

CITY OF VILLA GROVE, ILLINOIS
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the year ended April 30, 2024

CITY OF VILLA GROVE
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and City Council
City of Villa Grove, Illinois

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the City of Villa Grove, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Villa Grove, Illinois, as of April 30, 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Villa Grove 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 City'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.

Auditors' 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 auditors' 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 GAAS and GAS 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 GAAS and GAS, 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 City of Villa Grove'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 City of Villa Grove'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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, and budgetary comparison information on pages 45 through 47 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 City of Villa Grove's basic financial statements. The Consolidated Year-End Financial Report on page 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Consolidated Year-End Financial Report 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, the Consolidated Year-End Financial Report, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the statistical information on pages 49 through 51 which does not include the financial statements and our auditors' report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 December 9, 2024 on our consideration of the City of Villa Grove, Illinois' 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 solely 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 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 City of Villa Grove, Illinois' internal control over financial reporting and compliance.

West & Company, LLC

Mattoon, Illinois
December 9, 2024



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

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and City Council
City of Villa Grove, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the City of Villa Grove, Illinois as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Villa Grove, Illinois' basic financial statements, and have issued our report thereon dated December 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Villa Grove, Illinois' 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 City of Villa Grove, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Villa Grove, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 City of Villa Grove, Illinois' financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as findings 2024-001 and 2024-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as finding 2024-003 and 2024-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Villa Grove, Illinois' 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*.

City of Villa Grove, Illinois' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Villa Grove, Illinois' responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Villa Grove, Illinois' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City of Villa Grove, Illinois' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Villa Grove, Illinois' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West & Company, LLC

Mattoon, Illinois
December 9, 2024

CITY OF VILLA GROVE, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Section I-- Summary of Auditors' Results

Financial Statements in accordance with GAAP

Type of auditor's report issued:

UNMODIFIED

Internal control over financial reporting:

- | | | |
|---|------------------|-----------------------------|
| - Material weakness(es) identified? | <u> X </u> Yes | <u> </u> No |
| - Significant deficiency(ies) identified? | <u> X </u> Yes | <u> </u> None reported |

Noncompliance material to financial statements noted?

 Yes X No

CITY OF VILLA GROVE, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Section II – Financial Statement Findings

Finding No. 2024-001 - Controls over Financial Statement Preparation (Repeat from Finding 2023-001)

Criteria/Specific Requirement:

The City of Villa Grove (the City) is required to maintain a system of controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. The City's internal controls over financial reporting should include adequately trained personnel with the knowledge, skills, and expertise to prepare and/or thoroughly review the financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board.

Condition:

The City of Villa Grove lacks sufficient internal controls over the financial reporting process. While the City maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the financial information prepared by the City of Villa Grove, auditors noted the City of Villa Grove's financial information required numerous material adjustments in order to present the financial statements in accordance with generally accepted accounting principles.

Effect:

The City of Villa Grove's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure errors and omissions in a timely manner.

CITY OF VILLA GROVE, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Section II – Financial Statement Findings

Finding No. 2024-001 – Controls over Financial Statement Preparation (Repeat from Finding 2023-001)
(Continued)

Cause:

The City lacks the necessary resources to be able to hire a properly trained individual that could prepare the financial statements and possesses a thorough understanding of accounting principles generally accepted in the United States of America and GASB pronouncements.

Auditors' Recommendation:

As part of its internal control over the preparation of its financial statements, the City of Villa Grove should implement a comprehensive preparation and/or review procedure to ensure that the trial balance accounts are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of accounting principles generally accepted in the United States of America, GASB pronouncements, and knowledge of the City's activities and operations.

Management's Response:

Management accepts this finding and understands that it will likely be repeated each year as the City lacks the necessary resources to be able to hire a properly trained individual to prepare the financial statements.

CITY OF VILLA GROVE, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Section II – Financial Statement Findings

Finding No. 2024-002 - Segregation of Duties (Repeat from Finding 2023-002)

Criteria/Specific Requirement:

Internal controls are an important deterrent to fraud, and a proper segregation of duties is an important aspect of internal control. Internal controls should include an adequate level of segregation of duties so that one individual is not responsible for a transaction from its inception to its completion.

Condition:

We noted situations within your organization in which the City Treasurer/Administrator is responsible for multiple cash-related functions that, under properly designed internal controls, would be split between two or more individuals. In addition, we noted situations in which there is an inadequate review of adjustments and work performed by the City Treasurer/Administrator. Under properly designed internal controls, the City Treasurer/Administrator's work performed would be reviewed and approved by a knowledgeable individual.

Effect:

The City's lack of segregation of duties and properly implemented internal controls could cause the City's management or its employees to not be able to prevent or detect fraudulent transactions or financial statement misstatements in a timely manner.

Cause:

The City is relatively small in size; therefore, only a few individuals work within the business office. With the lack of staff in the business office, segregation of duties is difficult.

Auditors' Recommendation:

As part of its internal control procedures, the City should consider revising controls to better segregate duties within the business office between the staff that is currently available.

Management's Response:

The City will provide additional training to staff and review internal controls to try to address the lack of segregation of duties within the business office.

CITY OF VILLA GROVE, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Section II – Financial Statement Findings

Finding No. 2024-003 - Controls over Investments (Repeat from Finding 2023-003)

Criteria/Specific Requirement:

The City of Villa Grove, Illinois (the City) is required to maintain a system of controls over their investments in accordance with the Illinois Compiled Statutes. The City's investments should be overseen by adequately trained personnel with the knowledge, skills, and expertise to manage the City's investments and ensure that the investments comply with the Illinois Compiled Statutes and the Public Investment Act (30 ILCS 235/1).

Condition:

The City's investments in common stock do not comply with the Illinois Compiled Statutes. At April 30, 2024, the City's investments in common stock totaled \$71,020.

Effect:

The Illinois Compiled Statutes require that the City only invest in certain investments to reduce the risks related to investing. The City's investment in common stock could be subject to high volatility and potential loss of value if there were significant changes in the stock market and the economy as a whole.

Cause:

The common stock was received numerous years ago due to a prior retirement program being closed out when the City began contributing to IMRF.

Auditors' Recommendation:

Management should review all investments and make adjustments as necessary to ensure that all of the City's investments comply with the Illinois Compiled Statutes and the Public Investment Act (30 ILCS 235/1).

Management's Response:

The City will consult a broker to sell the common stock and invest the proceeds into local bank accounts or Illinois Funds.

CITY OF VILLA GROVE, ILLINOIS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED APRIL 30, 2024

Section II – Financial Statement Findings

Finding No. 2024-004 - Controls over Compliance with Bond Covenants (Repeat from Finding 2023-004)

Criteria/Specific Requirement:

The City of Villa Grove (the City) is required to be in compliance with bond covenants.

