VILLAGE OF PEOTONE, ILLINOIS

ANNUAL FINANCIAL REPORT

VILLAGE OF PEOTONE

FOR THE FISCAL YEAR ENDED
MARCH 31, 2025

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VILLAGE OF PEOTONE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village including:

- Officers and Officials
- Organizational Chart

The Village of Peotone is governed by elected officials including the Mayor and six Trustees. The Mayor and Trustees are elected at large to a four-year term; the Village Clerk is appointed. Elected and appointed officials as of April 1, 2025 are listed below.

Elected Officials

Dr. Peter March - Mayor
Term Expires May 2025

Trustees

Gary Hudson
Term Expires May 2027

Shelley Marevka
Term Expires May 2025

Jackie Richards
Term Expires May 2025

Todd Sandburg
Term Expires May 2027

Julie Sluis
Term Expires May 2027

Nicholas Strba
Term Expires May 2025

Executive Staff*

Nick Palmer, Village Administrator

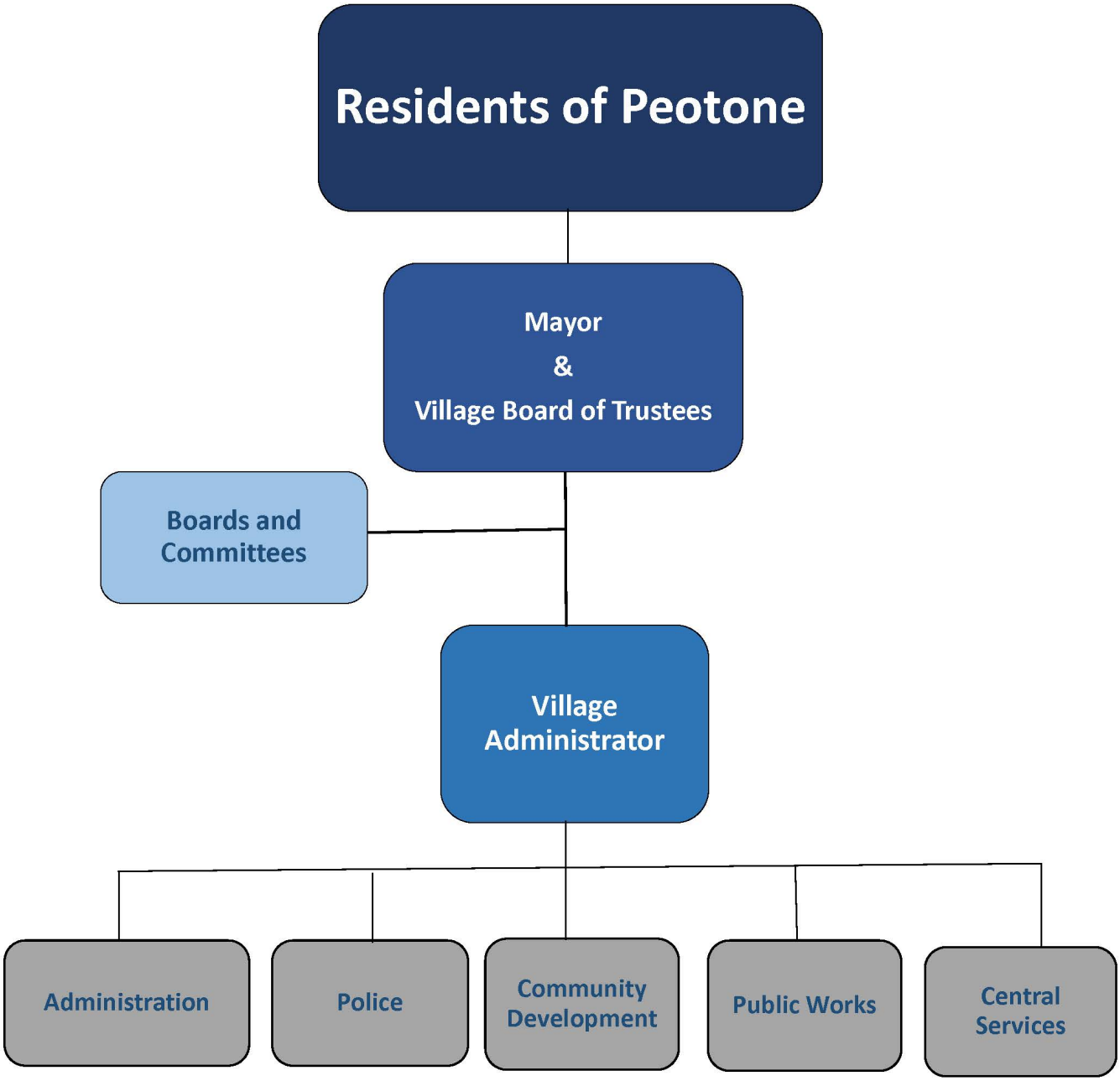
Stacey Hartwell, Village Clerk

David DeMik, Chief of Police

Robert Hennke, Public Works Manager

*The Treasurer position is contracted and therefore not reflected as Executive Staff.

Village Organizational Chart



Legend:

Elected Officials | Appointed Members | Village Staff

FINANCIAL SECTION

This section includes:

- Independent Auditor's Report
- Management’s Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

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

Lauterbach & Amen
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INDEPENDENT AUDITOR'S REPORT

August 7, 2025

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Peotone (the Village), Illinois as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Peotone, Illinois, as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Peotone, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2025, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of Peotone (the Village), Illinois' financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2025. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Village's net position increased $2,502,079, or 18.6 percent, as a result of this year's operations.
- During the year, government-wide revenues totaled $7,049,959, while expenses totaled $4,547,880, resulting in an increase to net position of $2,502,079.
- The Village's net position totaled $15,944,395 on March 31, 2025, which includes $7,477,070 net investment in capital assets, $900,400 subject to external restrictions, and $7,566,925 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of $127,527, or 1.1 percent, resulting in ending fund balance of $11,862,360.
- In the previous year, the Village failed to transfer half of the required contributions to the Police Pension Fund. As a result both the General Fund fund balance and the Governmental Activities net position was overstated. In addition net position of the Police Pension Fund was understated as a result of this error. Also in the previous year, the Village's software did not properly update fund balance for the General Fund. Due to this error, both the General Fund fund balance and the Governmental Activities net position was understated.

USING THIS ANNUAL REPORT

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

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Peotone's finances, in a matter similar to a private-sector business.

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

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

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statement - Continued

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

Fund Financial Statements

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

Governmental Funds

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

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

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, the Tax Increment Financing District #2 Fund, and the Capital Improvement Fund, all of which are considered major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs.

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.

USING THIS ANNUAL REPORT - Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F., other post-employment benefit obligation, and police employee pension obligations and budgetary comparison schedules for the General Fund, Motor Fuel Tax Fund, and the Tax Increment Financing District #2 Fund. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that the Village's, assets/deferred outflows exceeded liabilities/deferred inflows by $15,944,395.

	Net Position	
	2025	2024
Current and Other Assets	$ 14,557,379	15,474,967
Capital Assets	10,573,411	7,195,877
Total Assets	25,130,790	22,670,844
Deferred Outflows of Resources	949,869	1,054,320
Total Assets and Deferred Outflows	26,080,659	23,725,164
Current Liabilities	1,322,037	1,096,226
Noncurrent Liabilities	7,112,214	7,057,144
Total Liabilities	8,434,251	8,153,370
Deferred Inflows of Resources	1,702,013	2,062,875
Total Liabilities and Deferred Inflows	10,136,264	10,216,245
Net Position		
Net Investment in Capital Assets	7,477,070	4,059,907
Restricted	900,400	1,368,981
Unrestricted	7,566,925	8,080,031
Total Net Position	15,944,395	13,508,919

A portion of the Village's net position, $7,477,070 or approximately 46.9 percent, reflects its investment in capital assets (land, construction in progress, transportation network, buildings and improvements, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

An additional portion, $900,400 or 5.6 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 47.5 percent, or $7,566,925, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position	
	Governmental Activities	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	$ 251,491	475,798
Operating Grants and Contrib.	2,278,054	204,488
General Revenues		
Property Taxes	761,486	672,503
Other Taxes	3,148,691	2,961,199
Other	610,237	706,161
Total Revenues	7,049,959	5,020,149
Expenses		
General Government	841,709	(138,381)
Public Safety	2,366,275	1,947,685
Public Works	542,678	674,112
Central Services	268,965	—
Economic Development	395,142	2,059,787
Building	129,996	188,786
Interest on Long-Term Debt	3,115	14,943
Total Expenses	4,547,880	4,746,932
Change in Net Position	2,502,079	273,217
Net Position - Beginning as Previously Reported	13,508,919	13,235,702
Restatement - Error Correction	(66,603)	—
Net Position - Beginning as Restated	13,442,316	—
Net Position - Ending	15,944,395	13,508,919

