Balance, Ending</u>		<u>\$ 23,156</u>	

CITY OF CHILLICOTHE, ILLINOIS
 AUDIT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	<u>Original/ Final Budget</u>	<u>2015 Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 15,995	\$ 15,971	\$ (24)
Replacement Tax	-	398	398
Interest	-	4	4
	15,995	16,373	378
Total Revenues			
 <u>Expenditures</u>			
Current:			
General Government:			
Audit and Miscellaneous	20,000	13,005	6,995
Excess of Revenues Over (Under) Expenditures	\$ (4,005)	3,368	\$ 7,373
<u>Fund Balance, Beginning</u>		29,269	
<u>Fund Balance, Ending</u>		\$ 32,637	

CITY OF CHILLICOTHE, ILLINOIS
SOCIAL SECURITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	<u>Original/ Final Budget</u>	<u>2015 Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 106,005	\$ 105,805	\$ (200)
Replacement Tax	-	2,500	2,500
Interest Income	-	39	39
Miscellaneous Income	-	-	-
Operating Transfers In	-	-	-
	106,005	108,344	2,339
 <u>Expenditures</u>			
Current:			
General Government:			
Social Security/Medicare Taxes	165,000	87,755	77,245
Miscellaneous	-	-	-
	165,000	87,755	77,245
 Excess of Revenues Over (Under) Expenditures			
	<u>\$ (58,995)</u>	20,589	<u>\$ 79,584</u>
 <u>Fund Balance, Beginning</u>		32,109	
 <u>Fund Balance, Ending</u>		<u>\$ 52,698</u>	

CITY OF CHILLICOTHE, ILLINOIS
TAX INCREMENT FINANCING FUND
(TIF FUND)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 457,000	\$ 457,498	\$ 498
Redevelopment Escrow	-	-	-
Miscellaneous Income	176,650	4,250	(172,400)
Interest Income	-	598	598
Total Revenues	<u>633,650</u>	<u>462,346</u>	<u>(171,304)</u>
<u>Expenditures</u>			
Current:			
General Government:			
Administration	109,000	-	109,000
Miscellaneous	436,500	62	436,438
Professional Fees	32,000	7,884	24,116
Dues	2,000	550	1,450
Travel and Meetings	8,500	1,817	6,683
Total General Government	<u>588,000</u>	<u>10,313</u>	<u>577,687</u>
Streets and Alleys:			
Street & Sidewalk Improvements	195,000	3,410	191,590
Stop Light Maintenance	25,000	1,185	23,815
Water Mains	53,000	-	53,000
Engineering	20,000	1,320	18,680
Total Streets and Alleys	<u>293,000</u>	<u>5,915</u>	<u>287,085</u>
Economic Development:			
Riverfront Improvements	241,000	55,553	185,447
Project Facelift	75,000	14,298	60,702
Commercial Rehabilitation Program	200,000	2,431	197,569
Property Acquisition	422,000	148,406	273,594
Building Improvements	56,000	6,525	49,475
Demolition	50,000	-	50,000
Railroad Crossings	-	-	-
Signs	33,000	-	33,000
Park Improvements	23,000	135	22,865
Total Economic Development	<u>1,100,000</u>	<u>227,348</u>	<u>872,652</u>
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,981,000</u>	<u>243,576</u>	<u>1,737,424</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,347,350)</u>	218,770	<u>\$ 1,566,120</u>
Adjustments for Items Not Affecting Fund Balance:			
Loan Principal Repayments		-	
<u>Fund Balance, Beginning</u>		<u>1,045,425</u>	
<u>Fund Balance, Ending</u>		<u>\$ 1,264,195</u>	

CITY OF CHILLICOTHE, ILLINOIS
POLICE PENSION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
Property Taxes	\$ 192,014	\$ 199,652	\$ 7,638
Replacement Tax	-	4,565	4,565
Employee Contributions	-	49,883	49,883
Interest Income	-	17,087	17,087
Miscellaneous Income	-	-	-
	-	-	-
Total Revenues	<u>192,014</u>	<u>271,187</u>	<u>79,173</u>
<u>Expenditures</u>	<u>Appropriated</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Current:			
General Government:			
Pension Payments	230,000	183,417	46,583
Termination Distributions	-	-	-
Miscellaneous	-	903	(903)
	-	-	-
Total Expenditures	<u>230,000</u>	<u>184,320</u>	<u>45,680</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (37,986)</u>	86,867	<u>\$ 124,853</u>
<u>Fund Balance, Beginning</u>		<u>2,938,848</u>	
<u>Fund Balance, Ending</u>		<u>\$ 3,025,715</u>	