Condition:

The City has not established a separate bank account to account for the pledged revenues related to the general obligation bond. In addition, the amount of pledged revenues related to the general obligation bond was \$16,534 less than the amount required by the bond's covenants as of April 30, 2024.

Effect:

Not being in compliance with bond covenants could lead the City to have issues with obtaining additional debt in the future. In addition, not pledging enough revenue could result in the City being unable to meet debt payment requirements.

Cause:

The original monthly pledges did not take into consideration the entire pledge requirement. Once the City became aware of the entire pledge requirement, the City increased the monthly pledge amount by 20% but it was not enough to compensate for the months earlier in the fiscal year which were under pledged. The City was unaware of the requirement to keep the pledged revenues in a separate bank account.

Auditors' Recommendation:

We recommend that management review all bond covenants in detail to ensure that the City is in compliance with all stated requirements.

Management's Response:

The City will rename an existing unused bank account and transfer the required monthly amount for the pledged revenues. The City will review pledged revenues throughout the year to ensure that there is an adequate amount of revenues pledged for the repayment of the bond.

CITY OF VILLA GROVE, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended April 30, 2024

CORRECTIVE ACTION PLAN

Finding No. 2024-001 – Controls over Financial Statement Preparation (Repeat from Finding 2023-001)

Condition:

The City of Villa Grove lacks sufficient internal controls over the financial reporting process. While the City maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the financial information prepared by the City of Villa Grove, auditors noted the City of Villa Grove's financial information required numerous material adjustments in order to present the financial statements in accordance with generally accepted accounting principles.

Plan:

Management understands that this finding will likely be repeated each year as the City lacks the necessary resources to be able to hire a properly trained individual to prepare the financial statements.

Anticipated Date of Completion:

Unknown

Name of Contact Person:

Jacqueline Athey, City Treasurer

CITY OF VILLA GROVE, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended April 30, 2024

CORRECTIVE ACTION PLAN

Finding No. 2024-002 – Segregation of Duties (Repeat from Finding 2023-002)

Condition:

We noted situations within your organization in which the City Treasurer/Administrator is responsible for multiple cash-related functions that, under properly designed internal controls, would be split between two or more individuals. In addition, we noted situations in which there is an inadequate review of adjustments and work performed by the City Treasurer/Administrator. Under properly designed internal controls, the City Treasurer/Administrator's work performed would be reviewed and approved by a knowledgeable individual.

Plan:

The City will provide additional training to staff and review internal controls to try to address the lack of segregation of duties within the business office.

Anticipated Date of Completion:

Immediately

Name of Contact Person:

Jacqueline Athey, City Treasurer

CITY OF VILLA GROVE, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended April 30, 2024

CORRECTIVE ACTION PLAN

Finding No. 2024-003 – Controls over Investments (Repeat from Finding 2023-003)

Condition:

The City's investments in common stock do not comply with the Illinois Compiled Statutes. At April 30, 2024, the City's investments in common stock totaled \$71,020.

Plan:

The City will sell common stock and reinvest proceeds to comply with statutes.

Anticipated Date of Completion:

April 30, 2025

Name of Contact Person:

Jacqueline Athey, City Treasurer

CITY OF VILLA GROVE, ILLINOIS
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the year ended April 30, 2024

CORRECTIVE ACTION PLAN

Finding No. 2024-004 – Controls over Compliance with Bond Covenants (Repeat from Finding 2023-004)

Condition:

The City has not established a separate bank account to account for the pledged revenues related to the general obligation bond. In addition, the amount of pledged revenues related to the general obligation bond was \$16,534 less than the amount required by the bond's covenants as of April 30, 2024.

Plan:

The City will rename an existing unused bank account and transfer the required amounts monthly for the pledged revenues. The City will review pledged revenues throughout the year to ensure that there is an adequate amount of revenues pledged for the repayment of the bond.

Anticipated Date of Completion:

December 31, 2024

Name of Contact Person:

Jacqueline Athey, City Treasurer

CITY OF VILLA GROVE, ILLINOIS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended April 30, 2024

Finding Number	Condition	Current Status
2023-01	Controls over Financial Statement Preparation	Repeated
2023-02	Segregation of Duties	Repeated
2023-03	Controls over Investments	Repeated
2023-04	Controls over Compliance with Bond Covenants	Repeated

BASIC FINANCIAL STATEMENTS

CITY OF VILLA GROVE, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2024

	<u>Governmental Activities</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 3,284,729
Investments	71,020
Due from other governments	3,331,985
Accounts receivable	33,737
Prepaid items	139,916
Total current assets	<u>6,861,387</u>
Noncurrent assets:	
Capital assets, non-depreciating	2,798,463
Capital assets, net of accumulated depreciation	10,586,181
Right-of-use asset, net of accumulated amortization	34,178
Total noncurrent assets	<u>13,418,822</u>
Total assets	<u>20,280,209</u>
 DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows related to pensions	<u>250,020</u>
 LIABILITIES:	
Current liabilities:	
Accounts payable	116,779
Accrued payroll	35,969
Accrued interest	70,792
Accrued compensated absences - current	8,242
Current portion of long-term debt	133,000
Current portion of lease liability	19,888
Unearned revenue	276,587
Total current liabilities	<u>661,257</u>

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

CITY OF VILLA GROVE, ILLINOIS
STATEMENT OF NET POSITION (CONCLUDED)
APRIL 30, 2024

	Governmental Activities
Noncurrent liabilities:	
Accrued compensated absences	\$ 29,535
Net pension liability	128,214
Long-term debt, net of current portion	2,978,000
Lease liability, net of current portion	15,542
Total noncurrent liabilities	3,151,291
Total liabilities	3,812,548
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to pensions	156,242
Deferred inflows related to property taxes	1,027,739
Total deferred inflows of resources	1,183,981
NET POSITION:	
Net investment in capital assets	10,272,392
Restricted	617,997
Unrestricted	4,643,311
Total net position	\$ 15,533,700

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

CITY OF VILLA GROVE, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

Functions/Programs: Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 511,970	\$ 240,741	\$ 10,424	\$ 2,140,300
Public safety	1,001,564	28,678	-	-
Public works	728,145	-	643	-
Culture and recreation	417,911	-	10,948	51,510
Development	29,360	-	-	-
Interest on lease liability	166,132	-	-	-
Total governmental activities	<u>2,855,082</u>	<u>269,419</u>	<u>22,015</u>	<u>2,191,810</u>
Total primary government	\$ 2,855,082	\$ 269,419	\$ 22,015	\$ 2,191,810
General revenues:				
Property taxes				675,383
Sales taxes				444,730
State income taxes				411,390
Video gaming taxes				35,726
Replacement taxes				35,742
Motor fuel taxes				108,570
Interest income				299,648
Miscellaneous income				178,810
Total general revenues				<u>2,189,999</u>
Change in net position				1,818,161
Net position, beginning of year				13,715,539
Net position, end of year				<u>\$ 15,533,700</u>