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

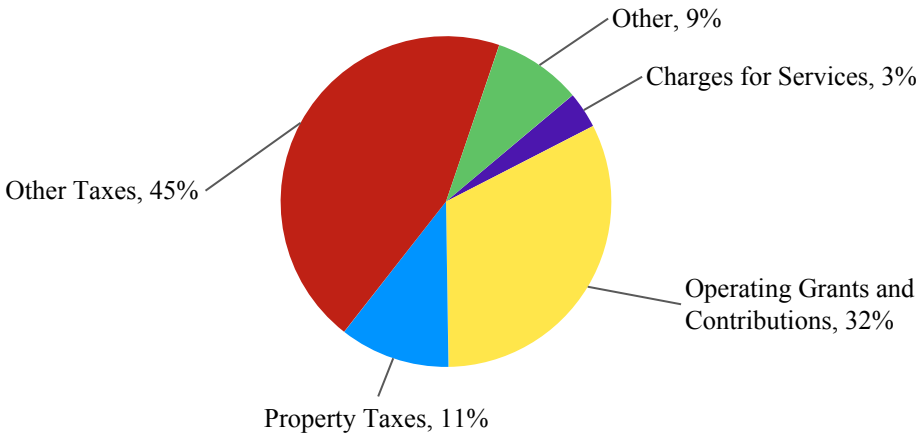
Net position increased by 18.6 percent, $15,944,395 in 2025 compared to a restated $13,442,316 in 2024. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled $7,566,925 at March 31, 2025.

Governmental Activities

Revenues for governmental activities totaled $7,049,959, while the cost of all governmental functions totaled $4,547,880. This results in a surplus of $2,502,079. In 2024, revenues of $5,020,149 exceeded expenses of $4,746,932, resulting in a surplus of $273,217. The surplus in 2025 was due the receipt of a DCEO Grant in the amount of $2,458,962.

The following table graphically depicts the major revenue sources of the Village, showing its reliance on sales and property taxes to fund governmental activities. In addition, a minor percentage the Village revenues are received from other governments.

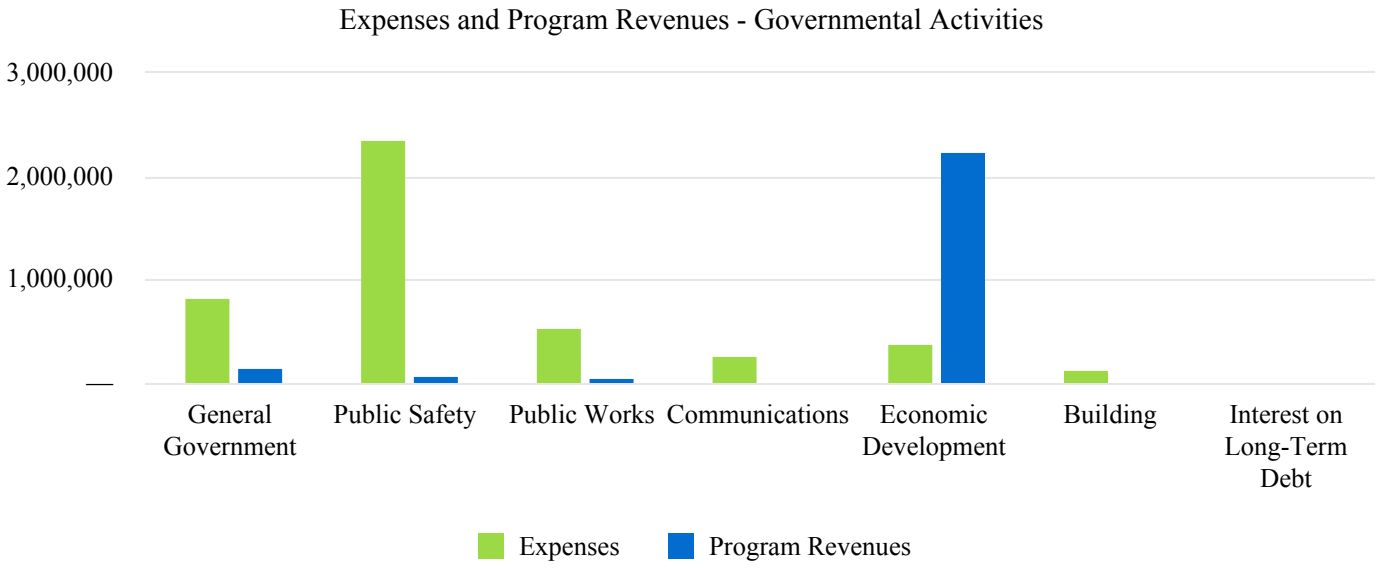
Revenues by Source



The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed program revenues, with all functions exceeding any directly allocated revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of $12,214,687, which is a decrease of $1,061,069, or 8.0 percent, from last year's restated total of $13,275,756. Of the $12,214,687, $10,945,396, or approximately 89.6 percent, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. At March 31, 2025, unassigned fund balance in the General Fund was $11,600,804, which represents 97.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 289.2 percent of total General Fund expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The General Fund reported an increase in fund balance for the year of $127,527, or 1.1 percent; although, a planned draw down on fund balance was reflected in the budget.

The Motor Fuel Tax Fund reported an increase of $64,544, or 37.8 percent, in the current year. This increase was due to the tax allotment received being sufficient to cover current year expenditures.

The Tax Increment Financing District #2 Fund reported a decrease of $274,134, or 41.8 percent in the current year, due to the continued spending of bond proceeds received in FY2023.

The Capital Improvements Fund reported an increase of $21, with revenues approximately equal to expenditures in FY2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board approved budget amendments to the General Fund during the year, increasing the revenue and expenditure budgets by $29,125 for the purchase of computer equipment. General Fund actual revenues for the year totaled $4,139,265, compared to budgeted revenues of $3,991,865. The variance of $147,400 reflects revenues over budget in the taxes, intergovernmental, interest income and miscellaneous categories, offset by under budget amounts in the remaining categories.

The General Fund actual expenditures for the year were $471,764 under budget ($4,011,738 actual compared to $4,483,502 budgeted). All functions incurred expenditures lower than budgeted, except for central services and capital outlay.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets as of March 31, 2025 was $10,573,411 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, transportation network, buildings and improvements, equipment, and vehicles.

	Capital Assets - Net of Depreciation	
	2025	2024
Land	$ 141,476	141,476
Construction in Progress	185,252	484,981
Transportation Network	9,391,727	5,679,283
Building and Improvements	262,632	310,435
Equipment	87,151	41,505
Vehicles	505,173	538,197
Totals	10,573,411	7,195,877

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

This year's current major additions to capital assets in the current year were as follows:

Construction in Progress	$ 42,327
Transportation Network	3,635,453
Vehicles	67,759
Equipment	59,837
	3,805,376

Additional information on the Village's capital assets can be found in Note 3 of this report.

Debt Administration

At year-end, the Village of Peotone had total outstanding debt of $3,096,341 as compared to $3,135,970 the previous year, a decrease of 1.3 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2025	2024
Installment Contract	$ 41,341	80,970
General Obligation Bonds	3,055,000	3,055,000
	3,096,341	3,135,970

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's Board and staff considered many factors when setting the fiscal year 2026 budget, including current revenue trends and potential new revenue sources, as well as and significant capital projects that needs to be completed in the coming years. In addition, the Village considered the general and local economy and the effects inflation and unemployment of the Village's various revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Peotone's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Annmarie Mampe, Financial Consultant/Village Treasurer, Village of Peotone, Illinois at (708) 258-3279.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

  Governmental Funds

  Fiduciary Fund

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Net Position
March 31, 2025

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Statement of Net Position
March 31, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	$ 12,161,171
Receivables - Net	2,033,251
Health Insurance Escrow	138,500
Prepaids	120,150
Total Current Assets	14,453,072
Noncurrent Assets	
Capital Assets	
Nondepreciable	326,728
Depreciable	15,989,028
Accumulated Depreciation	(5,742,345)
Total Capital Assets	10,573,411
Other Assets	
Net Pension Asset - IMRF	104,307
Total Noncurrent Assets	10,677,718
Total Assets	25,130,790
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	261,501
Deferred Items - Police Pension	688,368
Total Deferred Outflows of Resources	949,869
Total Assets and Deferred Outflows of Resources	26,080,659