CITY OF CHILLICOTHE, ILLINOIS
HOTEL/MOTEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	<u>Original/ Final Budget</u>	<u>2015 Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Hotel/Motel Tax	\$ 27,000	\$ 24,652	\$ (2,348)
Interest Income	-	2	2
Miscellaneous Income	-	-	-
	<u>27,000</u>	<u>24,654</u>	<u>(2,346)</u>
Total Revenues			
	<u>Appropriation</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Expenditures</u>			
Current:			
Economic Development:			
Web Site	3,000	1,200	1,800
Postage	750	20	730
Advertising/Targeted Marketing	11,000	8,593	2,407
Promotions	16,500	11,709	4,791
Scenic By Way	4,000	-	4,000
Dues & Subscriptions	3,000	75	2,925
Travel	2,500	831	1,669
Seminars	2,500	-	2,500
Office Supplies	1,000	-	1,000
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>45,250</u>	<u>22,428</u>	<u>22,822</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>\$ (18,250)</u>	2,226	<u>\$ 20,476</u>
<u>Fund Balance, Beginning</u>		<u>15,068</u>	
<u>Fund Balance, Ending</u>		<u>\$ 17,294</u>	

CITY OF CHILLICOTHE, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN RETAINED EARNINGS - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Revenues</u>			
User Charges	\$ 855,000	\$ 888,992	\$ 33,992
Service Fee	21,000	27,730	6,730
Interest Income	500	288	(212)
Miscellaneous	<u>-</u>	<u>2,497</u>	<u>2,497</u>
 Total Revenues	 <u>876,500</u>	 <u>919,507</u>	 <u>43,007</u>
			(Over) Under
<u>Expenditures</u>	<u>Appropriated</u>	<u>Actual</u>	<u>Budget</u>
Current:			
General and Administrative:			
Water Department:			
Wages - Office	58,000	50,908	7,092
Insurance - Employees Benefit	55,000	52,317	2,683
Social Security & Medicare Expense	25,000	14,913	10,087
Unemployment	3,000	-	3,000
Uniform Allowance	2,500	1,888	612
Employee Deferred Compensation	15,000	11,179	3,821
Telephone & Internet Expense	7,500	3,687	3,813
Dues & Subscriptions	2,000	747	1,253
Postage Expense	1,000	178	822
Printing Expense	2,000	-	2,000
Bank Charges	1,000	86	914
Miscellaneous	1,500	157	1,343
Office Supplies	3,000	1,020	1,980
Office Space Rental	2,000	900	1,100
Office Equipment	10,000	-	10,000
Insurance - General Coverage	9,000	-	9,000
Computer Software	2,500	1,100	1,400
Billing & Posting Expense	8,000	6,145	1,855
Maintenance & Repair - Equipment	10,000	535	9,465
Travel Expense	2,500	115	2,385
Seminars and Workshops	3,000	489	2,511
Bond Interest Expense	<u>29,000</u>	<u>56,015</u>	<u>(27,015)</u>
	<u>252,500</u>	<u>202,379</u>	<u>50,121</u>

CITY OF CHILLICOTHE, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN RETAINED EARNINGS - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015

(Continued)

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Expenditures (Continued)</u>			
Current:			
General and Administrative:			
Sewer Department:			
Wages - Office	58,000	50,909	7,091
Insurance - Employees Benefit	40,000	34,916	5,084
Social Security & Medicare Expense	15,000	7,367	7,633
Employee Deferred Compensation	8,000	5,827	2,173
Uniform Allowance	2,000	963	1,037
Telephone & Internet Expense	1,500	513	987
Dues & Subscriptions	500	-	500
Postage Expense	500	-	500
Printing Expense	-	-	-
Bank Charges	-	-	-
Miscellaneous	7,000	900	6,100
Legal	-	-	-
Office Supplies	5,000	204	4,796
Computer Software	2,000	-	2,000
Office Equipment	5,000	-	5,000
Professional Fees	-	-	-
Office Space Rental	1,000	750	250
Insurance - General Coverage	8,000	-	8,000
Billing & Posting Expense	6,500	5,698	802
Transfer to Other Funds	-	-	-
Maintenance & Repair - Equipment	5,000	-	5,000
Travel	-	-	-
Seminars and Workshops	500	-	500
	<u>165,500</u>	<u>108,047</u>	<u>57,453</u>
Total General and Administrative	<u>418,000</u>	<u>310,426</u>	<u>107,574</u>
System Operations:			
Water Department:			
Salaries - Department Head	25,000	15,265	9,735
Wages - Labor	192,200	139,889	52,311
Utilities	65,000	51,570	13,430
Gas & Oil	20,000	5,789	14,211
Equipment Rental	8,000	2,790	5,210
Fill Sand & Gravel	1,000	-	1,000
Fluoridation & Chlorine	10,000	8,099	1,901
Miscellaneous	-	-	-
Supplies - Operating	20,000	12,596	7,404
Equipment - Operating	10,000	6,773	3,227
Maintenance & Repair-Plant & System	261,000	21,481	239,519
Maintenance & Repair - Equipment	19,000	2,628	16,372
Maintenance & Repair - Vehicles	15,000	618	14,382
Maintenance & Repair - Building	35,000	2,762	32,238
Engineering	15,000	1,715	13,285
Utility Locating Service	2,500	886	1,614
Meter Reading Fees	7,500	6,915	585
Water Testing Fees	25,000	8,997	16,003
	<u>731,200</u>	<u>288,773</u>	<u>442,427</u>