CITY OF VILLA GROVE, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2024

	General	Tax Increment Financing	Motor Fuel Tax	Eliminations	Total
ASSETS:					
Cash and cash equivalents	\$ 2,452,335	\$ 627,396	\$ 204,998	\$ -	\$ 3,284,729
Investments	71,020	-	-	-	71,020
Due from other governments	2,741,127	590,858	-	-	3,331,985
Accounts receivable	24,847	-	8,890	-	33,737
Prepaid items	139,824	92	-	-	139,916
Due from other funds	250,000	-	1,135	(251,135)	-
Total assets	<u>\$ 5,679,153</u>	<u>\$ 1,218,346</u>	<u>\$ 215,023</u>	<u>\$ (251,135)</u>	<u>\$ 6,861,387</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS):					
Liabilities:					
Accounts payable	\$ 116,392	\$ -	\$ 387	\$ -	\$ 116,779
Accrued payroll	35,969	-	-	-	35,969
Due to other funds	-	251,135	-	(251,135)	-
Unearned revenue	276,587	-	-	-	276,587
Total liabilities	<u>428,948</u>	<u>251,135</u>	<u>387</u>	<u>(251,135)</u>	<u>429,335</u>
Deferred inflows of resources:					
Unavailable revenue	2,577,181	590,858	-	-	3,168,039
Fund balances (deficits):					
Nonspendable	139,824	92	-	-	139,916
Restricted for:					
Restricted for public safety	12,430	-	-	-	12,430
Restricted for liability insurance	32	-	-	-	32
Restricted for employee benefits	3,320	-	-	-	3,320
Restricted for community development	11,318	-	-	-	11,318
Restricted for TIF capital improvements	-	376,261	-	-	376,261
Restricted for transportation	-	-	214,636	-	214,636
Assigned for:					
Assigned for public safety	1,185,516	-	-	-	1,185,516
Assigned for separation benefits	38,810	-	-	-	38,810
Assigned for public works	28,839	-	-	-	28,839
Assigned for loan reserves	341,548	-	-	-	341,548
Unassigned	911,387	-	-	-	911,387
Total fund balances (deficits)	<u>2,673,024</u>	<u>376,353</u>	<u>214,636</u>	<u>-</u>	<u>3,264,013</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,679,153</u>	<u>\$ 1,218,346</u>	<u>\$ 215,023</u>	<u>\$ (251,135)</u>	<u>\$ 6,861,387</u>

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

CITY OF VILLA GROVE, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
APRIL 30, 2024

Total fund balances, governmental funds		\$ 3,264,013
Amounts reported for governmental activities in the statement of net position are different because:		
Some revenues will not be collected for several months after the City's fiscal year ends. They are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		
	2,140,300	
Capital assets used in governmental activities, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the funds.		
	13,384,644	
Lease related asset and liability are recorded net of their associated costs on the statement of net position:		
Right-of-use asset	34,178	
Liability	<u>(35,430)</u>	(1,252)
Pension-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources - pensions		250,020
Deferred inflows of resources - pensions		(156,242)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities are as follows:		
Accrued interest		(70,792)
Accrued compensated absences		(37,777)
Net pension liability		(128,214)
Long-term debt		<u>(3,111,000)</u>
Net position of governmental activities		<u><u>\$ 15,533,700</u></u>

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

CITY OF VILLA GROVE, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	Tax Increment			Total
	General	Financing	Motor Fuel Tax	
Revenues:				
Property taxes	\$ 332,690	\$ 342,693	\$ -	\$ 675,383
State sales taxes	444,730	-	-	444,730
State income taxes	411,390	-	-	411,390
Video gaming taxes	35,726	-	-	35,726
Replacement taxes	35,742	-	-	35,742
Motor fuel taxes	-	-	108,570	108,570
Grant revenue	10,424	-	643	11,067
Fines and fees	28,678	-	-	28,678
Licenses and permits	27,210	-	-	27,210
Franchise fee	213,531	-	-	213,531
Interest income	251,592	37,559	10,497	299,648
Donations	62,458	-	-	62,458
Miscellaneous	222,737	-	-	222,737
Total revenues	2,076,908	380,252	119,710	2,576,870
Expenditures:				
Current				
General government	504,732	-	-	504,732
Public safety	950,224	-	-	950,224
Public works	479,167	-	137,231	616,398
Culture and recreation	369,134	-	-	369,134
Development	-	29,360	-	29,360
Capital outlay	2,960,918	26,330	-	2,987,248
Debt service:				
Principal	129,000	-	-	129,000
Repayment of lease liability	18,455	-	-	18,455
Interest	115,091	-	-	115,091
Total expenditures	5,526,721	55,690	137,231	5,719,642
Excess (deficiency) of revenues over (under) expenditures	(3,449,813)	324,562	(17,521)	(3,142,772)
Fund balances (deficits), beginning of year	6,122,837	51,791	232,157	6,406,785
Fund balances (deficits), end of year	<u>\$ 2,673,024</u>	<u>\$ 376,353</u>	<u>\$ 214,636</u>	<u>\$ 3,264,013</u>

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

CITY OF VILLA GROVE, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

Net change in fund balances, governmental funds \$ (3,142,772)

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

Governmental funds report capital outlays as expenditures.

In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense.

Capital outlay	2,987,248	
Depreciation	(199,428)	
Amortization - lease	<u>(19,531)</u>	2,768,289

Some revenues will not be collected for several months after the City's fiscal year ends.

They are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue	2,140,300	
Prior year unavailable revenue	<u>(43,928)</u>	2,096,372

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense (benefit).

Pension contributions	57,557	
Cost of benefits earned, net	<u>(55,530)</u>	2,027

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.

129,000

Governmental funds report lease payments as expenditures. However, in the Statement of Activities, the lease payments reduce the remaining lease liability recorded on the statement of net position.

18,455

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds as follows:

Accrued compensated absences	(2,170)	
Accrued interest	<u>(51,040)</u>	<u>(53,210)</u>

Change in net position of governmental activities \$ 1,818,161

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

NOTES TO FINANCIAL STATEMENTS

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Villa Grove, Illinois, operates under an aldermanic form of government. The City's major operations include public safety, public works, recreation and parks, and general administrative services.

As required by U.S. generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. In accordance with governmental accounting standards, financial accountability is determined on the basis of authoritative appointments of a voting majority of the potential component unit's board, imposition of its will on the potential component unit, the existence of a financial benefit or burden, fiscal dependency, and the designation of management. Entities may also be part of the financial reporting entity if their inclusion is necessary to prevent the financial statements from being misleading or incomplete or if the entities are closely related to or financially integrated with the primary government. Pursuant to these criteria, no component units were identified for inclusion in the accompanying financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets. The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds, if any, are aggregated and presented in a single column. The City has decided all funds will be presented as major funds.