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

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 729,346
Accrued Payroll	39,241
Escrow Deposits	127,822
Other Payables	193,477
Accrued Interest Payable	50,484
Current Portion of Long-Term Debt	181,667
Total Current Liabilities	1,322,037
Noncurrent Liabilities	
Compensated Absences	103,729
Net Pension Liability - Police Pension	3,559,804
Total OPEB Liability - RBP	433,681
General Obligation Bonds	3,015,000
Total Noncurrent Liabilities	7,112,214
Total Liabilities	8,434,251
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - Police Pension	706,674
Property Taxes	960,011
Other Deferred Revenues	35,328
Total Deferred Inflows of Resources	1,702,013
Total Liabilities and Deferred Inflows of Resources	10,136,264
NET POSITION	
Net Investment in Capital Assets	7,477,070
Restricted - Drug Seizure	76,013
Restricted - Building Permit Escrow	65,393
Restricted - Motor Fuel Tax	235,239
Restricted - Economic Development	523,755
Unrestricted	7,566,925
Total Net Position	15,944,395

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Activities
For the Fiscal Year Ended March 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants/ Contributions	Program Revenues: Capital Grants/ Contributions	Net (Expenses)/ Revenues and Change in Net Position
Governmental Activities					
General Government	$ 841,709	140,472	6,036	—	(695,201)
Public Safety	2,366,275	49,547	24,535	—	(2,292,193)
Public Works	542,678	61,472	2,730	—	(478,476)
Central Services	268,965	—	—	—	(268,965)
Economic Development	395,142	—	2,244,753	—	1,849,611
Building	129,996	—	—	—	(129,996)
Interest on Long-Term Debt	3,115	—	—	—	(3,115)
Total Primary Government	4,547,880	251,491	2,278,054	—	(2,018,335)

General Revenues	
Taxes	
Property Taxes	761,486
Utility Taxes	264,326
Intergovernmental - Unrestricted	
State Income Taxes	721,287
State Sales Taxes	1,585,563
Replacement Taxes	42,535
Other Taxes	534,980
ARPA Grants	37,910
Interest	359,905
Miscellaneous	212,422
	4,520,414
Change in Net Position	2,502,079
Net Position - Beginning as Previously Reported	13,508,919
Restatement - Error Correction	(66,603)
Net Position - Beginning as Restated	13,442,316
Net Position - Ending	15,944,395

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

VILLAGE OF PEOTONE, ILLINOIS

Balance Sheet - Governmental Funds
March 31, 2025

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Balance Sheet - Governmental Funds
March 31, 2025

	General
ASSETS	
Cash and Investments	$ 10,769,548
Receivables - Net of Allowances	
Taxes	1,229,842
Other Taxes	25,265
Accounts	—
Health Insurance Escrow	138,500
Prepaids	120,150
Due from Other Funds	883,529
Total Assets	13,166,834
LIABILITIES	
Accounts Payable	201,609
Accrued Payroll	39,241
Escrow Deposits	127,822
Other Payables	168,372
Due to Other Funds	—
Total Liabilities	537,044
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	732,102
Other Deferred Revenues	35,328
Total Deferred Inflows of Resources	767,430
Total Liabilities and Deferred Inflows of Resources	1,304,474
FUND BALANCES	
Nonspendable	120,150
Restricted	141,406
Committed	—
Unassigned	11,600,804
Total Fund Balances	11,862,360
Total Liabilities, Deferred Inflows of Resources and Fund Balances	13,166,834

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

Special Revenue			Capital Projects		
Motor Fuel Tax	Tax Increment Financing District #2	Business Development District	Capital Improvement	Nonmajor	Totals
233,242	678,962	114,837	221,812	142,770	12,161,171
—	167,457	—	—	60,603	1,457,902
14,228	—	—	—	—	39,493
—	—	351,536	31,160	—	382,696
—	—	—	—	—	138,500
—	—	—	—	—	120,150
—	—	—	—	—	883,529
247,470	846,419	466,373	252,972	203,373	15,183,441
—	150,000	377,737	—	—	729,346
—	—	—	—	—	39,241
—	—		—	—	127,822
—	—	25,105	—	—	193,477
12,231	147,068	718,939	4,231	1,060	883,529
12,231	297,068	1,121,781	4,231	1,060	1,973,415
—	167,306	—	—	60,603	960,011
—	—	—	—	—	35,328
—	167,306	—	—	60,603	995,339
12,231	464,374	1,121,781	4,231	61,663	2,968,754
—	—	—	—	—	120,150
235,239	382,045	—	—	141,710	900,400
—	—	—	248,741	—	248,741
—	—	(655,408)	—	—	10,945,396
235,239	382,045	(655,408)	248,741	141,710	12,214,687
247,470	846,419	466,373	252,972	203,373	15,183,441

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

VILLAGE OF PEOTONE, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities
March 31, 2025

Total Governmental Fund Balances	$	12,214,687
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.		10,573,411
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.		153,160
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.		
Net Pension Asset - IMRF		104,307
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.		
Deferred Items - IMRF		261,501
Deferred Items - Police Pension		(18,306)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences		(129,661)
Net Pension Liability - Police Pension		(3,559,804)
Total OPEB Liability - RPB		(508,075)
General Obligation Bonds		(3,055,000)
Leases Payable		(41,341)
Accrued Interest Payable		(50,484)
Net Position of Governmental Activities		15,944,395

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended March 31, 2025

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended March 31, 2025

	General
Revenues	
Taxes	$ 976,282
Intergovernmental	2,357,818
Licenses and Permits	78,611
Fines and Forfeitures	106,275
Miscellaneous	268,165
Total Revenues	4,139,265
Expenditures	
General Government	720,139
Public Safety	2,181,234
Public Works	594,966
Central Services	268,965
Building	129,996
Capital Outlay	73,694
Debt Service	
Principal Retirement	39,629
Interest and Fiscal Charges	3,115
Total Expenditures	4,011,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	127,527
Other Financing Sources (Uses)	
Transfers In	—
Transfers Out	—
	—
Net Change in Fund Balances	127,527
Fund Balances - Beginning as Previously Reported	11,801,436
Adjustment - Change from Nonmajor to Major	—
Restatement - Error Correction	(66,603)
Fund Balances - Beginning	11,734,833
Fund Balances - Ending	11,862,360

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

Special Revenue			Capital Projects		
Motor Fuel Tax	Tax Increment Financing District #2	Business Development District	Capital Improvement	Nonmajor	Totals
—	49,610	—	—	60,085	1,085,977
190,230	—	2,540,349	37,910	—	5,126,307
—	—	—	8,384	—	86,995
—	—	—	—	—	106,275
94	7,449	110	87	51	359,905
2,878	—	—	—	—	271,043
193,202	57,059	2,540,459	46,381	60,136	7,036,502
—	—	—	—	—	720,139
—	—	—	—	—	2,181,234
29,630	—	—	—	—	624,596
—	331,193	3,572,417	—	7,205	3,910,815
—	—	—	—	—	129,996
—	—	—	145,388	—	219,082
—	—	—	—	—	39,629
—	—	—	—	—	3,115
29,630	331,193	3,572,417	145,388	7,205	8,097,571
163,572	(274,134)	(1,031,958)	(99,007)	52,931	(1,061,069)
—	—	—	99,028	—	99,028
(99,028)	—	—	—	—	(99,028)
(99,028)	—	—	99,028	—	—
64,544	(274,134)	(1,031,958)	21	52,931	(1,061,069)
170,695	656,179	—	248,720	465,329	13,342,359
—	—	376,550	—	(376,550)	—
—	—	—	—	—	(66,603)
170,695	656,179	376,550	248,720	88,779	13,275,756
235,239	382,045	(655,408)	248,741	141,710	12,214,687

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

VILLAGE OF PEOTONE, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended March 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (1,061,069)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	3,805,376
Depreciation Expense	(427,842)
Some revenues not collected as of the year end are not considered available revenues in the governmental funds. These are the amounts that were not considered available in the current year.	13,457
An increase in a net pension asset is not considered to be an increase in financial assets in the governmental funds.	
Change in Net Pension Asset - IMRF	(58,101)
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(58,525)
Change in Deferred Items - Police Pension	457,345
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences	13,069
Change in Net Pension Liability - Police Pension	(254,922)
Change in Total OPEB Liability - RBP	33,662
Debt Retirement	39,629
Changes in Net Position of Governmental Activities	2,502,079

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Fiduciary Net Position
March 31, 2025

	Pension Trust Police Pension
ASSETS	
Cash and Cash Equivalents	$ 220,061
Investments	
Illinois Police Officers Pension Investment Fund	3,997,759
Prepaids	919
Total Assets	4,218,739
LIABILITIES	
Accounts Payable	385
NET POSITION	
Net Position Restricted for Pensions	4,218,354

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

VILLAGE OF PEOTONE, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended March 31, 2025

	Pension Trust Police Pension
Additions	
Contributions - Employer	$ 371,465
Contributions - Plan Members	80,781
Total Contributions	452,246
Investment Income	
Interest Earned	8,973
Net Change in Fair Value	215,615
	224,588
Less Investment Expenses	(3,123)
Net Investment Income	221,465
Total Additions	673,711
Deductions	
Administration	20,792
Benefits	202,326
Total Deductions	223,118
Change in Fiduciary Net Position	450,593
Net Position Restricted for Pensions	
Beginning - as Previously Reported	3,688,607
Restatement - Error Correction	79,154
Beginning - as Restated	3,767,761
Ending	4,218,354

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Peotone (Village), Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include public safety, public works, economic development, and administration.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there is one fiduciary component units that are required to be included in the financial statements of the Village as pension trust funds and there are no discretely component units to include in the reporting entity.