CITY OF CHILLICOTHE, ILLINOIS
WATERWORKS AND SEWERAGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN RETAINED EARNINGS - APPROPRIATED AND ACTUAL
For The Year Ended April 30, 2015
(Continued)

	Original/ Final <u>Budget</u>	2015 <u>Actual</u>	Variance with Final <u>Budget</u>
<u>Expenditures (Continued)</u>			
Current:			
System Operations:			
Sewer Department:			
Salaries - Department Head	25,000	15,265	9,735
Wages - Labor	56,100	35,986	20,114
Utilities	10,000	6,501	3,499
Gas & Oil	15,000	5,564	9,436
Equipment Rental	8,000	5,500	2,500
Copper Sulfate	5,000	2,098	2,902
Supplies - Operating	12,000	3,740	8,260
Equipment - Operating	8,000	1,826	6,174
Maintenance & Repair-Plant & System	191,000	38,864	152,136
Maintenance & Repair - Equipment	12,000	2,356	9,644
Maintenance & Repair - Vehicles	5,000	281	4,719
Maintenance & Repair - Building	6,000	-	6,000
Engineering	9,000	4,085	4,915
Meter Reading Fees	7,500	6,915	585
Testing Fees	1,000	-	1,000
	<u>370,600</u>	<u>128,981</u>	<u>241,619</u>
Total System Operations	<u>1,101,800</u>	<u>417,754</u>	<u>684,046</u>
Capital	<u>448,000</u>	<u>208,646</u>	<u>239,354</u>
Total Expenditures	<u>1,967,800</u>	<u>936,826</u>	<u>1,030,974</u>
Excess of Revenues Over (Under) Expenditures Before Adjustments	<u>\$ (1,091,300)</u>	(17,319)	<u>\$ 1,073,981</u>
Adjustments in Conformance with Generally Accepted Accounting Principles:			
Expenditures Not Affecting Net Income - - Capital Purchases		208,646	
Non-Cash Expenses Not Included in Expenditures - - Depreciation		<u>(127,834)</u>	
Net Income (Loss)		63,493	
Retained Earnings, Beginning		<u>2,196,200</u>	
Retained Earnings, Ending		<u>\$ 2,259,693</u>	

CITY OF CHILLICOTHE, ILLINOIS
 SCHEDULE OF INTERFUND PAYABLES AND RECEIVABLES
April 30, 2015

<u>----- Due To -----</u>	<u>----- Due From -----</u>	Per Audit <u>4/30/14</u>	<u>Additions</u>	<u>Repayments</u>	Per Audit <u>4/30/15</u>
General Fund	Waterworks & Sewerage Fund	\$ 5,550	\$ -	\$ -	\$ 5,550
		<u>\$ 5,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,550</u>

CITY OF CHILLICOTHE, ILLINOIS
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS AND TAX COLLECTIONS
 For Tax Years,

Tax Year	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Equalized Assessed Valuation (EAV)	\$ 90,079,281	\$ 86,954,177	\$ 88,631,357	\$ 89,242,417	\$ 90,009,643	\$ 85,720,663	\$ 84,678,067	\$ 79,621,447	\$ 80,776,407
Less: TIF District EAV	<u>(5,894,560)</u>	<u>(5,935,570)</u>	<u>(6,308,990)</u>	<u>(6,217,800)</u>	<u>(6,217,730)</u>	<u>(5,579,040)</u>	<u>(6,116,720)</u>	<u>(5,645,600)</u>	<u>(9,537,578)</u>
Taxable Assessed Valuation	<u>\$ 84,184,721</u>	<u>\$ 81,018,607</u>	<u>\$ 82,322,367</u>	<u>\$ 83,024,617</u>	<u>\$ 83,791,913</u>	<u>\$ 80,141,623</u>	<u>\$ 78,561,347</u>	<u>\$ 73,975,847</u>	<u>\$ 71,238,829</u>