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types as follows:

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Accounting - Continued

Major Governmental Funds

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

Special Revenue Funds – To account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The reporting entity includes the following major special revenue funds:

Tax Increment Financing Fund – The Tax Increment Financing (TIF) Fund is used to account for incremental property taxes received within the TIF District that are legally restricted to expenditures for capital improvements and redevelopment within the District.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund is used to account for motor fuel taxes and Rebuild IL funds received that are legally restricted to expenditures for street maintenance.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues from exchange transactions are recognized when they are earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Revenues from taxes or assessments on exchange transactions (sales taxes, utility taxes) are recognized when the underlying exchange transaction occurs. Revenues from shared nonexchange transactions (state income taxes, motor fuel taxes, replacement taxes) are also recognized in the period when the underlying transaction occurs, provided the state is required to share the revenues under act of law. Property taxes are recognized as revenues in the year for which they are collected. Grants and similar items are recognized as revenues when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized when the related fund liability is incurred, with the exception of principal and interest payments on general long-term debt which are recognized as liabilities when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include property taxes, franchise fees, interest, charges for services, and various taxes collected by the state or other parties on behalf of the government. In general, other revenues, such as permit revenues and miscellaneous revenues are considered to be measurable and available only when cash is received. Unearned revenues arise when resources are received prior to the government having a legal claim to them. The revenues are subsequently recognized when the government has legal claim to the resources. Revenues received after the City's availability period are reported as deferred inflows of resources in the governmental fund statements and are reported as current revenues in the statement of activities.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus and Basis of Accounting - Concluded

Property taxes are deferred in the fiscal year that they are levied and are recorded as revenue when they become measurable and available. The government considers property tax revenues to be available if they are collectible within 60 days after year-end. Taxes levied are carried as deferred inflows of the appropriate fund.

The City's property tax is levied and attached as an enforceable lien on January 1 of each year on property values assessed as of the same date. The 2022 tax levy is recorded as revenue in the year ended April 30, 2024.

Taxes levied in one year become due and payable in two installments during the following year. The first installment is due around June 1 and the second installment is due around September 1. Property taxes are collected by the Douglas County Collector, who remits to each taxing unit its respective share of the collections.

Budgets and Budgetary Accounting

The City Council prepares its annual operating budget under the provisions of the Illinois Finance Code. In accordance with those provisions, the following process is used to adopt the annual budget:

- 1) Prior to the end of the end of each fiscal year, the budget officer submits to the City Council a proposed operating budget for the year commencing on May 1. The operating budget includes proposed expenditures and the means of financing them. The operating budget is approved by the City Council prior to the end of the fiscal year.
- 2) Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 10 days prior to final approval of the budget.
- 3) The budget ordinance was adopted on August 28, 2023.
- 4) The budget officer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The budget was not amended during the fiscal year.
- 5) Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
- 6) Budgets for General and Special Revenue Funds, are adopted on the modified accrual basis and lapse at year end.

Cash, Cash Equivalents, and Investments

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand and savings accounts of the City. Cash deposits are reported at cost.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash, Cash Equivalents, and Investments - Concluded

Investments are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses included in interest income. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Investments consist of common stock.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements.

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance for uncollectibles is considered necessary at year-end.

Capital Assets

The City’s modified accrual basis of accounting reports capital assets and depreciation when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are accounted for as capital assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds’ infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004, are recorded at cost. Prior to May 1, 2004, donated capital assets were recorded at their estimated fair value at the date of donation. Contributed capital assets received since May 1, 2004 are recorded at acquisition value on the date donated. The City’s capitalization policy is to capitalize all asset expenditures greater than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Net revenue bond interest cost incurred during construction periods is capitalized when material.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 to 50 years
Improvements other than buildings	5 to 50 years
Machinery, furniture, and equipment	5 to 15 years
Vehicles	5 to 25 years
Streets	20 to 25 years
Storm/sanitary sewer	15 to 75 years
Water system	15 to 80 years

In the fund financial statements, capital assets acquired for use in the governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Prepaid Items

In the government-wide and fund financial statements, prepaid expenditures/expenses are deferred and expensed over the term when the services are received.

Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the City after the measurement date but before the end of the City's reporting period.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources reported in the governmental fund balance sheet represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources reported in the government-wide statement of net position consist of current year taxes levied and unrecognized items related to pensions.

Leases

The City of Villa Grove determines if an arrangement is a lease at the inception of the contract. If a lease is present and the City of Villa Grove is the lessee, a right-of-use asset and lease liability should be recognized, unless the lease is a short-term lease. The right-of-use assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Short-term leases have a maximum term of 12 months or less, including options to extend, regardless of whether the extension is expected to be exercised. If a lease is cancelable by either the lessee or lessor, the lease term is the noncancelable period of the lease, including any notice periods. Short-term leases do not require the reporting of a right-of-use asset or lease liability. Instead, the lease payments are reported as expenditures based on the payments provided for in the lease contract.

Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment. Compensated absence obligations arise from amounts due to City employees for vested amounts of vacation pay and sick pay which will be payable in the future. In the government-wide financial statements, remaining unused compensated absences are accounted for as a liability in the Statement of Net Position. In the fund financial statements, governmental funds report compensated absences as current expenditures of the applicable governmental fund when used. The obligation of each fund has historically been funded by that fund.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities Statement of Net Position.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest as expenditures.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the City's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet:

Nonspendable Fund Balance - the portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions.

Restricted Fund Balance – the portion of a governmental fund's fund balance that is subject to constraints, either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – the portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been imposed by action of the government's highest level of decision making.

Assigned Fund Balance – the portion of a governmental fund's fund balance to denote an intended use of resources.

Unassigned Fund Balance – the portion of a governmental fund's fund balance that is not designated for a specific purpose.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES – Concluded

Equity Classifications – Concluded

Fund Statements – Concluded

When both restricted and unassigned fund balances are available for use, it is the City's policy to use restricted fund balance first, then unassigned fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unassigned fund balance classifications can be used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense). Accordingly, actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The City's Board of Trustees has adopted a policy to invest in investments allowed by the Illinois Compiled Statutes (ILCS) which authorize the City to make deposits in interest-bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, The Illinois Funds, and annuities.

Deposits

Separate bank accounts are maintained for all City funds, which are all held at financial institutions. At April 30, 2024, the carrying amount of the City's deposits, including petty cash, was \$1,759,432. The bank balance of these deposits totaled \$1,857,232.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's investment policy requires the financial institutions utilized by the City to provide appropriate collateral for deposits in excess of FDIC insurance limits. Credit risk on investments is mitigated by limiting investments to those specified in state and local statute. As of April 30, 2024, of the City's total bank balance, \$500,980 was secured by federal depository insurance and \$1,356,252 was collateralized with securities held by the pledging financial institution's trust department in the City's name.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS - Concluded

Investments

The City invests in The Illinois Funds which consists of monies invested by individual participants that are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore, no collateral is identified with each individual participant's account. At April 30, 2024, the City's investment in the Illinois Funds account had a carrying value and bank balance of \$1,525,297.