Police Pension Employees Retirement System

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

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Village's general government, economic development, public safety, and public work services are classified as governmental activities.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Financial Statements - Continued

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

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

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

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

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/ deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
>
> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains four special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads. The Tax Increment Financing District #2, a major fund, is used to account for the property taxes collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's TIF District #2. The Business District Fund, also a major fund, is used to account for sales tax raised within the Business District to pay for actions and activities to eradicate the blighting conditions found in this portion of the Village and assist in development of the Business District.

Capital projects funds are used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets. The Village maintains one capital projects fund and it is considered major. The Capital Improvement Fund is used to account for developer fees intended to fund major capital improvements and for certain other monies received that are related to capital asset purchases.

Fiduciary Funds

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

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

The Village's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants), and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental is presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/ FUND BALANCE

Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interfund Receivables, Payables and Activity

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

Receivables

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

Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/ FUND BALANCE - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of more than $10,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Transportation Network	10 - 50 Years
Buildings and Improvements	7 - 30 Years
Equipment	5 - 40 Years
Vehicles	5 - 20 Years

Compensated Absences

The Village's policy allows full-time employees to earn varying amounts of vacation and sick pay for each year employed.

Any unused vacation time not utilized within the calendar year will be forfeited. all full-time employees who retire from the Village shall have the option of either being paid by the Village for all unused accumulated sick leave days at the rate of $1 per hour or, as an alternative, foregoing any payment from the Village and instead applying pension service credit under the Illinois Municipal Retirement Fund.

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

Long-Term Obligations

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION/ FUND BALANCE - Continued

Long-Term Obligations - Continued

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

Net Position

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Village Board receives a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of the annual appropriation ordinance. Responsibility for control of and amendments to the budget rests with the Village Board. The Village budget was adopted on March 11, 2024.

The Village has adopted operating budgets for all funds.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

DEFICIT FUND BALANCE

The following fund had deficit fund balance as of the date of this report:

Fund		Deficit
Business Development District	$	655,408

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund		Excess
Motor Fuel Tax	$	29,630
Tax Increment Financing District #2		171,581

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Trust (IIIT) was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village

Deposits. At year-end, the carrying amount of the Village's deposits for governmental activities totaled $7,662,120 and the bank balances totaled $7,685,294.

Investments. The Village has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 1,885,903	596,060	741,768	548,075	—
Illinois Funds	42,735	42,735	—	—	—
Illinois Trust	2,570,413	—	—	—	—
Totals	4,499,051	638,795	741,768	548,075	—

The Village has the following recurring fair value measurements as of March 31, 2025:

- U.S. Treasury Securities of $1,885,903 are valued using quoted market prices (Level 1 inputs).
- Illinois Funds of $42,735 and Illinois Trust of $2,570,413 which are measured at the net asset value per share as determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not limit investing maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy does not further limit its investment choices. At year-end, the Village's investment in the Illinois Funds was rated AAAmmf by Fitch and Illinois Trust were rated AAAm by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy limits the exposure deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limit to be secured with collateral pledged by the applicable financial institution to the extent of 110% of the value of the deposit in excess of the FDIC insured amount. At year-end, $536,782 of the bank balance of deposits covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Village's investment in the Illinois Fund and Illinois Trust and are not subject to custodial credit risk.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy limits time deposits to no more than 10% of any single financial institution's total deposits. It also limits any investment category to no more than 40% of the Village's portfolio with the exception of cash equivalents and treasury securities. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled $220,061 and the bank balances totaled $220,061.

Custodial Credit Risk. In the case of deposits, the Fund's assets may be invested in savings accounts or certificates of deposit of an national or state bank, even if Fund assets on deposit in such institutions will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by the the Fund's investment exceed such insurance or guarantee limits is collateralized by the fund which shall be maintained and credited to the fund on the records of the custodial bank. The Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims the custodian which are subordinate to the Fund's claims to rights to these securities. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has $3,997,759 invested in IPOPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Continued

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended March 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2024 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
General	Motor Fuel Tax	$ 12,231
General	Tax Increment Financing District #2	147,068
General	Business Development District	718,939
General	Capital Improvements	4,231
General	Nonmajor Governmental	1,060
		883,529

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Capital Improvements	Motor Fuel Tax	$ 99,028

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 141,476	—	—	141,476
Construction in Progress	484,981	42,327	342,056	185,252
	626,457	42,327	342,056	326,728
Depreciable Capital Assets				
Transportation Network	9,866,532	3,977,509	—	13,844,041
Building and Improvements	516,734	—	—	516,734
Equipment	327,094	59,837	—	386,931
Vehicles	1,173,563	67,759	—	1,241,322
	11,883,923	4,105,105	—	15,989,028
Less Accumulated Depreciation				
Transportation Network	4,187,249	265,065	—	4,452,314
Building and Improvements	206,299	47,803	—	254,102
Equipment	285,589	14,191	—	299,780
Vehicles	635,366	100,783	—	736,149
	5,314,503	427,842	—	5,742,345
Total Net Depreciable Capital Assets	6,569,420	3,677,263	—	10,246,683
Total Net Capital Assets	7,195,877	3,719,590	342,056	10,573,411

Depreciation expense was charged to governmental activities as follows:

General Government	$ 2,516
Public Safety	387,464
Public Works	37,862
	427,842

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
$3,055,000 General Obligation Refunding Bonds of 2022, due in annual installments of $40,000 to $295,000, plus interest at 4.84% through maturity on December 1, 2042.	$ 3,055,000	—	—	3,055,000

Installment Contract

The Village have installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
$273,997 Installment Contract, due in annual installments of $34,048 to $41,341, plus interest at 3.80% through maturity on December 31, 2026.	$ 80,970	—	39,629	41,341

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	$ 142,730	—	13,069	129,661	25,932
Net Pension Liability - Police Pension	3,304,882	254,922	—	3,559,804	—
Total OPEB Liability - RBP	541,737	—	33,662	508,075	74,394
General Obligation Bonds	3,055,000	—	—	3,055,000	40,000
Installment Contract	80,970	—	39,629	41,341	41,341
	7,125,319	254,922	86,360	7,293,881	181,667

For governmental activities, payments on the compensated absences, the net pension liability, the total OPEB liability, and the installment contract are being made by the General Fund. The general obligation bonds is being paid out of the Tax increment Financing District #2 Fund.

Legal Debt Margin

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

Assessed Valuation - 2024	$ 128,205,235
Legal Debt Limit - 8.625% of Assessed Value	11,057,702
Amount of Debt Applicable to Limit	41,341
Legal Debt Margin	11,016,361

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

	Governmental Activities			
	General Obligation Bonds		Installment Contract	
Fiscal Year	Principal	Interest	Principal	Interest
2026	$ 40,000	147,862	41,341	1,412
2027	90,000	147,862	—	—
2028	100,000	145,926	—	—
2029	105,000	141,570	—	—
2030	115,000	136,730	—	—
2031	125,000	126,082	—	—
2032	135,000	120,032	—	—
2033	145,000	113,498	—	—
2034	155,000	106,480	—	—
2035	170,000	98,978	—	—
2036	180,000	90,750	—	—
2037	195,000	82,038	—	—
2038	210,000	72,600	—	—
2039	225,000	62,436	—	—
2040	240,000	51,546	—	—
2041	255,000	39,930	—	—
2042	275,000	27,588	—	—
2043	295,000	14,278	—	—
Totals	3,055,000	1,726,186	41,341	1,412

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

TAX ABATEMENTS

The Village is authorized by the State of Illinois under 65 ILCS 5/8-11-20 to enter into economic incentive agreements in order to encourage the development and redevelopment of land within their corporate limits. The Village has entered into sales tax rebate agreements with Bult Motors, Inc., Dralle Chevrolet, and Terry's Lincoln Ford Mercury of Peotone.