<u>Tax Rates</u>									
General Corporate	0.04238	0.04292	0.03253	0.10592	0.10450	0.10110	0.08350	0.08030	0.07548
Fire Protection	0.05841	0.06069	0.05973	0.05682	0.05391	0.05262	0.05092	0.05012	0.05368
Civil Defense	0.00177	0.00184	0.00181	0.00180	0.00178	0.00186	0.00191	0.00203	0.00223
Police Pension	0.23758	0.23700	0.22596	0.14696	0.13845	0.13602	0.13875	0.13628	0.14990
Police Protection	0.04819	0.05131	0.05050	0.05007	0.04603	0.04438	0.04252	0.04326	0.04610
Audit	0.01782	0.01975	0.01943	0.01927	0.01790	0.01747	0.01655	0.01623	0.01678
Social Security	0.13780	0.13084	0.12391	0.10600	0.08952	0.08860	0.08783	0.09084	0.09517
Tort Liability	<u>0.13982</u>	<u>0.13294</u>	<u>0.12102</u>	<u>0.11277</u>	<u>0.10577</u>	<u>0.10559</u>	<u>0.10254</u>	<u>0.10342</u>	<u>0.09580</u>
Totals	<u>0.68377</u>	<u>0.67729</u>	<u>0.63489</u>	<u>0.59961</u>	<u>0.55786</u>	<u>0.54764</u>	<u>0.52452</u>	<u>0.52248</u>	<u>0.53514</u>

<u>Tax Extensions</u>									
General Corporate	\$ 35,677	\$ 34,773	\$ 26,779	\$ 87,940	\$ 87,563	\$ 81,023	\$ 65,599	\$ 59,795	\$ 50,761
Fire Protection	49,172	49,170	49,171	47,175	45,172	42,171	40,003	37,077	36,101
Civil Defense	1,490	1,491	1,490	1,494	1,491	1,490	1,501	1,502	1,500
Police Pension	200,006	192,014	186,016	122,013	116,010	109,009	109,004	100,814	100,810
Police Protection	40,569	41,571	41,573	41,570	38,569	35,567	33,404	32,002	31,003
Audit	15,002	16,001	15,995	15,999	14,999	14,001	13,002	12,006	11,285
Social Security	116,007	106,005	102,006	88,006	75,011	71,005	69,000	67,200	64,003
Tort Liability	<u>117,707</u>	<u>107,706</u>	<u>99,626</u>	<u>93,627</u>	<u>88,627</u>	<u>84,622</u>	<u>80,557</u>	<u>76,506</u>	<u>64,427</u>
Totals	<u>\$ 575,630</u>	<u>\$ 548,731</u>	<u>\$ 522,656</u>	<u>\$ 497,824</u>	<u>\$ 467,442</u>	<u>\$ 438,888</u>	<u>\$ 412,070</u>	<u>\$ 386,902</u>	<u>\$ 359,890</u>

<u>Tax Collections</u>									
General Corporate		\$ 34,708	\$ 26,802	\$ 87,272	\$ 80,349	\$ 65,323	\$ 59,679	\$ 50,780	\$ 50,795
Fire Protection		49,077	49,212	45,022	41,820	39,835	37,005	36,114	36,127
Civil Defense		1,488	1,491	1,487	1,478	1,494	1,499	1,500	1,501
Police Pension		191,652	186,172	115,626	108,101	108,545	100,620	100,848	91,878
Police Protection		41,492	41,608	38,442	35,271	33,264	31,940	31,015	31,026
Audit		15,971	16,009	14,949	13,884	12,947	11,983	11,289	10,510
Social Security		105,805	102,091	74,762	70,415	68,710	67,070	64,027	64,049
Tort Liability		<u>107,503</u>	<u>99,710</u>	<u>88,333</u>	<u>83,917</u>	<u>80,210</u>	<u>76,358</u>	<u>64,451</u>	<u>57,447</u>
Totals		<u>\$ 547,696</u>	<u>\$ 523,095</u>	<u>\$ 465,893</u>	<u>\$ 435,235</u>	<u>\$ 410,328</u>	<u>\$ 386,154</u>	<u>\$ 360,024</u>	<u>\$ 343,333</u>

Percentage of Extensions Collected		<u>99.81%</u>	<u>100.08%</u>	<u>93.59%</u>	<u>93.11%</u>	<u>93.49%</u>	<u>93.71%</u>	<u>93.05%</u>	<u>95.40%</u>
------------------------------------	--	---------------	----------------	---------------	---------------	---------------	---------------	---------------	---------------

CITY OF CHILLICOTHE, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN
April 30, 2015

2014 Assessed Valuation		<u>\$ 84,184,721</u>
Statutory Debt Limitation (8.625%)		7,260,932
Current Debt:		
Debt Certificates, Series 2006	1,292,222	
Contractual Debt	<u>187,500</u>	<u>(1,479,722)</u>
Legal Debt Margin		<u>\$ 5,781,210</u>