At April 30, 2024, the City had an investment in common stock with a fair value of \$71,020. The City 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 quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data; Level 3 are unobservable inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The investments held in common stock are valued using level 1 inputs.

Investments are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses included in interest income. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The net appreciation in fair value of investments for the year ended April 30, 2024 totaled \$5,069.

Concentration of Credit Risk

The City's investment policy states investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities. Diversification strategies shall be determined and revised periodically by the City Treasurer.

Interest Rate Risk

Interest rate risk is the risk that the market value of portfolio securities will fall due to a decrease in general interest rates. Interest rate risk is mitigated by structuring the City's portfolio so that securities mature to meet the City's cash requirements for ongoing operations.

3. DUE FROM OTHER GOVERNMENTS

PARC Grant Receivable

The City was awarded a Park and Recreational Facility Construction (PARC) Grant by the Illinois Department of Natural Resources for \$2,140,300 in connection with the construction of the community center. As of April 30, 2024, the City had spent the entirety of the grant and started the reimbursement process. The \$2,140,300 reimbursement was not received within 60 days of year-end. Therefore, those revenues have been recorded in the fund financial statements as unavailable revenues.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

4. INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at April 30, 2024, were as follows:

Fund	Due from other funds	Due to other funds
General Fund	\$ 250,000	\$ -
Motor Fuel Tax Fund	1,135	-
Tax Increment Financing Fund	-	251,135
Totals	\$ 251,135	\$ 251,135

Most of the interfund receivables and payables between funds of the City were to advance the cost of TIF eligible projects to cover expenditures before TIF funds became available. These interfund amounts will be repaid as TIF funds become available in future years.

5. CAPITAL ASSETS

Capital asset activity for the year ending April 30, 2024, consists of the following:

	Balances May 1, 2023	Additions	Retirements	Balances April 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,372,699	\$ 386,095	\$ -	\$ 2,758,794
Construction in progress	5,225,884	2,395,467	7,581,682	39,669
Total capital assets not being depreciated	7,598,583	2,781,562	7,581,682	2,798,463
Depreciable capital assets:				
Buildings	1,667,593	7,628,650	-	9,296,243
Land improvements	89,002	48,230	-	137,232
Equipment	413,767	67,109	-	480,876
Vehicles	800,140	27,380	-	827,520
Infrastructure	2,179,951	16,000	-	2,195,951
Total depreciable assets	5,150,453	7,787,369	-	12,937,822
Accumulated depreciation:				
Buildings	296,606	46,666	-	343,272
Land improvements	80,101	5,073	-	85,174
Equipment	209,756	35,609	-	245,365
Vehicles	573,435	52,115	-	625,550
Infrastructure	992,314	59,966	-	1,052,280
Total accumulated depreciation	2,152,212	199,429	-	2,351,641
Depreciable capital assets, net of accumulated depreciation	2,998,241	7,587,940	-	10,586,181
Total governmental activities capital assets, net	\$ 10,596,824	\$ 10,369,502	\$ 7,581,682	\$ 13,384,644

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS – Concluded

Depreciation expense was charged to the City’s functions as follows:

Governmental activities:		
General government	\$	5,616
Public safety		52,340
Public works		92,696
Culture and recreation		48,777
Total	\$	199,429

The following table provides a summary of changes in right-of-use assets for the year ended April 30, 2024.

	Balance May 1, 2023	Additions	Retirements	Balance April 30, 2024
Governmental activities	\$ 58,592	\$ -	\$ -	\$ 58,592
Less: Accumulated amortization	4,883	19,531	-	24,414
Investment in Right-Of-Use Assets, Net Governmental Activities	\$ 53,709	\$ (19,531)	\$ -	\$ 34,178

6. CONSTRUCTION IN PROGRESS

The City had the following construction projects in progress at April 30, 2024:

	Balance May 1, 2023	Additions	Completion/ Adjustment	Balance April 30, 2024	Estimated Completion Costs
Governmental activities:					
Downtown Streetscape	\$ 18,682	\$ -	\$ -	\$ 18,682	\$ - *
Community Center	5,205,816	2,375,866	7,581,682	-	-
Ruby Street Drainage	1,386	-	-	1,386	- *
Front Street Bridge	-	13,501	-	13,501	140,000
Crawford Project	-	6,100	-	6,100	- *
Total governmental activities	\$ 5,225,884	\$ 2,395,467	\$ 7,581,682	\$ 39,669	\$ 140,000

*These projects are in the preliminary planning stage and therefore completion costs cannot be estimated.

7. LONG-TERM DEBT

Governmental Activities

On May 15, 2017, the City entered into a loan agreement in the amount of \$400,000 with Villa Grove State Bank to finance the construction of the Emergency Service Center. Interest is charged at a rate of 2.75% plus the 3 year Treasury Index, which is currently 2.87%. The loan will be repaid in annual installments. The outstanding balance at April 30, 2024 was \$200,000. The note’s maturity date is May 15, 2028.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

7. LONG-TERM DEBT - Concluded

Governmental Activities - Concluded

On April 6, 2023, the City issued Series 2022 General Obligation bonds totaling \$3,000,000 for the building of the new community center. Interest is charged at a rate beginning at 4.75% and increasing to a maximum rate of 5.25%. The bonds were purchased by the Villa Grove State Bank and are repaid in two annual installments. The City has pledged future income and sales tax revenues to pay the debt service. The outstanding balance at April 30, 2024 was \$2,911,000. The bond's maturity date is December 1, 2042.

The debt service requirements to retire all notes payable outstanding as of April 30, 2024 are as follows:

Years ending <u>April 30,</u>	Governmental Activities	
	Principal	Interest
2025	133,000	159,843
2026	138,000	153,328
2027	143,000	146,986
2028	148,000	140,404
2029	153,000	133,941
2030-2034	662,000	567,716
2035-2039	861,000	374,940
2040-2043	873,000	119,385
Total	\$ 3,111,000	\$ 1,796,543

8. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the current year:

	Balance May 1, 2023	Additions	Reductions	Balance April 30, 2024	Due Within One Year
Governmental activities:					
Emergency services center construction	\$ 240,000	\$ -	\$ (40,000)	\$ 200,000	\$ 40,000
G.O. Bonds	3,000,000	-	(89,000)	2,911,000	93,000
Lease liability	53,886	-	(18,456)	35,430	19,888
Net pension liability	393,621	-	(265,407)	128,214	N/A
Accrued compensated absences	35,607	2,170	-	37,777	8,242
Total governmental activities	\$ 3,723,114	\$ 2,170	\$ (412,863)	\$ 3,312,421	\$ 161,130

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension plan. A summary of IMRF's pension benefits is provided in the following "Benefits Provided" section. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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).