The agreement with James A. and Pearl F. Bult (the developer) was entered into March 12, 2007 and runs for a period of 20 years. Under the agreement, the Village rebates a percentage of the sales tax generated by Bult Motors, Inc. d/b/a Pearl Chrysler, Dodge and Jeep. The percentage rebated ranges from 90% in the first year of the agreement to 50% in years five to twenty. The total rebate amount is not to exceed the lessor of $2,000,000 or the actual cost of the project. Sales tax rebates expense for 2025 totaled $82,500 for an accumulated rebate of $716,645.

The agreement with Terry's Lincoln Ford Mercury of Peotone (Terry's) was entered into on February 24, 2014 and runs for a period of 10 years. Under the agreement, the Village rebates a percentage of the sales tax generated by Terry's over an incentive base of $167,200 for the first year of the agreement. The percentage rebated ranges from 90% in the first year of the agreement to 50% in years five to ten. The total rebate is not to exceed the lesser of $750,000 or the actual cost of the project. Sales tax rebate expense for 2025 totaled $— for an accumulated rebate of $178,323.

The Village also abates property taxes in various Tax Increment Financing (TIF) districts that were created under the Illinois Tax Increment Allocation Redevelopment Act (TIF Act) (65 ILCS 5/11-74.4).

The property taxes for the additional assessed valuation on new commercial property or improved existing commercial properties in these districts is paid to a TIF district. These funds are available for eligible costs as defined in the TIF Act, including development or redevelopment projects within the TIF district.

The total TIF abatements from the Village during the year ended March 31, 2025 were approximately $6,370.

FUND BALANCE CLASSIFICATIONS

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

Nonspendable. Consists of resources that cannot be spent because they are either; a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitution or enabling legislation.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Committed. Consists of resources contracted (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Village Board to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned. Amounts that are constrained by the Village Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by; a) the Village Board itself or b) a body or official to which the Village Board has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Village Board, who is authorized to assign amounts to a specific purpose.

Unassigned. Consists of the residual net resources of the General Fund that have not been restricted, committed, or assigned, as well as deficit fund balances of any other governmental fund.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating expenditures, net of capital projects expenditures.

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

	General	Special Revenue: Motor Fuel Tax	Special Revenue: TIF #2	Special Revenue: Business Development District	Capital Projects: Capital Improvement	Nonmajor	Totals
Nonspendable							
Prepaids	$ 120,150	—	—	—	—	—	120,150
Restricted							
Drug Seizure	76,013	—	—	—	—	—	76,013
Building Permit Escrow	65,393	—	—	—	—	—	65,393
Motor Fuel Tax	—	235,239	—	—	—	—	235,239
Economic Development	—	—	382,045	—	—	141,710	523,755
	141,406	235,239	382,045	—	—	141,710	900,400
Committed							
Capital Improvements	—	—	—	—	248,741	—	248,741
Unassigned	11,600,804	—	—	(655,408)	—	—	10,945,396
Total Fund Balances	11,862,360	235,239	382,045	(655,408)	248,741	141,710	12,214,687

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of March 31, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 10,573,411
General Obligation Bonds	(3,055,000)
Installment Contract	(41,341)
Net Investment in Capital Assets	7,477,070

REPORTING UNITS AFFECTED BY ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

Error Correction. In the previous year, the Village failed to transfer half of the required contributions to the Police Pension Fund. As a result both the General Fund fund balance and the Governmental Activities net position was overstated. In addition net position of the Police Pension Fund was understated as a result of this error. Also in the previous year, the Village's software did not properly update fund balance for the General Fund. Due to this error, both the General Fund fund balance and the Governmental Activities net position was understated.

	Governmental Activities	General Fund	Police Pension
Beginning Net Position/Fund Balance as Previously Reported	$ 13,508,919	11,801,436	3,688,607
Restatement Error Correction	(66,603)	(66,603)	79,154
Beginning Net Position/Fund Balance as Restated	13,442,316	11,801,436	3,688,607

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial insurance to manage these risks.

In August 2018, the Village joined the Southwest Agency for Health Management (SWAHM) which participates in the Intergovernmental Personnel Benefits Cooperative (IPBC), a cooperative formed for the purpose of administering personnel health benefit programs for its member units' employees. The SWAHM Board of Directors is represented by a delegate from each of the members.

SWAHM members' costs of the IPBC Administrative Fund and Benefit Pool, as calculated by IPBC, are shared by each member in the same proportion as its participating employees bear to the total participating employees of SWAHM. Responsibility for the Benefit Pool Costs are calculated as follows:

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

As of March 31, 2025, the Village's account balance in the cooperative is $138,500 which is available to pay future claims. This amount has been recorded as the health insurance escrow in the General Fund.

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

INTERGOVERNMENTAL PUBLIC SAFETY AGREEMENT

The Village entered into an agreement in February 2017 with various governmental entities within Will County for maintenance and operations of a centralized public safety communications system for a minimum duration of twenty years. The Village paid $131,381 to Laraway Communications during the year.

CONTINGENT LIABILITIES

Litigation

From time to time, the Village is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

Grants

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

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan may be obtained by writing to the Village at 208 East Main Street, Peotone, Illinois 60448. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the two pension plans is:

	Net Pension Liability/(Asset)	Deferred Outflows	Deferred (Inflows)	Pension Expenses
IMRF	$ (104,307)	261,501	—	124,778
Police Pension	3,559,804	688,368	(706,674)	169,042
	3,455,497	949,869	(706,674)	293,820

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96, with a maximum salary cap of $106,800 at January 1, 2011. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	24
Inactive Plan Members Entitled to but not yet Receiving Benefits	11
Active Plan Members	11
Total	46

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended March 31, 2025, the Village's contribution rate was 1.28% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2024. The total pension (asset) used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	34.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	11.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	$ 472,847	(104,307)	(577,440)

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2023	$ 5,033,829	5,196,237	(162,408)
Changes for the Year:			
Service Cost	62,233	—	62,233
Interest on the Total Pension Liability	354,866	—	354,866
Difference Between Expected and Actual Experience of the Total Pension Liability	139,987	—	139,987
Changes of Assumptions	—	—	—
Contributions - Employer	—	4,804	(4,804)
Contributions - Employees	—	27,708	(27,708)
Net Investment Income	—	529,817	(529,817)
Benefit Payments, Including Refunds of Employee Contributions	(340,478)	(340,478)	—
Other (Net Transfer)	—	(63,344)	63,344
Net Changes	216,608	158,507	58,101
Balances at December 31, 2024	5,250,437	5,354,744	(104,307)

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

For the year ended March 31, 2025, the Village recognized pension expense of $124,778. At March 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 87,900	—	87,900
Change in Assumptions	279	—	279
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	168,890	—	168,890
Total Pension Expense to be Recognized in Future Periods	257,069	—	257,069
Pension Contributions Made Subsequent to the Measurement Date	4,432	—	4,432
Total Deferred Amounts Related to IMRF	261,501	—	261,501

$4,432 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	$ 153,441
2027	210,424
2028	(73,486)
2029	(33,310)
2030	—
Thereafter	—
Total	257,069

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

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

Plan Membership. At March 31, 2025, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	10
Total	19

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

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

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended March 31, 2025 the Village's contribution was 53.75% of covered payroll.

Concentrations. At year end, the Pension Plan has no investments over 5 percent of plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of March 31, 2025, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	3.25%
Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the PubS-2010 adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate

A Single Discount Rate of 5.83% was used to measure the total pension liability and the prior valuation used was 6.00%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is the municipal bond rate is 4.45%, and the resulting single discount rate is 5.83%.

Discount Rate Sensitivity

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

	1% Decrease (4.83%)	Current Discount Rate (5.83%)	1% Increase (6.83%)
Net Pension Liability	$ 4,691,755	3,559,804	2,631,844

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at March 31, 2024	$ 6,993,489	3,688,607	3,304,882
Changes for the Year:			
Service Cost	250,094	—	250,094
Interest on the Total Pension Liability	418,789	—	418,789
Changes of Benefit Terms		—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	178,883	—	178,883
Changes of Assumptions	139,229	—	139,229
Contributions - Employer	—	371,465	(371,465)
Contributions - Employees	—	80,781	(80,781)
Contributions - Other	—	—	—
Net Investment Income	—	221,465	(221,465)
Benefit Payments, Including Refunds of Employee Contributions	(202,326)	(202,326)	—
Other (Net Transfer)	—	(20,792)	20,792
Prior Period Adjustment	—	79,154	(79,154)
Net Changes	784,669	529,747	254,922
Balances at March 31, 2025	7,778,158	4,218,354	3,559,804

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

For the year ended March 31, 2025, the Village recognized pension expense of $169,042. At March 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 299,860	(231,606)	68,254
Change in Assumptions	325,252	(475,068)	(149,816)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	63,256	—	63,256
Total Deferred Amounts Related to Police Pension	688,368	(706,674)	(18,306)

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2026	$ (124,795)
2027	(67,323)
2028	62,978
2029	49,272
2030	51,310
Thereafter	10,252
Total	(18,306)

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Village of Peotone's Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. The Village provides post-employment health care and life insurance benefits to its retirees. To be eligible for implicit benefits, an employee must qualify for retirement under the Village's retirement plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual. The retirees pay 100% of the blended premium.

Plan Membership. As of March 31, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	18
Total	21

Total OPEB Liability

The Village's total OPEB liability was measured as of March 31, 2025, and was determined by an actuarial valuation as of March 31, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the March 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	4.45%
Healthcare Cost Trend Rates	Starting at 7.60% for HMO and 6.80% for PPO with an ultimate rate of 5.00% for 2034 and later.
Retirees' Share of Benefit-Related Costs	100% of the Blended Cost of Coverage

The discount rate was based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate.

Mortality rates were based on the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weigthed per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at March 31, 2024	$ 541,737
Changes for the Year:	
Service Cost	48,723
Interest on the Total OPEB Liability	18,063
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(26,054)
Benefit Payments	(74,394)
Net Changes	(33,662)
Balance at March 31, 2025	508,075

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 4.45%, while the prior year used a discount rate of 3.58%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.45%)	Current Discount Rate (4.45%)	1% Increase (5.45%)
Total OPEB Liability	$ 539,536	508,075	478,574

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rates as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	$ 461,177	508,075	562,138

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2025, the Village recognized OPEB expense of $40,732. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expenses, resulting in no deferred outflows of resources or deferred inflows of resources rated to OPEB.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule Employer Contributions - Last Ten Fiscal Years
  - Illinois Municipal Retirement Fund
  - Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years
  - Illinois Municipal Retirement Fund
  - Police Pension Fund

- Schedule of Investment Returns - Last Ten Fiscal Years
  - Police Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan

- Budgetary Comparison Schedule
  - General Fund
  - Motor Fuel Tax - Special Revenue Fund
  - Tax Increment Financing District #2 - Special Revenue Fund
  - Business Development District - Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF PEOTONE, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
March 31, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 48,228	$ 48,228	$ —	$ 523,629	9.21%
2017	56,357	56,357	—	553,792	10.18%
2018	51,411	51,411	—	517,774	9.93%
2019	43,425	43,425	—	492,832	8.81%
2020	40,717	40,717	—	544,972	7.47%
2021	45,386	45,386	—	521,238	8.71%
2022	28,485	28,485	—	444,483	6.41%
2023	8,601	8,601	—	441,452	1.95%
2024	4,715	4,715	—	576,535	0.82%
2025	8,152	8,152	—	634,755	1.28%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

VILLAGE OF PEOTONE, ILLINOIS

Police Pension Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
March 31, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 159,091	$ 171,034	$ 11,943	$ 462,998	36.94%
2017	256,039	186,247	(69,792)	445,706	41.79%
2018	311,138	163,970	(147,168)	464,014	35.34%
2019	278,776	207,025	(71,751)	531,055	38.98%
2020	343,130	210,855	(132,275)	540,888	38.98%
2021	573,823	585,070	11,247	564,383	103.67%
2022	639,784	600,909	(38,875)	611,756	98.23%
2023	598,643	591,972	(6,671)	615,550	96.17%
2024	474,941	394,728	(80,213)	669,311	58.98%
2025	372,036	371,465	(571)	691,064	53.75%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar (Closed)
Remaining Amortization Period	17 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	3.25%
Investment Rate of Return	6.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	PubS-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

VILLAGE OF PEOTONE, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
March 31, 2025

See Following Page

VILLAGE OF PEOTONE, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years
March 31, 2025

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	$ 57,086	59,336	55,401
Interest	363,687	378,750	391,649
Differences Between Expected and Actual Experience	77,144	69,125	154,736
Change of Assumptions	6,048	(6,126)	(181,655)
Benefit Payments, Including Refunds of Member Contributions	(269,056)	(325,968)	(341,775)
Net Change in Total Pension Liability	234,909	175,117	78,356
Total Pension Liability - Beginning	4,955,146	5,190,055	5,365,172
Total Pension Liability - Ending	5,190,055	5,365,172	5,443,528
Plan Fiduciary Net Position			
Contributions - Employer	$ 47,269	55,350	51,260
Contributions - Members	26,549	26,564	25,764
Net Investment Income	24,394	329,255	923,940
Benefit Payments, Including Refunds of Member Contributions	(269,056)	(325,968)	(341,775)
Other (Net Transfer)	46,005	150,714	(83,495)
Net Change in Plan Fiduciary Net Position	(124,839)	235,915	575,694
Plan Net Position - Beginning	4,976,400	4,851,561	5,087,476
Plan Net Position - Ending	4,851,561	5,087,476	5,663,170
Employer's Net Pension Liability/(Asset)	$ 338,494	277,696	(219,642)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.48%	94.82%	104.03%
Covered Payroll	$ 532,300	541,588	510,052
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	63.59%	51.27%	(43.06%)

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
49,566	43,481	55,030	53,489	44,499	41,552	62,233
397,882	369,791	378,790	372,781	368,249	340,925	354,866
(452,316)	50,838	(74,554)	(113,778)	(449,038)	131,475	139,987
137,159	—	(70,116)	—	—	2,939	—
(326,431)	(341,127)	(350,395)	(392,132)	(348,871)	(329,387)	(340,478)
(194,140)	122,983	(61,245)	(79,640)	(385,161)	187,504	216,608
5,443,528	5,249,388	5,372,371	5,311,126	5,231,486	4,846,325	5,033,829
5,249,388	5,372,371	5,311,126	5,231,486	4,846,325	5,033,829	5,250,437
47,728	37,201	50,108	34,087	12,898	4,624	4,804
22,303	24,530	24,888	20,452	38,724	25,072	27,708
(366,294)	953,775	824,734	1,035,273	(922,624)	543,548	529,817
(326,431)	(341,127)	(350,395)	(392,132)	(348,871)	(329,387)	(340,478)
(226,174)	58,934	(53,113)	(241,827)	(479,605)	152,168	(63,344)
(848,868)	733,313	496,222	455,853	(1,699,478)	396,025	158,507
5,663,170	4,814,302	5,547,615	6,043,837	6,499,690	4,800,212	5,196,237
4,814,302	5,547,615	6,043,837	6,499,690	4,800,212	5,196,237	5,354,744
435,086	(175,244)	(732,711)	(1,268,204)	46,113	(162,408)	(104,307)
91.71%	103.26%	113.80%	124.24%	99.05%	103.23%	101.99%
495,611	541,510	553,062	454,501	429,922	557,154	615,738
87.79%	(32.36%)	(132.48%)	(279.03%)	(10.73%)	(29.15%)	(16.94%)

VILLAGE OF PEOTONE, ILLINOIS

Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability - Last Ten Fiscal Years
March 31, 2025

	3/31/2016	3/31/2017	3/31/2018
Total Pension Liability			
Service Cost	$ 169,872	194,947	169,918
Interest	240,898	280,291	237,441
Changes of Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	8,423	(412,151)	410,077
Change of Assumptions	533,675	(222,498)	379,020
Benefit Payments, Including Refunds of Member Contributions	(162,576)	(167,446)	(172,436)
Net Change in Total Pension Liability	790,292	(326,857)	1,024,020
Total Pension Liability - Beginning	4,899,249	5,689,541	5,362,684
Total Pension Liability - Ending	5,689,541	5,362,684	6,386,704
Plan Fiduciary Net Position			
Contributions - Employer	$ 171,034	186,247	163,970
Contributions - Members	43,775	46,794	47,724
Contributions - Other	—	—	—
Net Investment Income	10,089	26,093	48,312
Benefit Payments, Including Refunds of Member Contributions	(162,576)	(167,446)	(172,436)
Other (Net Transfer)	(6,013)	(6,335)	(8,113)
Prior Period Adjustment	—	—	—
Net Change in Plan Fiduciary Net Position	56,309	85,353	79,457
Plan Net Position - Beginning	1,172,785	1,229,094	1,314,447
Plan Net Position - Ending	1,229,094	1,314,447	1,393,904
Employer's Net Pension Liability	$ 4,460,447	4,048,237	4,992,800
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.60%	24.51%	21.83%
Covered Payroll	$ 462,998	445,706	464,014
Employer's Net Pension Liability as a Percentage of Covered Payroll	963.38%	908.28%	1076.00%