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	19
Active plan members	14
Total	37

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. ILLINOIS MUNICIPAL RETIREMENT FUND – Continued

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2023 was 6.77 percent. For the fiscal year ended April 30, 2024, the City contributed \$57,557. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation pursuant to an experience study from years 2020 to 2022.
- The mortality assumptions for non-disabled retirees were from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- The mortality assumptions for disabled retirees were from 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.
- The mortality assumptions for active members were from 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.

There were no benefit changes during the year.

There were no changes in the discount rate used to calculate the Total Pension Liability (TPL), since the December 31, 2022 valuation. Mortality and other demographic assumptions used to determine the TPL were updated after the December 31, 2022 valuation, based on the experience study results published in the January 4, 2024 experience study report for IMRF.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2023 Illinois Municipal Retirement Fund annual actuarial valuation report.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. ILLINOIS MUNICIPAL RETIREMENT FUND – Continued

Long-Term Expected Rate of Return

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 as of December 31, 2023:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	34.5%	5.00%
International equities	18%	6.35%
Fixed income	24.5%	4.75%
Real estate	10.5%	6.30%
Alternative Investments	11.5%	N/A
Private equity		8.65%
Hedge funds		N/A
Commodities		6.05%
Cash Equivalents	<u>1%</u>	3.80%
Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2023. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 this valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. ILLINOIS MUNICIPAL RETIREMENT FUND – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	<u>\$ 2,977,707</u>	<u>\$ 2,584,086</u>	<u>\$ 393,621</u>
Changes for the year:			
Service cost	70,353	-	70,353
Interest of the total pension liability	213,551	-	213,551
Differences between expected and actual experience of the total pension liability	(121,015)	-	(121,015)
Changes in assumptions	225		225
Contributions - employer	-	51,733	(51,733)
Contributions - employees	-	35,959	(35,959)
Net investment income	-	342,650	(342,650)
Benefit payments, including refunds of employee contributions	(134,711)	(134,711)	-
Other (net transfer)	-	(1,821)	1,821
Net changes	<u>28,403</u>	<u>293,810</u>	<u>(265,407)</u>
Balances at December 31, 2023	<u>\$ 3,006,110</u>	<u>\$ 2,877,896</u>	<u>\$ 128,214</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.25%	Current Rate 7.25%	1% Higher 8.25%
Net pension liability	<u>\$ 524,698</u>	<u>\$ 128,214</u>	<u>\$ (170,407)</u>

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. ILLINOIS MUNICIPAL RETIREMENT FUND – Continued

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

For the year ended April 30, 2024, the City recognized a pension expense of \$55,530. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ 170,101	\$ 144,047
Changes of assumptions	4,031	12,195
Net difference between projected and actual earnings on pension plan investments	53,661	-
Total deferred amounts to be recognized in pension expense in future periods	227,793	156,242
Pension contributions made subsequent to the measurement date	22,227	-
Total deferred amounts related to pensions	\$ 250,020	\$ 156,242

\$22,227, reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2024.

Other 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:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 8,467
2025	33,573
2026	63,082
2027	(33,571)
Total	\$ 71,551

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

10. RISK MANAGEMENT AND UNCERTAINTIES

Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other governments to form the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for Illinois municipalities. The City pays an annual premium to the pool for its general insurance coverage. The agreement for formation of the IMLRMA provides that the pool will be self-sustaining through member premiums. There have been no significant changes from the prior year and settlements have not exceeded coverage in the current year or the prior two years.

11. OTHER POSTEMPLOYMENT BENEFITS

The City evaluated its potential liability for postemployment benefits other than pensions. Former employees who choose to retain their rights to health, dental, and vision insurance through the City are required to pay 100% of the current premium. As of April 30, 2024, the City had no former employees who chose to utilize this postemployment benefit, and no current employees are expected to utilize this benefit. As a result, the City has no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the City had no former employees for whom the City was providing an explicit subsidy, nor did the City have any current employees with agreements for future explicit subsidies upon retirement. No postemployment benefit liability has been recorded as of April 30, 2024.

12. COMMITMENTS AND CONTINGENCIES

Tax Increment Financing Commitments

The City initiated the development of the subdivision Pheasant Pointe in August of 2000 with a private developer. The property taxes that the TIF Fund receives from the subdivision must first be used to pay for the annual TIF Revenue Bond costs, with the remainder being used to repay loans from the General Fund and construction projects within the TIF district. The agreement expires on April 14, 2034.

Ambulance Agreement

The City and five surrounding governmental entities entered into a multi-year ambulance contract through April 2025 with Arrow Ambulance to provide ambulance services to the City of Villa Grove and surrounding areas. The agreement called for the City to pay \$140,928 for the services provided for the year ending April 30, 2024. Five surrounding governmental entities reimbursed the City a total of \$88,283 for ambulance services during the year ended April 30, 2024.

Firetruck Agreement

The City entered into a contract with Kovatch Mobile Equipment Corporation for the purchase of a new firetruck. The contract calls for the City to pay \$1,324,080 when the new firetruck is delivered. It is anticipated that the firetruck will be delivered to the City in January 2025.

CITY OF VILLA GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

13. LEASES

The lease arrangement for the City's compact track loader with Wells Fargo calls for a monthly lease payment of \$1,822.56 through January 2026.

The City's cost of the right-of-use asset as of April 30, 2024 for the governmental activities was \$58,592. The right-of-use asset consist of \$58,592 of equipment. The accumulated amortization of the right-of-use asset as of April 30, 2024 for the governmental activities was \$24,414. Interest expense of \$3,416 was attributable to lease payments on the right-of-use asset for the governmental for the year ended April 30, 2024.

Following is a maturity analysis of annual undiscounted cash flows for lease liability as of April 30, 2024:

For the Year <u>Ending April 30,</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2025	21,871	19,888	1,983
2026	16,021	15,542	479
Thereafter	-	-	-
Total	\$ 37,892	<u>\$ 35,430</u>	<u>\$ 2,462</u>
Interest expense	<u>\$ (2,462)</u>		
Amounts recognized in the Statement of Net Position	<u>\$ 35,430</u>		

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF VILLA GROVE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
UNAUDITED

For the year ended April 30, 2024

(Amounts presented are for the calendar year ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015)

Calendar Years Ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 70,353	\$ 63,564	\$ 57,841	\$ 71,612	\$ 72,619	\$ 63,838	\$ 61,430	\$ 51,081	\$ 54,933
Interest on the total pension liability	213,551	189,971	190,507	187,106	168,916	148,056	135,217	121,000	114,027
Difference between expected and actual experience of the total pension liability	(121,015)	248,889	(82,656)	(49,451)	107,556	110,911	68,022	27,184	(66,539)
Changes of assumption	225	-	-	(25,753)	-	85,107	(62,753)	(2,888)	2,661
Benefit payments, including refunds of employee contributions	(134,711)	(226,461)	(125,429)	(133,986)	(61,412)	(51,610)	(12,241)	(16,051)	-
Net change in total pension liability	28,403	275,963	40,263	49,528	287,679	356,302	189,675	180,326	105,082
Total pension liability - beginning	2,977,707	2,701,744	2,661,481	2,611,953	2,324,274	1,967,972	1,778,297	1,597,971	1,492,889
Total pension liability - ending (A)	\$ 3,006,110	\$ 2,977,707	\$ 2,701,744	\$ 2,661,481	\$ 2,611,953	\$ 2,324,274	\$ 1,967,972	\$ 1,778,297	\$ 1,597,971

Plan Fiduciary Net Position

Contributions - employer	\$ 51,733	\$ 69,885	\$ 68,321	\$ 67,839	\$ 81,634	\$ 73,474	\$ 60,919	\$ 56,485	\$ 53,484
Contributions - employees	35,959	33,420	29,534	28,691	91,989	30,076	27,746	24,070	23,165
Net investment income	342,650	(319,155)	442,164	366,308	326,957	(60,913)	238,914	92,318	6,947
Benefit payments, including refunds of employee contributions	(134,711)	(226,461)	(125,429)	(133,986)	(61,412)	(51,610)	(12,241)	(16,051)	-
Other (net transfer)	(1,821)	(1,491)	(1,470)	(1,720)	(1,784)	34,438	(11,505)	15,232	(85,792)
Net change in plan fiduciary net position	293,810	(443,802)	413,120	327,132	437,384	25,465	303,833	172,054	(2,196)
Plan fiduciary net position - beginning	2,584,086	3,027,888	2,614,768	2,287,636	1,850,252	1,824,787	1,520,954	1,348,900	1,351,096
Plan fiduciary net position - ending (B)	2,877,896	2,584,086	3,027,888	2,614,768	2,287,636	1,850,252	1,824,787	1,520,954	1,348,900

Net pension liability - ending (A) - (B)	\$ 128,214	\$ 393,621	\$ (326,144)	\$ 46,713	\$ 324,317	\$ 474,022	\$ 143,185	\$ 257,343	\$ 249,071
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.75%	86.78%	112.07%	98.24%	87.58%	79.61%	92.72%	85.53%	84.41%
Covered Valuation Payroll	\$ 764,143	\$ 742,664	\$ 648,818	\$ 637,580	\$ 798,806	\$ 681,142	\$ 616,584	\$ 534,897	\$ 514,770
Net Pension Liability as a Percentage of Covered Valuation Payroll	16.78%	53.00%	-50.27%	7.33%	40.60%	69.59%	23.22%	48.11%	48.38%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF VILLA GROVE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
UNAUDITED

For the years ended April 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution As a Percentage of Covered Payroll
2015	\$ 49,441	\$ 49,441	\$ -	\$ 487,930	10.13%
2016	52,430	52,430	-	502,032	10.44%
2017	57,597	57,597	-	557,020	10.34%
2018	62,319	62,319	-	645,754	9.65%
2019	65,773	72,018	(6,245)	716,964	10.04%
2020	75,847	84,870	(9,023)	822,186	10.32%
2021	69,523	69,523	-	658,373	10.56%
2022	65,320	65,320	-	648,818	10.07%
2023	64,255	64,255	-	746,303	8.61%
2024	57,557	57,557	-	812,023	7.09%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which is 4 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2023 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	20-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth :</i>	2.75%
<i>Price Inflation:</i>	2.25%
<i>Salary Increases:</i>	2.75% to 13.75%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	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 to 2019.

CITY OF VILLA GROVE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND –
SCHEDULE OF EMPLOYER CONTRIBUTIONS
UNAUDITED

For the years ended April 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

Notes to Schedule: - Concluded

Methods and Assumptions Used to Determine 2023 Contribution Rates: (Concluded)

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.

Other Information:

There were no benefit changes during the year.

Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation; note two year lag between valuation and rate setting.

CITY OF VILLA GROVE
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 339,438	\$ 332,690	\$ (6,748)
State sales taxes	446,694	444,730	(1,964)
State income taxes	413,467	411,390	(2,077)
Video gaming taxes	25,672	35,726	10,054
Replacement taxes	22,018	35,742	13,724
Grant revenue	2,140,000	10,424	(2,129,576)
Fines and fees	18,303	28,678	10,375
Licenses and permits	8,081	27,210	19,129
Franchise fees	148,674	213,531	64,857
Interest income	69,768	251,592	181,824
Donations	-	62,458	62,458
Miscellaneous	287,019	222,737	(64,282)
Total revenues	3,919,134	2,076,908	(1,842,226)
Expenditures:			
Current:			
General government	931,474	504,732	426,742
Public safety	1,160,919	950,224	210,695
Public works	686,091	479,167	206,924
Culture and recreation	3,678,547	369,134	3,309,413
Capital outlay	-	2,960,918	(2,960,918)
Debt Service:			
Principal	-	129,000	(129,000)
Repayment of lease liability	-	18,455	(18,455)
Interest	-	115,091	(115,091)
Total expenditures	6,457,031	5,526,721	930,310
Deficiency of revenues under expenditures	(2,537,897)	(3,449,813)	(911,916)
Other financing sources (uses):			
Proceeds from the sale of capital assets	7,500	-	(7,500)
Total other financing sources (uses)	7,500	-	(7,500)
Net change in fund balances	\$ (2,530,397)	(3,449,813)	\$ (919,416)
Fund balance, beginning of year		6,122,837	
Fund balance, end of year		\$ 2,673,024	

CITY OF VILLA GROVE
 BUDGETARY COMPARISON SCHEDULE
 TAX INCREMENT FINANCING FUND
 FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 337,016	\$ 342,693	\$ 5,677
Interest income	7,501	37,559	30,058
Total revenues	344,517	380,252	35,735
Expenditures:			
Current:			
Development	137,940	29,360	108,580
Capital outlay	-	26,330	(26,330)
Total expenditures	137,940	55,690	82,250
Net change in fund balances	\$ 206,577	324,562	\$ 117,985
Fund balance, beginning of year		51,791	
Fund balance, end of year		\$ 376,353	

CITY OF VILLA GROVE
 BUDGETARY COMPARISON SCHEDULE
 MOTOR FUEL TAX FUND
 FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Motor fuel taxes	\$ 27,866	\$ 108,570	\$ 80,704
Grant revenue	102,529	643	(101,886)
Interest income	3,262	10,497	7,235
Total revenues	133,657	119,710	(13,947)
Expenditures:			
Public works	239,900	137,231	102,669
Total expenditures	239,900	137,231	102,669
Net change in fund balances	\$ (106,243)	(17,521)	\$ 88,722
Fund balance, beginning of the year		232,157	
Fund balance, end of year		\$ 214,636	

CITY OF VILLA GROVE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1 - Budgets and Budgetary Accounting

Annual budgets for governmental funds are adopted on the modified accrual basis of accounting. All annual budgets lapse at fiscal year-end.