3/31/2019	3/31/2020	3/31/2021	3/31/2022	3/31/2023	3/31/2024	3/31/2025
236,285	200,252	239,543	249,229	191,962	156,053	250,094
283,740	304,341	333,042	319,393	367,219	389,579	418,789
—	11,940	—	—	(3,921)	—	—
(183,234)	(378,911)	(690,576)	296,856	90,586	21,169	178,883
124,621	668,009	—	(1,425,204)	26,581	102,414	139,229
(177,547)	(215,391)	(198,826)	(191,211)	(302,279)	(238,929)	(202,326)
283,865	590,240	(316,817)	(750,937)	370,148	430,286	784,669
6,386,704	6,670,569	7,260,809	6,943,992	6,193,055	6,563,203	6,993,489
6,670,569	7,260,809	6,943,992	6,193,055	6,563,203	6,993,489	7,778,158
207,025	210,855	585,070	600,909	591,972	394,728	371,465
49,630	55,370	56,598	60,626	60,717	67,539	80,781
—	—	—	—	—	328,771	—
31,359	18,912	118,415	23,631	(4,385)	235,363	221,465
(177,547)	(215,391)	(198,826)	(191,211)	(302,279)	(238,929)	(202,326)
(9,025)	(7,794)	(9,200)	(10,786)	(15,554)	(21,860)	(20,792)
—	—	—	—	—	—	79,154
101,442	61,952	552,057	483,169	330,471	765,612	529,747
1,393,904	1,495,346	1,557,298	2,109,355	2,592,524	2,922,995	3,688,607
1,495,346	1,557,298	2,109,355	2,592,524	2,922,995	3,688,607	4,218,354
5,175,223	5,703,511	4,834,637	3,600,531	3,640,208	3,304,882	3,559,804
22.42%	21.45%	30.38%	41.86%	44.54%	52.74%	54.23%
531,055	540,888	564,383	611,756	615,550	669,311	691,064
974.52%	1054.47%	856.62%	(588.56%)	(591.37%)	(493.77%)	(515.12%)

VILLAGE OF PEOTONE, ILLINOIS

Police Pension Fund
Schedule of Investment Returns - Last Ten Fiscal Years
March 31, 2025

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	N/A
2017	N/A
2018	N/A
2019	N/A
2020	N/A
2021	N/A
2022	(0.69%)
2023	1.06%
2024	4.05%
2025	0.45%

N/A - Not Available

VILLAGE OF PEOTONE, ILLINOIS

Retiree Benefit Plan
Schedule of Changes in the Employer's Total OPEB Liability
March 31, 2025

	3/31/2022	3/31/2023	3/31/2024	3/31/2025
Total OPEB Liability				
Service Cost	$ 33,046	31,314	27,884	48,723
Interest	23,484	27,113	33,152	18,063
Changes in Benefit Terms	—	—	—	—
Difference Between Expected and Actual Experience	—	—	(463,677)	—
Change of Assumptions or Other Inputs	(49,261)	(91,142)	3,659	(26,054)
Benefit Payments	(13,282)	(13,594)	(12,934)	(74,394)
Net Change in Total OPEB Liability	(6,013)	(46,309)	(411,916)	(33,662)
Total OPEB Liability - Beginning	1,005,975	999,962	953,653	541,737
Total OPEB Liability - Ending	999,962	953,653	541,737	508,075
Covered-Employee Payroll	$ 1,037,329	1,036,977	1,292,714	1,796,025
Total OPEB Liability as a Percentage of Covered-Employee Payroll	96.40%	91.96%	41.91%	28.29%

Notes:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of Assumptions. Change of assumption related to the discount rate were made in 2022 through 2025.

VILLAGE OF PEOTONE, ILLINOIS

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Taxes	$ 961,535	961,535	976,282
Intergovernmental	2,250,591	2,279,716	2,357,818
Licenses and Permits	219,182	219,182	78,611
Fines and Forfeitures	130,326	130,326	106,275
Interest Income	231,347	231,347	352,114
Miscellaneous	169,759	169,759	268,165
Total Revenues	3,962,740	3,991,865	4,139,265
Expenditures			
General Government	722,570	722,570	720,139
Public Safety	2,258,987	2,288,112	2,181,234
Public Works	722,577	722,577	594,966
Central Services	203,055	203,055	268,965
Economic Development	4,000	4,000	—
Building	435,435	435,435	129,996
Capital Outlay	65,000	65,000	73,694
Debt Service			
Principal Retirement	39,629	39,629	39,629
Interest and Fiscal Charges	3,124	3,124	3,115
Total Expenditures	4,454,377	4,483,502	4,011,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	(491,637)	(491,637)	127,527
Other Financing Sources (Uses)			
Transfers In	(90,376)	(90,376)	—
Transfers Out	(884,624)	(884,624)	—
	(975,000)	(975,000)	—
Net Change in Fund Balance	(1,466,637)	(1,466,637)	127,527
Fund Balance - as Previously Reported			11,801,436
Restatement - Error Correction			(66,603)
Fund Balance - Beginning as Restated			11,734,833
Fund Balance - Ending			11,862,360

VILLAGE OF PEOTONE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax	$ 181,760	181,760	187,500
Grants	—	—	2,730
Interest Income	190	190	94
Miscellaneous	—	—	2,878
Total Revenues	181,950	181,950	193,202
Expenditures			
Public Works			
Transportation	—	—	29,630
Excess (Deficiency) of Revenues Over (Under) Expenditures	181,950	181,950	163,572
Other Financing (Uses)			
Transfers Out	(90,000)	(90,000)	(99,028)
Net Change in Fund Balance	91,950	91,950	64,544
Fund Balance - Beginning			170,695
Fund Balance - Ending			235,239

VILLAGE OF PEOTONE, ILLINOIS

Tax Increment Financing District #2 - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 61,774	61,774	49,610
Interest Income	2,400	2,400	7,449
Total Revenues	64,174	64,174	57,059
Expenditures			
Economic Development	159,612	159,612	331,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,438)	(95,438)	(274,134)
Other Financing Sources			
Transfers In	100,000	100,000	—
Net Change in Fund Balance	4,562	4,562	(274,134)
Fund Balance - Beginning			656,179
Fund Balance - Ending			382,045

VILLAGE OF PEOTONE, ILLINOIS

Business Development District - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Sales Taxes	$ 367,876	367,876	297,387
Grants	2,290,340	2,290,340	2,242,962
Interest Income	100	100	110
Total Revenues	2,658,316	2,658,316	2,540,459
Expenditures			
Economic Development	3,799,029	3,799,029	3,572,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,140,713)	(1,140,713)	(1,031,958)
Other Financing Sources			
Transfers in	875,000	875,000	—
Net Change in Fund Balance	(265,713)	(265,713)	(1,031,958)
Fund Balance - Beginning			376,550
Fund Balance - Ending			(655,408)

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedule - Nonmajor Governmental Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

Tax Increment Financing District #2 Fund

The Tax Increment Financing (TIF) District #2 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's TIF District #2.

Business Development District Fund

The Business District Fund is used to account for sales tax raised within the Business District to pay for actions and activities to eradicate the blighting conditions found in this portion of the Village and assist in development of the Business District.

Tax Increment Financing District #1 Fund

The Tax Increment Financing (TIF) District #1 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's TIF District #1.

INDIVIDUAL FUND DESCRIPTIONS - Continued

CAPITAL PROJECTS FUND

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

Capital Improvement Fund

The Capital Improvement Fund is used to account for developer fees intended to fund major capital improvements and for certain other monies received that are related to capital asset purchases.