The City follows these procedures in establishing the budget amounts:

- 1) Prior to the end of the end of each fiscal year, the budget officer submits to the City Council a proposed operating budget for the year commencing on May 1. The operating budget includes proposed expenditures and the means of financing them. The operating budget is approved by the City Council prior to the end of the fiscal year.
- 2) Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 10 days prior to final approval of the budget.
- 3) The budget ordinance was adopted on August 28, 2023.
- 4) The budget officer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The budget was not amended during the fiscal year.
- 5) Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.

SUPPLEMENTARY INFORMATION

CITY OF VILLA GROVE, ILLINOIS
 CONSOLIDATED YEAR-END FINANCIAL REPORT
 For the year ended April 30, 2024

CSFA#	Program Name	State	Federal	Other	Total
422-11-1165	Park and Recreational Facility Construction	\$ 2,140,300	\$ -	\$ -	\$ 2,140,300
	All other costs not allocated	-	-	3,579,342	3,579,342
	Totals:	<u>\$ 2,140,300</u>	<u>\$ -</u>	<u>\$ 3,579,342</u>	<u>\$ 5,719,642</u>

STATISTICAL INFORMATION

CITY OF VILLA GROVE
SCHEDULE OF ASSESSED VALUATION, TAX RATES,
TAXES EXTENDED AND COLLECTIONS (Unaudited)
April 30, 2024

Tax Levy Year	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Equalized Assessed Valuation (not including TIF Districts)	<u>\$ 27,008,000</u>	<u>\$ 22,312,809</u>	<u>\$ 20,943,932</u>	<u>\$ 19,926,530</u>	<u>\$ 19,951,702</u>
TAX RATES					
General corporate	0.2500 %	0.2500 %	0.2500 %	0.2500 %	0.2500 %
IMRF	0.2445	0.2356	0.2225	0.2404	0.2165
Fire protection	0.0750	0.0750	0.0750	0.0750	0.0750
Police protection	0.0750	0.0750	0.0750	0.0750	0.0750
Garbage	0.0013	0.0202	0.0215	0.0226	0.0051
Audit	0.1482	0.0676	0.1051	0.1004	0.0502
Liability insurance	0.1139	0.1284	0.1091	0.1432	0.1483
Street lighting	0.0500	0.0500	0.0500	0.0500	0.0500
Playground/recreation	0.0900	0.0900	0.0900	0.0900	0.0900
Social security	0.2739	0.2014	0.1701	0.1854	0.1789
Unemployment insurance	0.0517	0.0520	0.0260	0.0301	0.0081
Workmans compensation	0.0779	0.0933	0.0994	0.1045	0.1070
Medicare	0.0641	0.0471	0.0398	0.0434	0.0419
Total Tax Rate	<u>1.5155 %</u>	<u>1.3856 %</u>	<u>1.3335 %</u>	<u>1.4100 %</u>	<u>1.2960 %</u>
Equalized Assessed Valuation - TIF Districts only	<u>\$ 2,751,783</u>	<u>\$ 2,673,662</u>	<u>\$ 2,633,490</u>	<u>\$ 2,586,388</u>	<u>\$ 2,611,171</u>
TIF Districts	<u>21.4718 %</u>	<u>12.9550 %</u>	<u>11.9263 %</u>	<u>11.1772 %</u>	<u>10.9172 %</u>
TAX EXTENSIONS					
General corporate	\$ 67,520	\$ 55,782	\$ 52,360	\$ 49,816	\$ 49,879
IMRF	66,035	52,569	46,600	47,903	43,195
Fire protection	20,256	16,735	15,708	14,945	14,964
Police protection	20,256	16,735	15,708	14,945	14,964
Garbage	351	4,507	4,503	4,504	1,018
Audit	40,026	15,083	22,012	20,006	10,016
Liability insurance	30,762	28,650	22,850	28,535	29,588
Street lighting	13,504	11,156	10,472	9,963	9,976
Playground/recreation	24,307	20,082	18,850	17,934	17,957
Social security	73,975	44,938	35,626	36,944	35,694
Unemployment insurance	13,963	11,603	5,445	5,998	1,616
Workmans compensation	21,039	20,818	20,818	20,823	21,348
Medicare	17,312	10,509	8,336	8,648	8,360
TIF Districts	590,858	346,372	314,079	289,086	285,068
Total Tax Extensions	<u>\$ 1,000,164</u>	<u>\$ 655,539</u>	<u>\$ 593,367</u>	<u>\$ 570,050</u>	<u>\$ 543,643</u>

CITY OF VILLA GROVE
 SCHEDULE OF ASSESSED VALUATION, TAX RATES,
 TAXES EXTENDED AND COLLECTIONS (Unaudited)
 April 30, 2024

Tax Levy Year	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TAXES COLLECTED				
General corporate	\$ 55,529	\$ 52,162	\$ 49,128	\$ 49,576
IMRF	52,330	46,424	47,241	42,933
Fire protection	16,659	15,649	14,738	14,873
Police protection	16,659	15,649	14,738	14,873
Garbage	4,487	4,486	4,441	1,011
Audit	15,015	21,929	19,730	9,955
Liability insurance	28,519	22,764	28,140	29,408
Street lighting	11,106	10,432	9,825	9,915
Playground/recreation	19,990	18,778	17,686	17,847
Social security	44,734	35,491	36,433	35,477
Unemployment insurance	11,550	5,245	5,915	1,606
Workmans compensation	20,723	20,740	20,525	21,219
Medicare	10,461	8,304	8,528	8,309
TIF Districts	342,693	305,720	285,278	281,707
Taxes collected	<u>\$ 650,455</u>	<u>\$ 583,773</u>	<u>\$ 562,346</u>	<u>\$ 538,709</u>
Percentage of Extensions				
Collected	<u>99.22%</u>	<u>98.38%</u>	<u>98.65%</u>	<u>99.09%</u>

CITY OF VILLA GROVE
SCHEDULE OF LEGAL DEBT MARGIN (Unaudited)
April 30, 2024

Assessed valuation, tax levy year 2023	<u>\$ 27,008,000</u>
Debt limit - 8.625%	\$ 2,329,440
Outstanding debt subject to the debt margin	<u>(200,000)</u>
Legal debt margin	<u>\$ 2,129,440</u>