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF PEOTONE, ILLINOIS

General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 650,562	650,562	651,791
Utility Taxes	261,600	261,600	264,326
Road and Bridge Taxes	49,373	49,373	48,915
Video Gaming/PullTab/Jar Games Taxes	–	–	11,250
	961,535	961,535	976,282
Intergovernmental			
Personal Replacement Taxes	66,935	66,935	42,535
Income Tax	656,791	656,791	721,287
Use Tax	176,479	176,479	117,956
Sales Tax	1,222,609	1,222,609	1,288,176
Gaming Tax	121,064	121,064	149,466
Cannabis Tax	6,713	6,713	6,436
Grants	–	29,125	31,962
	2,250,591	2,279,716	2,357,818
Licenses and Permits	219,182	219,182	78,611
Fines and Forfeitures			
Police Collections	49,800	49,800	49,547
Fines	80,526	80,526	56,728
	130,326	130,326	106,275
Interest Income	231,347	231,347	352,114
Miscellaneous			
Franchise Agreements	101,759	101,759	61,472
Reimbursement	–	–	(3,251)
Donations	–	–	400
Miscellaneous	68,000	68,000	209,544
	169,759	169,759	268,165
Total Revenues	3,962,740	3,991,865	4,139,265

VILLAGE OF PEOTONE, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Expenditures			
General Government			
Salaries	$ 226,464	226,464	244,248
Social Security and Medicare	17,327	17,327	19,335
Illinois Municipal Retirement	1,299	1,299	2,838
Unemployment Tax	219	219	451
Employee's Health Insurance	49,630	49,630	58,091
Maintenance - Equipment	3,000	3,000	8,431
Vehicles and Equipments	18,000	18,000	2,250
General Insurance	—	—	4,621
Travel	7,000	7,000	375
Postage	4,000	4,000	1,376
Printing/Publishing	26,500	26,500	9,698
Legal Fees	30,000	30,000	41,243
Auditing Services	18,000	18,000	20,240
Engineering	25,000	25,000	34,184
Other Professional Services	163,481	163,481	130,647
Training	3,600	3,600	7,181
Dues/Subscriptions	12,550	12,550	17,738
Supplies - Equipment	5,000	5,000	16,192
Community Relations	1,500	1,500	909
Office Supplies	5,500	5,500	4,627
Other Supplies	2,500	2,500	3,248
Sundry Expenditures	1,000	1,000	834
Christmas in the Village	10,000	10,000	8,882
Sales Tax Rebate	91,000	91,000	82,500
Total General Government	722,570	722,570	720,139
Public Safety			
Police			
Salaries	1,098,259	1,098,259	1,099,714
Social Security and Medicare	84,019	84,019	83,917
Illinois Municipal Retirement	1,267	1,267	2,288
Unemployment Tax	876	876	2,126
Employee's Health Insurance	281,020	281,020	243,313
Pension Expenditures	372,036	372,036	372,036

VILLAGE OF PEOTONE, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Expenditures - Continued			
Public Safety - Continued			
Police - Continued			
Maintenance - Equipment	$ 114,515	143,640	114,298
Maintenance - Vehicle	—	—	12,109
General Insurance	—	—	(18,780)
Rental	650	650	600
Travel	4,750	4,750	1,802
Postage	1,900	1,900	766
Printing/Publishing	1,425	1,425	1,343
Legal Fees	20,400	20,400	24,626
Other Professional Services	162,700	162,700	131,381
Animal Control	2,500	2,500	—
Training	12,400	12,400	9,594
Dues/Subscriptions	8,320	8,320	6,835
Supplies - Equipment	7,500	7,500	35,058
Community Relations	5,000	5,000	1,672
Office Supplies	5,500	5,500	2,683
Other Supplies	8,000	8,000	1,392
Uniforms and Maintenance	14,750	14,750	19,208
Food/Prisoners	200	200	—
Gas and Oil	50,000	50,000	33,062
Sundry Expenditures	1,000	1,000	191
Total Public Safety	2,258,987	2,288,112	2,181,234

VILLAGE OF PEOTONE, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Expenditures - Continued			
Public Works			
Salaries	$ 260,534	260,534	265,608
Social Security and Medicare	19,931	19,931	19,872
Illinois Municipal Retirement	1,900	1,900	3,718
Unemployment Tax	365	365	528
Employee's Health Insurance	89,897	89,897	67,788
Maintenance - Street Lights	5,000	5,000	96
Maintenance - Building	53,000	53,000	16,682
Maintenance - Equipment	10,000	10,000	32,197
Maintenance - Streets	40,000	40,000	14,700
Maintenance - Sidewalks	10,000	10,000	2,375
Maintenance - Vehicle	10,000	10,000	2,680
Snow/Leaf Removal	10,000	10,000	3,340
Ground Upkeep	2,000	2,000	—
General Insurance	—	—	6,353
Street Lighting	70,000	70,000	73,904
Rental	2,000	2,000	1,510
Travel	1,000	1,000	—
Printing/Publishing	500	500	565
Engineering Fees	20,000	20,000	3,353
Other Professional Services	45,000	45,000	22,631
Training	1,500	1,500	181
Dues/Subscriptions	1,550	1,550	648
Supplies - Equipment	5,000	5,000	14,425
Other Supplies	34,000	34,000	13,826
Uniforms	4,000	4,000	2,630
Gas and Oil	20,000	20,000	19,507
Sundry Expenditures	800	800	1,169
Drainage Assessment Fees	4,600	4,600	4,680
Total Public Works	722,577	722,577	594,966
Economic Development			
Legal Fees	4,000	4,000	—

VILLAGE OF PEOTONE, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Expenditures - Continued			
Central Services			
Maintenance - Equipment	$ 9,000	9,000	50
General Insurance	156,643	156,643	157,523
Telephone/Fax	32,612	32,612	35,999
Other Professional Services	4800	4800	75393
Total Central Services	203,055	203,055	268,965
Building			
Salaries	120,558	120,558	35,678
Social Security and Medicare	9,223	9,223	2,887
Illinois Municipal Retirement	952	952	294
Unemployment Tax	219	219	131
Maintenance - Buildings	—	—	17
Maintenance - Equipment	2,000	2,000	303
General Insurance	10,283	10,283	8,801
Travel	2,000	2,000	699
Postage	1,300	1,300	47
Printing/Publishing	3,500	3,500	1,156
Legal Fees	72,400	72,400	13,997
Other Professional Services	189,500	189,500	64,571
Training	2,000	2,000	887
Dues/Subscriptions	9,500	9,500	206
Supplies - Equipment	5,000	5,000	—
Office Supplies	3,000	3,000	95
Other Supplies	3,000	3,000	227
Gas and Oil	1,000	1,000	—
Total Building	435,435	435,435	129,996
Capital Outlay	65,000	65,000	73,694
Debt Service			
Principal Retirement	39,629	39,629	39,629
Interest and Fiscal Charges	3,124	3,124	3,115
Total Debt Service	42,753	42,753	42,744
Total Expenditures	4,454,377	4,483,502	4,011,738

VILLAGE OF PEOTONE, ILLINOIS

Capital Improvement - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Grants	$ 904,392	904,392	37,910
Licenses and Permits	16,000	16,000	8,384
Interest Income	150	150	87
Total Revenues	920,542	920,542	46,381
Expenditures			
Capital Outlay	962,500	962,500	145,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,958)	(41,958)	(99,007)
Other Financing Sources			
Transfers In	90,000	90,000	99,028
Net Change in Fund Balance	48,042	48,042	21
Fund Balance - Beginning			248,720
Fund Balance - Ending			248,741

VILLAGE OF PEOTONE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet
March 31, 2025

	Business Developmen District (Formerly Nonmajor)	Tax Increment Financing District #1	Totals
ASSETS			
Cash and Investments	$ —	142,770	142,770
Receivables - Net of Allowances			
Taxes	—	60,603	60,603
Total Assets	—	203,373	203,373
LIABILITIES			
Due to Other Funds	—	1,060	1,060
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	—	60,603	60,603
Total Liabilities and Deferred Inflows of Resources	—	61,663	61,663
FUND BALANCES			
Restricted	—	141,710	141,710
Total Liabilities, Deferred Inflows of Resources and Fund Balances	—	203,373	203,373

VILLAGE OF PEOTONE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended March 31, 2025

	Business Development District (Formerly Nonmajor)	Tax Increment Financing District #1	Totals
Revenues			
Taxes	$ —	60,085	60,085
Interest Income	—	51	51
Total Revenues	—	60,136	60,136
Expenditures			
Economic Development	—	7,205	7,205
Net Change in Fund Balances	—	52,931	52,931
Fund Balances - Beginning as Previously Reported	376,550	88,779	465,329
Adjustment - Change from Nonmajor to Major	(376,550)	—	(376,550)
Fund Balances - Beginning as Restated	—	88,779	88,779
Fund Balances - Ending	—	141,710	141,710

VILLAGE OF PEOTONE, ILLINOIS

Tax Increment Financing District #1 - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended March 31, 2025

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 30,715	30,715	60,085
Interest Income	33	33	51
Total Revenues	30,748	30,748	60,136
Expenditures			
Economic Development	80,000	80,000	7,205
Net Change in Fund Balance	(49,252)	(49,252)	52,931
Fund Balance - Beginning			88,779
Fund Balance - Ending			141,710

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

Lauterbach & Amen
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Naperville, IL 60563
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

August 7, 2025

The Honorable Village President
Members of the Board of Trustees
Village of Peotone, 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, each major fund, and the aggregate remaining fund information of the Village of Peotone (the Village), Illinois, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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 the Village's internal control. According, we do not express an opinion on the effectiveness of the Village'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 Village'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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Peotone, Illinois
August 7, 2025

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP