



VILLAGE OF SPRING GROVE, ILLINOIS

ANNUAL FINANCIAL REPORT

APRIL 30, 2023

VILLAGE OF SPRING GROVE, ILLINOIS
TABLE OF CONTENTS
APRIL 30, 2023

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Net Position – Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Position – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
Notes to Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	45
Illinois Municipal Retirement Fund – Schedule of Employer Contributions	46

VILLAGE OF SPRING GROVE, ILLINOIS
TABLE OF CONTENTS
APRIL 30, 2023

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Police Pension Plan – Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios	47
Police Pension Plan – Schedule of Employer Contributions	48
Other Post-Employment Benefit – Schedule of Changes in the Total OPEB Liability and Related Ratios	49
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Appropriations and Actual – General Fund	50
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Appropriations and Actual – Motor Fuel Tax Fund	53
Notes to Required Supplementary Information	54



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Village of Spring Grove
Spring Grove, Illinois

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of

VILLAGE OF SPRING GROVE

as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Spring Grove as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Spring 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.

Change in Accounting Principle

As described in Note 18 to the financial statements, the Village implemented GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

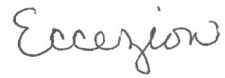
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Village of Spring 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 Village of Spring 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

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Eccezion
Consulting • CPAs • Technology

McHenry, Illinois
August 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SPRING GROVE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2023

As management of the Village of Spring Grove, Illinois (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Both perspectives (government-wide and fund level financial statements) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private business. The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating when comparing year to year results.

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include administration, public works, public safety, parks and recreation, and development. The business-type activities of the Village include Water and Sewer services.

The government-wide financial statements include only the Village itself (known as the primary government) and not the Village's Police Pension Fund which is a component unit of the Village.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Special Service Area Fund, the Capital Fund, and the Motor Fuel Tax Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. The other two funds are the Police Special Fund and the Siren Fund.

Proprietary Funds - The Village maintains one proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for the water and sewer services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer services.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's appropriation to actual for the General and Motor Fuel Tax Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,297,363 at April 30, 2023.

Village of Spring Grove, Illinois' Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Assets						
Current and Other Assets	\$ 8,602,554	\$ 7,757,695	\$ 620,647	\$ 538,380	\$ 9,223,201	\$ 8,296,075
Capital Assets	7,490,718	7,487,363	2,452,255	2,599,515	9,942,973	10,086,878
Total Assets	\$ 16,093,272	\$ 15,245,058	\$ 3,072,902	\$ 3,137,895	\$ 19,166,174	\$ 18,382,953
Deferred Outflow s of Resources						
Pensions - Police Pension	\$ 927,192	\$ 1,020,331	\$ -	\$ -	\$ 927,192	\$ 1,020,331
Pensions - IMRF	251,308	90,580	-	-	251,308	90,580
OPEB	91,345	106,431	-	-	91,345	106,431
Total Deferred Outflow s of Resources	\$ 1,269,845	\$ 1,217,342	\$ -	\$ -	\$ 1,269,845	\$ 1,217,342
Liabilities						
Long-Term Liabilities Outstanding	\$ 2,863,049	\$ 3,512,029	\$ -	\$ 65,276	\$ 2,863,049	\$ 86,653
Other Liabilities	504,049	587,953	84,555	8,694	588,604	4,087,299
Total Liabilities	\$ 3,367,098	\$ 4,099,982	\$ 84,555	\$ 73,970	\$ 3,451,653	\$ 4,173,952
Deferred Inflow s of Resources						
Unavailable Revenue - Property						
Taxes	\$ 977,354	\$ 891,393	\$ -	\$ 1,503	\$ 977,354	\$ 892,896
Pensions - Police Pension	1,595,537	1,127,380	-	-	1,595,537	1,127,380
IMRF - Actuarial Report	82,558	334,737	-	-	82,558	334,737
OPEB	31,554	22,638	-	-	31,554	22,638
Total Deferred Inflow s of Resources	\$ 2,687,003	\$ 2,376,148	\$ -	\$ 1,503	\$ 2,687,003	\$ 2,377,651
Net Position						
Net Investment in Capital Assets	\$ 7,480,506	\$ 7,465,986	\$ 2,452,255	\$ 2,534,239	\$ 9,932,761	\$ 10,000,225
Restricted	1,877,434	1,625,745	-	-	1,877,434	1,625,745
Unrestricted	1,951,076	894,539	536,092	528,183	2,487,168	1,422,722
Total Net Position	\$ 11,309,016	\$ 9,986,270	\$ 2,988,347	\$ 3,062,422	\$ 14,297,363	\$ 13,048,692

The largest portion of the Village's net position (69.5%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, vehicles, equipment, land improvements, water and sewer treatment system, infrastructure); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (13.1%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$2,487,168.

The Village's net position increased by \$1,474,003 during the current fiscal year.

Governmental Activities - Governmental activities increased the Village's net position by \$1,548,078. Key elements of this increase are as follows:

Village of Spring Grove, Illinois' Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Revenues						
Program Revenues						
Charges for Services	\$ 469,741	\$ 418,261	\$ 247,155	\$ 168,856	\$ 716,896	\$ 587,117
Operating Grants and Contributions	105,508	155,637	-	-	105,508	155,637
Capital Grants and Contributions	388,250	386,250	-	-	388,250	386,250
General Revenues						
Property Taxes, Levied for						
General Purposes	890,903	870,026	-	129,154	890,903	999,180
State Sales Taxes	1,431,908	1,239,127	-	-	1,431,908	1,239,127
Other Taxes	2,084,500	2,014,446	-	-	2,084,500	2,014,446
Other	322,900	159,800	33,601	30,113	356,501	189,913
Total Revenues	\$ 5,693,710	\$ 5,243,547	\$ 280,756	\$ 328,123	\$ 5,974,466	\$ 5,571,670
Expenses						
Administration	\$ 748,639	\$ 563,787	\$ -	\$ -	\$ 748,639	\$ 563,787
Public Works	1,399,336	1,457,453	-	-	1,399,336	1,457,453
Public Safety	1,127,073	1,171,636	-	-	1,127,073	1,171,636
Parks and Recreation	710,558	539,890	-	-	710,558	539,890
Development	160,026	141,596	-	-	160,026	141,596
Interest and Fees on Long-Term Debt	-	490	-	-	-	490
Water and Sewer	-	-	354,831	313,448	354,831	313,448
Total Expenses	\$ 4,145,632	\$ 3,874,852	\$ 354,831	\$ 313,448	\$ 4,500,463	\$ 4,188,300
Increase/(Decrease) in Net Position Before Transfers	\$ 1,548,078	\$ 1,368,695	\$ (74,075)	\$ 14,675	\$ 1,474,003	\$ 1,383,370
Transfers	-	-	-	-	-	-
Increase/(Decrease) in Net Position	\$ 1,548,078	\$ 1,368,695	\$ (74,075)	\$ 14,675	\$ 1,474,003	\$ 1,383,370
Net Position - Beginning of Year	9,986,270	8,617,575	3,062,422	3,047,747	13,048,692	11,665,322
Net Position - End of Year	\$ 11,309,016	\$ 9,986,270	\$ 2,988,347	\$ 3,062,422	\$ 14,297,363	\$ 13,048,692

- Operating grants and contributions decreased by \$72,530 due to the Village receiving an IDOT grant in the prior year and not in the current year.
- General revenues increased by \$446,812 due to Village receiving more in sales, income, use and MFT taxes from the state.
- Public works expenses decreased by \$58,117 due to the Village having less road maintenance and snowplowing costs in the current year.

Business-Type Activities - Business-type activities decreased the Village's net position by \$74,075.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$7,121,151, an increase of \$1,005,126 [including a fund balance adjustment of \$(225,332)] in comparison with the prior year. 43.7% of this total amount constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of the fund balance is restricted or assigned to indicate that it is not available for new

spending because it has already been restricted or assigned for 1) maintenance of highways and streets (\$536,547); 2) future capital projects (\$2,352,772); 3) public safety (\$244,660); and 4) special service areas (\$861,142).

The General Fund is the chief operating fund of the Village. At April 30, 2023, unassigned fund balance of the General Fund was \$3,109,743. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 85.4% of total General Fund expenditures.

The fund balance of the Village’s General Fund decreased by \$145,644 [including a fund balance adjustment of \$(225,332)] during the year ended April 30, 2023.

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

Unrestricted net position of the Water and Sewer Fund at April 30, 2023 is \$536,092. The total decrease in net position for the Water and Sewer Fund was \$74,075. Other factors concerning the finances of this fund have already been addressed in the discussion of the Village’s business-type activities.

Fiduciary Funds (Police Pension Fund) – The Police Pension Fund net position increased from \$4,371,889 as of April 30, to \$4,503,178 as of April 30, 2023. This increase was due to an increase in investment earnings.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village did not amend the budget and appropriations ordinance during the year ended April 30, 2023, therefore, there are no differences between the original and final appropriations.

Significant differences between appropriations and actual revenues and expenditures are summarized as follows:

- The difference between appropriated revenues and actual revenues was \$441,738 (favorable). This was primarily due to higher than expected revenues for state sales, income and use taxes.
- The difference between appropriated expenditures and actual expenditures was \$73,998 (favorable) and was mostly due to less than expected expenditures for public safety and public works.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Village’s investment in capital assets for its governmental and business-type activities as of April 30, 2023 amounts to \$9,942,973 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, vehicles, equipment, land improvements, water and sewer treatment system, and infrastructure.

Village of Spring Grove, Illinois' Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Land	\$ 2,333,118	\$ 2,333,118	\$ 9,273	\$ 9,273	\$ 2,342,391	\$ 2,342,391
Construction in Progress	252,116	-	-	-	252,116	-
Buildings	1,419,854	1,494,658	-	-	1,419,854	1,494,658
Vehicles	399,704	404,678	-	-	399,704	404,678
Equipment	223,210	239,498	-	13,023	223,210	252,521
Land Improvements	281,924	286,514	13,966	15,208	295,890	301,722
Water and Sewer Treatment System	-	-	2,334,283	2,459,441	2,334,283	2,459,441
Infrastructure	2,580,792	2,728,897	94,733	102,570	2,675,525	2,831,467
Total	\$ 7,490,718	\$ 7,487,363	\$ 2,452,255	\$ 2,599,515	\$ 9,942,973	\$ 10,086,878

Major capital asset events during the year ended April 30, 2023 included the following:

- Purchase of a 2023 Ford squad car for \$40,980
- Bike path construction for \$60,195
- Route 12 water expansion for \$191,921
- The Village disposed of miscellaneous equipment and vehicles for a total of \$76,810 during the fiscal year.

For more detail on the Village's capital assets, see Note 3 in the Notes to the Financial Statements.

Long-Term Debt - At April 30, 2023, the Village had total debt outstanding of \$10,212. Of this amount, \$10,212 comprises debt backed by the full faith and credit of the Village.

	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Panasonic ToughBooks	\$ 10,212	\$ 21,377	\$ -	\$ -	\$ 10,212	\$ 21,377
Revenue Bonds	-	-	-	65,276	-	65,276
Total	\$ 10,212	\$ 21,377	\$ -	\$ 65,276	\$ 10,212	\$ 86,653

The Village's total debt decreased by \$76,441 during the year ended April 30, 2023. The key factor in this decrease was principal payments made on outstanding debt.

For more detail on the Village's long-term debt, see Note 4 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village continues to recover from the housing slow down with total new home permits up from the year before but still down substantially. The revenue has seen some improvements in sales and income taxes. The Village roads program has been affected by the cost of asphalt and has seen fewer replacement projects. With the recent approval of the sales tax referendum, the Village will see increased funding for capital projects, including roads. Inflation is high with labor, fuel, equipment, asphalt and materials costs having a real impact on our budget. These factors were considered in preparing the Village budget for fiscal year 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Committee Chairperson
 Village of Spring Grove
 7401 Meyer Road
 Spring Grove, Illinois, 60081

BASIC FINANCIAL STATEMENTS

VILLAGE OF SPRING GROVE, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
APRIL 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,112,905	\$ 559,054	\$ 6,671,959
Investments	966,315	-	966,315
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable	3,575	61,593	65,168
Property Taxes	935,854	-	935,854
Utility Taxes	40,042	-	40,042
Due from Other Governmental Units	428,111	-	428,111
Interfund Balances	34,008	-	34,008
Prepaid Expenses	16,287	-	16,287
Other Assets	65,457	-	65,457
Capital Assets			
Land, Construction in Progress, and Other Non-Depreciable Assets	2,585,234	9,273	2,594,507
Other Capital Assets, Net of Depreciation	4,905,484	2,442,982	7,348,466
TOTAL ASSETS	\$ 16,093,272	\$ 3,072,902	\$ 19,166,174
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions - Police Pension	\$ 927,192	\$ -	\$ 927,192
Deferred Outflows Related to Pensions - IMRF	251,308	-	251,308
Deferred Outflows Related to OPEB	91,345	-	91,345
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,269,845	\$ -	\$ 1,269,845
LIABILITIES			
Accounts Payable	\$ 161,647	\$ 51,637	\$ 213,284
Accrued Expenditures	52,217	1,857	54,074
Interfund Balances	-	31,061	31,061
Bond Liability	26,500	-	26,500
Due to Developer	263,685	-	263,685
Non-Current Liabilities			
Due Within One Year	10,212	-	10,212
Total Other Postemployment Benefits Liability	175,057	-	175,057
Net Pension Liability - Police Pension	2,388,150	-	2,388,150
Net Pension Liability - IMRF	289,630	-	289,630
TOTAL LIABILITIES	\$ 3,367,098	\$ 84,555	\$ 3,451,653
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 977,354	\$ -	\$ 977,354
Deferred Inflows Related to Pensions - Police Pension	1,595,537	-	1,595,537
Deferred Inflows Related to IMRF	82,558	-	82,558
Deferred Inflows Related to OPEB	31,554	-	31,554
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 2,687,003	\$ -	\$ 2,687,003
NET POSITION			
Net Investment in Capital Assets	\$ 7,480,506	\$ 2,452,255	\$ 9,932,761
Restricted for:			
Highways and Streets	487,829	-	487,829
Capital Projects	349,834	-	349,834
Public Safety	234,245	-	234,245
Special Service Areas	805,526	-	805,526
Unrestricted/(Deficit)	1,951,076	536,092	2,487,168
TOTAL NET POSITION	\$ 11,309,016	\$ 2,988,347	\$ 14,297,363

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities							
Administration	\$ 748,639	\$ 111,862	\$ -	\$ -	\$ (636,777)	\$ -	\$ (636,777)
Public Works	1,399,336	-	101,958	-	(1,297,378)	-	(1,297,378)
Public Safety	1,127,073	211,988	3,550	-	(911,535)	-	(911,535)
Parks and Recreation	710,558	50,049	-	388,250	(272,259)	-	(272,259)
Development	160,026	95,842	-	-	(64,184)	-	(64,184)
	<u>\$ 4,145,632</u>	<u>\$ 469,741</u>	<u>\$ 105,508</u>	<u>\$ 388,250</u>	<u>\$ (3,182,133)</u>	<u>\$ -</u>	<u>\$ (3,182,133)</u>
Business-Type Activities							
Water and Sewer	\$ 354,831	\$ 247,155	\$ -	\$ -	\$ -	\$ (107,676)	\$ (107,676)
	<u>\$ 354,831</u>	<u>\$ 247,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (107,676)</u>	<u>\$ (107,676)</u>
Total Primary Government	<u>\$ 4,500,463</u>	<u>\$ 716,896</u>	<u>\$ 105,508</u>	<u>\$ 388,250</u>	<u>\$ (3,182,133)</u>	<u>\$ (107,676)</u>	<u>\$ (3,289,809)</u>
General Revenues							
Taxes							
Property Tax, Levied for General Purposes				\$ 890,903	\$ -		\$ 890,903
State Sales Tax				1,431,908	-		1,431,908
State Income Tax				886,580	-		886,580
State Use Tax				233,452	-		233,452
State Motor Fuel Tax				227,912	-		227,912
Utility Taxes				598,851	-		598,851
Other Taxes				137,705	-		137,705
Impact Fees				44,988	-		44,988
Unrestricted Investment Earnings				110,961	5,865		116,826
Gain on Sale of Capital Assets				36,011	-		36,011
Miscellaneous				130,940	27,736		158,676
Total General Revenues and Transfers				<u>\$ 4,730,211</u>	<u>\$ 33,601</u>		<u>\$ 4,763,812</u>
Change in Net Position				<u>\$ 1,548,078</u>	<u>\$ (74,075)</u>		<u>\$ 1,474,003</u>
Net Position - May 1, 2022				9,986,270	3,062,422		13,048,692
Net Position Adjustment (Note 17)				<u>(225,332)</u>	<u>-</u>		<u>(225,332)</u>
Net Position - April 30, 2023				<u>\$ 11,309,016</u>	<u>\$ 2,988,347</u>		<u>\$ 14,297,363</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
FUND FINANCIAL STATEMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2023

	General Fund	SSA Fund	Capital Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,181,851	\$ 861,142	\$ 2,245,536	\$ 589,769	\$ 234,607	\$ 6,112,905
Investments	966,315	-	-	-	-	966,315
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Accounts Receivable	3,575	-	-	-	-	3,575
Property Taxes	847,702	88,152	-	-	-	935,854
Utility Taxes	40,042	-	-	-	-	40,042
Due from Other Governmental Units	306,013	-	102,604	19,494	-	428,111
Interfund Balances	92,039	-	4,632	-	10,053	106,724
Prepaid Items	16,287	-	-	-	-	16,287
Other Assets	65,457	-	-	-	-	65,457
TOTAL ASSETS	\$ 4,519,281	\$ 949,294	\$ 2,352,772	\$ 609,263	\$ 244,660	\$ 8,675,270
LIABILITIES						
Accounts Payable	\$ 161,647	\$ -	\$ -	\$ -	\$ -	\$ 161,647
Accrued Payroll	52,217	-	-	-	-	52,217
Interfund Balances	-	-	-	72,716	-	72,716
Bond Liability	26,500	-	-	-	-	26,500
Due to Developer	263,685	-	-	-	-	263,685
TOTAL LIABILITIES	\$ 504,049	\$ -	\$ -	\$ 72,716	\$ -	\$ 576,765
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ 889,202	\$ 88,152	\$ -	\$ -	\$ -	\$ 977,354
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 889,202	\$ 88,152	\$ -	\$ -	\$ -	\$ 977,354
FUND BALANCES						
Nonspendable						
Prepaid Expenses	\$ 16,287	\$ -	\$ -	\$ -	\$ -	\$ 16,287
Restricted for:						
Highways and Streets	-	-	-	487,829	-	487,829
Capital Projects	-	-	349,834	-	-	349,834
Public Safety	-	-	-	-	234,245	234,245
Special Service Areas	-	805,526	-	-	-	805,526
Assigned for:						
Highways and Streets	-	-	-	48,718	-	48,718
Capital Projects	-	-	2,002,938	-	-	2,002,938
Public Safety	-	-	-	-	10,415	10,415
Special Service Areas	-	55,616	-	-	-	55,616
Unassigned (Deficit)	3,109,743	-	-	-	-	3,109,743
TOTAL FUND BALANCES	\$ 3,126,030	\$ 861,142	\$ 2,352,772	\$ 536,547	\$ 244,660	\$ 7,121,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,519,281	\$ 949,294	\$ 2,352,772	\$ 609,263	\$ 244,660	\$ 8,675,270

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 APRIL 30, 2023

Total Fund Balances - Governmental Funds		\$ 7,121,151
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets, net of accumulated depreciation		7,490,718
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Deferred Outflows - IMRF	\$ 251,308	
Deferred Inflows - IMRF	(82,558)	
Deferred Outflows - Police Pension	927,192	
Deferred Inflows - Police Pension	(1,595,537)	
Deferred Outflows - OPEB	91,345	
Deferred Inflows - OPEB	<u>(31,554)</u>	
		(439,804)
<p>Other items, including net pension/OPEB liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the funds.</p>		
Net Pension Liability - IMRF	\$ (289,630)	
Net Pension Liability - Police Pension	(2,388,150)	
Net OPEB Liability	(175,057)	
Bonds and Notes Payable	<u>(10,212)</u>	
		<u>(2,863,049)</u>
Net Position of Governmental Activities		<u><u>\$ 11,309,016</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2023

	General Fund	Special Service Area Fund	Capital Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Local Taxes						
Property Tax	\$ 805,981	\$ 84,922	\$ -	\$ -	\$ -	\$ 890,903
Intergovernmental						
State Sales Tax	996,962	-	434,946	-	-	1,431,908
State Income Tax	886,580	-	-	-	-	886,580
State Replacement Tax	10,621	-	-	-	-	10,621
State Use Tax	233,452	-	-	-	-	233,452
State Motor Fuel Tax	-	-	-	227,912	-	227,912
Grants	3,550	-	388,250	63,465	-	455,265
Other Local Sources						
Utility Tax	598,851	-	-	-	-	598,851
Amusement Tax	127,084	-	-	-	-	127,084
Licenses and Permits	198,250	-	-	-	-	198,250
Fines and Forfeitures	177,114	-	20	-	35,249	212,383
Charges for Services	59,108	-	-	-	-	59,108
Impact Fees	1,249	-	43,739	-	-	44,988
Interest	82,391	14,843	9,389	3,031	1,307	110,961
Rentals	9,756	-	2,589	-	-	12,345
Royalties	6,400	-	-	-	-	6,400
Miscellaneous						
Donations	-	-	37,593	-	900	38,493
Other Miscellaneous	3,826	-	107,729	-	640	112,195
	<u>\$ 4,201,175</u>	<u>\$ 99,765</u>	<u>\$ 1,024,255</u>	<u>\$ 294,408</u>	<u>\$ 38,096</u>	<u>\$ 5,657,699</u>
EXPENDITURES						
Current						
Administration	\$ 691,341	\$ -	\$ -	\$ -	\$ -	\$ 691,341
Public Works	1,160,230	-	-	190,573	-	1,350,803
Public Safety	1,438,406	-	-	-	42,694	1,481,100
Parks and Recreation	70,956	-	-	-	-	70,956
Development	112,844	-	-	-	-	112,844
Capital Outlay	156,045	-	595,515	-	-	751,560
Debt Service						
Principal	11,165	-	-	-	-	11,165
	<u>\$ 3,640,987</u>	<u>\$ -</u>	<u>\$ 595,515</u>	<u>\$ 190,573</u>	<u>\$ 42,694</u>	<u>\$ 4,469,769</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 560,188</u>	<u>\$ 99,765</u>	<u>\$ 428,740</u>	<u>\$ 103,835</u>	<u>\$ (4,598)</u>	<u>\$ 1,187,930</u>
OTHER FINANCING SOURCES/(USES)						
Proceeds from the Sale of Fixed Assets	\$ -	\$ -	\$ 30,346	\$ -	\$ 12,182	\$ 42,528
Transfers	(480,500)	-	516,806	(36,306)	-	-
	<u>\$ (480,500)</u>	<u>\$ -</u>	<u>\$ 547,152</u>	<u>\$ (36,306)</u>	<u>\$ 12,182</u>	<u>\$ 42,528</u>
NET CHANGE IN FUND BALANCES	<u>\$ 79,688</u>	<u>\$ 99,765</u>	<u>\$ 975,892</u>	<u>\$ 67,529</u>	<u>\$ 7,584</u>	<u>\$ 1,230,458</u>
FUND BALANCES - MAY 1, 2022	3,271,674	761,377	1,376,880	469,018	237,076	6,116,025
FUND BALANCE ADJUSTMENT (Note 17)	<u>(225,332)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(225,332)</u>
FUND BALANCES - APRIL 30, 2023	<u>\$ 3,126,030</u>	<u>\$ 861,142</u>	<u>\$ 2,352,772</u>	<u>\$ 536,547</u>	<u>\$ 244,660</u>	<u>\$ 7,121,151</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED APRIL 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,230,458

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (400,011)	
Capital Outlays	<u>409,883</u>	9,872

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets		(6,517)
---------------------------------------	--	---------

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 governmental funds.

OPEB Expense	\$ (15,167)	
Pension Expense - IMRF	(39,047)	
Pension Expense - Police Pension	<u>357,314</u>	303,100

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>11,165</u>
-----------------------------	--	---------------

Change in Net Position of Governmental Activities		<u>\$ 1,548,078</u>
---	--	---------------------

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 APRIL 30, 2023

	<u>Enterprise Fund</u>
	<u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 559,054
Receivables (Net of Allowance for Estimated Uncollectible Amounts)	
Accounts Receivable	61,593
	\$ 620,647
Non-Current Assets	
Capital Assets	
Land	\$ 9,273
Land Improvements	18,622
Water and Sewer Treatment System	3,164,488
Water Tower	1,085,452
Well House	761,016
Infrastructure	156,739
Equipment	87,789
Less: Accumulated Depreciation	(2,831,124)
	\$ 2,452,255
TOTAL ASSETS	\$ 3,072,902
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 51,637
Accrued Interest	1,857
Interfund Balances	31,061
	\$ 84,555
TOTAL LIABILITIES	\$ 84,555
NET POSITION	
Net Investment in Capital Assets	\$ 2,452,255
Unrestricted/(Deficit)	536,092
TOTAL NET POSITION	\$ 2,988,347

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED APRIL 30, 2023

	Enterprise Fund Water and Sewer
OPERATING REVENUES	
Charges for Services	
Customer Fees	\$ 182,030
	\$ 182,030
OPERATING EXPENSES	
Office Expenses	\$ 4,202
Operating Expenses	203,077
Depreciation	147,261
	\$ 354,540
OPERATING INCOME/(LOSS)	\$ (172,510)
NON-OPERATING REVENUE/(EXPENSE)	
Connection Fees	\$ 65,125
Interest Income	5,865
Rental Income	27,736
Interest Expense	(291)
	\$ 98,435
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (74,075)
TRANSFERS (TO)/FROM OTHER FUNDS	-
CHANGE IN NET POSITION	\$ (74,075)
NET POSITION - MAY 1, 2022	3,062,422
NET POSITION - APRIL 30, 2023	\$ 2,988,347

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED APRIL 30, 2023

	Enterprise Fund Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 158,224
Payments to Suppliers for Goods and Services	(159,913)
Net Cash Provided/(Used) by Operating Activities	\$ (1,689)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Connection Fees	\$ 65,125
Interest Paid on Capital Debt	984
Principal Paid on Capital Debt	(65,276)
Other Receipts/(Payments)	54,955
Net Cash Provided/(Used) by Capital and Related Financing Activities	\$ 55,788
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash and Cash Equivalents and Investments	\$ 5,865
Net Cash Provided/(Used) by Investing Activities	\$ 5,865
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 59,964
CASH AND CASH EQUIVALENTS - MAY 1, 2022	499,090
CASH AND CASH EQUIVALENTS - APRIL 30, 2023	\$ 559,054
 RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ (172,510)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	147,261
Change in assets and liabilities:	
Receivables, net	(23,806)
Accounts Payable	47,366
Net Cash Provided by Operating Activities	\$ (1,689)

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 APRIL 30, 2023

	<u>Police Pension Trust Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 130,913</u>
Investments, at fair value	
Consolidated Pension Fund	<u>\$ 4,375,212</u>
	<u>\$ 4,375,212</u>
 TOTAL ASSETS	 <u>\$ 4,506,125</u>
LIABILITIES	
Due to Municipality	<u>\$ 2,947</u>
 TOTAL LIABILITIES	 <u>\$ 2,947</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	 <u><u>\$ 4,503,178</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED APRIL 30, 2023

	<u>Police Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 384,037
Plan Members	46,917
Total Contributions	<u>\$ 430,954</u>
Investment Income	
Interest Income	\$ 32,023
Unrealized Gain/(Loss)	393,639
Realized Gain/(Loss)	(336,889)
Net Investment Income	<u>\$ 88,773</u>
TOTAL ADDITIONS	<u>\$ 519,727</u>
DEDUCTIONS	
Benefits	\$ 351,490
Refunds of Contributions	27,398
Administrative Expenses	9,550
TOTAL DEDUCTIONS	<u>\$ 388,438</u>
NET INCREASE/(DECREASE)	\$ 131,289
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - MAY 1, 2022	<u>4,371,889</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - APRIL 30, 2023	<u><u>\$ 4,503,178</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF SPRING GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Village of Spring Grove, Illinois' (Village) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP and used by the Village are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has determined that the Police Pension Fund meets the above criteria. The Police Pension Fund is blended into the Village's primary government financial statements as a fiduciary fund although it remains a separate legal entity. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Statements*

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales taxes, unrestricted investment earnings, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public works, public safety, parks and recreation, and development) or a business-type 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 segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The Village does not allocate indirect costs.

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

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

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in one column in the fund financial statements.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. The Village reports these governmental funds and fund types:

- a. The General Fund is the Village's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Special Service Area Fund is used to account for financial resources to be used for infrastructure expenditures and other expenses related to the special service areas. The Motor Fuel Tax Fund includes revenues from motor fuel tax and other state road grants along with the related expenditures.
- c. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital projects.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Fund Types

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

Enterprise Funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of net revenues.

NOTES TO FINANCIAL STATEMENTS (Continued)

The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

3. Fiduciary Fund Types

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

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

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. An exception was made to the 60 day recognition period for income tax revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, which is recognized when due and payable.

E. *Cash and Cash Equivalents*

The Village has defined cash and cash equivalents to include cash on hand, demand deposits, checking accounts, savings accounts, money market accounts, and short-term investments with an original maturity of less than three months.

F. *Investments*

Investments, including those reported in the police pension trust fund, are stated at fair value (quoted market price or the best available estimate).

G. *Receivables*

Property taxes receivable are recognized at the time they are levied. The property tax receivable allowance is equal to 0% of outstanding property taxes at April 30, 2023.

NOTES TO FINANCIAL STATEMENTS (Continued)

H. *Inventories*

It is the Village's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land	No Depreciation
Buildings and Improvements	7 - 40 years
Vehicles	5 - 10 years
Equipment	3 - 20 years
Land Improvements	5 - 50 years
Infrastructure	20 - 30 years
Wastewater Treatment System	40 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective as of May 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

NOTES TO FINANCIAL STATEMENTS (Continued)

L. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

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

M. *Government-Wide and Proprietary Fund Net Position*

Government-wide and proprietary fund net position is divided into 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 net position that is restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – all other net positions are reported in this category.

N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints:

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. The Village has not delegated this authority to an appointed body or official. All assigned fund balances are the residual amounts of the fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

O. *Revenue Recognition*

Substantially all shared revenue is recorded during the period when received by the collecting authority, the State of Illinois. Income from investments, bank accounts, and unbilled usage receivables are recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for services (other than enterprise funds), miscellaneous and other revenues are recorded as revenues when received in cash as they are generally not measurable until actually received.

P. *Leases*

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with Capital Assets and lease liabilities are reported with Long Term Liabilities on the Statement of Net Position.

Q. *Property Tax Calendar and Revenues*

The Village is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on January 1 of each year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in

NOTES TO FINANCIAL STATEMENTS (Continued)

June and early in September of the following calendar year. The Village receives significant distributions of tax receipts within one month after these dates.

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$935,854 in its governmental funds, are from the 1899 tax levy. The unavailable revenue is 100% of the 1899 levy, less allowance. These taxes are unavailable as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2023. The Village has determined that 100% of the amount collected for the 1899 levy is allocable for use in fiscal year 2023. Therefore, 100% of the amounts collected for the 1899 levy (\$890,903) are recorded in these financial statements as property taxes revenue.

R. Defining Operating Revenues and Expenses

The Village’s proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village’s Water and Sewer Fund consist of charges for services (including permit fees) and the costs for providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as non-operating.

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Village’s name.

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Investments

As of April 30, 2023, the Village had the following investments, maturities, and fair value measurements:

Types of investments	Credit Quality/Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using	
				Level 1	Level 2
State Investment Pool	AAAm	less than 1 year	\$ 2,619,597	\$ -	\$ 2,619,597

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Increases	Decreases	Balance April 30, 2023
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 2,333,118	\$ -	\$ -	\$ 2,333,118
Construction in Progress	-	252,116	-	252,116
Total Capital Assets not being depreciated	<u>\$ 2,333,118</u>	<u>\$ 252,116</u>	<u>\$ -</u>	<u>\$ 2,585,234</u>
Other Capital Assets				
Buildings	\$ 3,062,876	\$ 8,650	\$ -	\$ 3,071,526
Vehicles	2,075,965	85,825	64,215	2,097,575
Equipment	1,302,190	49,052	12,595	1,338,647
Land Improvements	464,005	14,240	-	478,245
Infrastructure	4,472,745	-	-	4,472,745
Total Other Capital Assets at Historical Cost	<u>\$ 11,377,781</u>	<u>\$ 157,767</u>	<u>\$ 76,810</u>	<u>\$ 11,458,738</u>
Less Accumulated Depreciation for				
Buildings	\$ 1,568,218	\$ 83,454	\$ -	\$ 1,651,672
Vehicles	1,671,287	84,282	57,698	1,697,871
Equipment	1,062,692	65,340	12,595	1,115,437
Land Improvements	177,491	18,830	-	196,321
Infrastructure	1,743,848	148,105	-	1,891,953
Total Accumulated Depreciation	<u>\$ 6,223,536</u>	<u>\$ 400,011</u>	<u>\$ 70,293</u>	<u>\$ 6,553,254</u>
Other Capital Assets, Net	<u>\$ 5,154,245</u>	<u>\$ (242,244)</u>	<u>\$ 6,517</u>	<u>\$ 4,905,484</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,487,363</u>	<u>\$ 9,872</u>	<u>\$ 6,517</u>	<u>\$ 7,490,718</u>
Business-Type Activities				
Capital Assets not being depreciated				
Land	\$ 9,273	\$ -	\$ -	\$ 9,273
Total Capital Assets not being depreciated	<u>\$ 9,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,273</u>
Other Capital Assets				
Land Improvements	\$ 18,622	\$ -	\$ -	\$ 18,622
Water and Sewer Treatment System	5,010,956	-	-	5,010,956
Equipment	87,789	-	-	87,789
Infrastructure	156,739	-	-	156,739
Total Other Capital Assets at Historical Cost	<u>\$ 5,274,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,274,106</u>
Less Accumulated Depreciation for				
Land Improvements	\$ 3,414	\$ 1,242	\$ -	\$ 4,656
Water and Sewer Treatment System	2,551,515	125,158	-	2,676,673
Equipment	74,766	13,023	-	87,789
Infrastructure	54,169	7,837	-	62,006
Total Accumulated Depreciation	<u>\$ 2,683,864</u>	<u>\$ 147,260</u>	<u>\$ -</u>	<u>\$ 2,831,124</u>
Other Capital Assets, Net	<u>\$ 2,590,242</u>	<u>\$ (147,260)</u>	<u>\$ -</u>	<u>\$ 2,442,982</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,599,515</u>	<u>\$ (147,260)</u>	<u>\$ -</u>	<u>\$ 2,452,255</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Administration	\$ 18,251
Public Works	240,371
Public Safety	54,944
Parks and Recreation	59,075
Development	27,370
Total Governmental Activities Depreciation Expense	<u>\$ 400,011</u>
Business-Type Activities:	
Water and Sewer	\$ 147,260
Total Business-Type Activities Depreciation Expense	<u>\$ 147,260</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Additions	Retirements	Balance April 30, 2023	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
Panasonic ToughBooks	\$ 21,377	\$ -	\$ 11,165	\$ 10,212	\$ 10,212
Total Bonds and Notes Payable	<u>\$ 21,377</u>	<u>\$ -</u>	<u>\$ 11,165</u>	<u>\$ 10,212</u>	<u>\$ 10,212</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 21,377</u>	<u>\$ -</u>	<u>\$ 11,165</u>	<u>\$ 10,212</u>	<u>\$ 10,212</u>
Business-Type Activities					
Bonds Payable:					
Revenue Bonds	\$ 65,276	\$ -	\$ 65,276	\$ -	\$ -
Total Bonds Payable	<u>\$ 65,276</u>	<u>\$ -</u>	<u>\$ 65,276</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 65,276</u>	<u>\$ -</u>	<u>\$ 65,276</u>	<u>\$ -</u>	<u>\$ -</u>

Bonds and notes payable consisted of the following at April 30, 2023:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities:				
Panasonic ToughBooks	12/15/2024	0.000%	\$ 36,540	\$ 10,212
Business-Type Activities:				
Revenue Bonds	7/1/2022	2.675%	2,000,000	-

At April 30, 2023 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2024	\$ 10,212	\$ -	\$ 10,212
	<u>\$ 10,212</u>	<u>\$ -</u>	<u>\$ 10,212</u>

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
Panasonic ToughBooks	General Fund
Revenue Bonds	Water and Sewer Fund

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables:

NOTES TO FINANCIAL STATEMENTS (Continued)

Receivable Fund	Payable Fund	Amount
General Fund	Police Pension Fund	\$ 2,947
General Fund	Motor Fuel Tax Fund	72,716
Capital Projects Fund	General Fund	4,632
Other Governmental Funds	General Fund	10,053
Total - Fund Financial Statements		\$ 90,348
Less: Fund Eliminations		(56,340)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 34,008

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-Type Activities	\$ 31,061
Governmental Activities	Fiduciary Fund	2,947
Total Government-Wide Financial Statements		\$ 34,008

The principal purpose of these interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The interfund receivables/payables are expected to be repaid within one year.

The following is a schedule of interfund transfers:

Transfers to Capital Fund:		
Motor Fuel Tax Fund	\$	36,306
General Fund		480,500
	\$	<u>516,806</u>

Transfers from General Fund and Motor Fuel Tax Fund to Capital Fund were to cover costs of capital expenditures (truck payments, road repairs, equipment purchases) made in the Capital Fund.

NOTE 6 - DEFICIT FUND BALANCES

There were no funds which reflected a deficit fund balance as of April 30, 2023.

NOTE 7 - PROPERTY TAXES

The 1899 levy was passed by the Board on October 18, 1899. A summary of the assessed valuations, rates, and extensions for the years 1899, 1899, and 1899 follows:

Tax Year	2022		2021		2020	
	Rate	Extension	Rate	Extension	Rate	Extension
Assessed Valuation	\$226,188,731		\$213,198,485		\$203,604,001	
Corporate	0.1825	\$ 412,790	0.1752	\$ 373,464	0.1757	\$ 357,724
Police Pension	0.1702	385,000	0.1806	385,000	0.1891	385,001
	0.3527	\$ 797,790	0.3558	\$ 758,464	0.3648	\$ 742,725
Road and Bridge (from Townships)	-	\$ 48,005	-	\$ 48,013	-	\$ 47,116
Special Service Area #1	-	\$ 1,907	-	\$ 1,503	-	\$ 259,467
Special Service Area #8	-	25,500	-	24,531	-	23,358
Special Service Area #9	-	29,106	-	28,254	-	27,322
Special Service Area #11	-	4,756	-	4,574	-	4,378
Special Service Area #13	-	11,328	-	10,848	-	10,336
Special Service Area #15	-	11,894	-	11,381	-	10,868
Special Service Area #24	-	5,568	-	5,328	-	5,072
	-	\$ 90,059	-	\$ 86,419	-	\$ 340,801

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of April 30, 2023, expenditures exceeded the appropriation in the following funds:

	Budgeted Expenditures	Actual Expenditures	Variance
Motor Fuel Tax Fund	\$ 114,000	\$ 190,573	\$ (76,573)

NOTE 9 - ILLINOIS MUNICIPAL RETIREMENT FUND

A. *Plan Description*

The Village'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 Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. 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.

B. *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 ten 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 ten 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Employees Covered by Benefit Terms*

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 1899, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	11
Total	<u>24</u>

D. *Contributions*

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2023 and 1899 was 6.93% and 8.99%, respectively. For the fiscal year ended April 30, 2023, the Village contributed \$51,120 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

E. *Net Pension Liability*

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 1899, with a measurement date as of that date, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 2,370,344
IMRF Fiduciary Net Position	2,080,714
Village's Net Pension Liability	289,630
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	87.78%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

F. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 1899 using the following actuarial methods and assumptions:

Assumptions:

Inflation	2.25%
Salary Increases	2.85% - 13.75% including inflation
Interest Rate	7.25%

Actuarial Cost Method Entry Age Normal

Asset Valuation Method Market Value of Assets

Projected Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

using scale MP-2020 were used. 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 were used. 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 were used.

G. 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, 1899:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Projected Return</u>
Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternatives	9.50%	
Private Equity		9.90%
Hedge Funds		N/A
Commodities		6.25%
Cash Equivalents	1.00%	4.00%
	<u>100%</u>	

H. Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. 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 pension plan investments is 7.25%; the municipal bond rate is 4.05%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

I. Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2021	\$ 2,196,398	\$ 2,358,722	\$ (162,324)
Changes for the year:			
Service Cost	\$ 50,442	\$ -	\$ 50,442
Interest on the Total Pension Liability	158,696	-	158,696
Differences Between Expected and Actual Experience of the Total Pension Liability	30,216	-	30,216
Contributions - Employer	-	54,927	(54,927)
Contributions - Employee	-	27,483	(27,483)
Net Investment Income	-	(247,056)	247,056
Benefit Payments, including Refunds of Employee Contributions	(65,408)	(65,408)	-
Other (Net Transfer)	-	(47,954)	47,954
Net Changes	\$ 173,946	\$ (278,008)	\$ 451,954
Balances at December 31, 2022	\$ 2,370,344	\$ 2,080,714	\$ 289,630

J. 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 than the current rate:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 581,882	\$ 289,630	\$ 56,542

K. Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2023, the Village recognized pension expense of \$90,167. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 60,665	\$ 49,108	\$ 11,557
Changes of assumptions	14,941	33,450	(18,509)
Net difference between projected and actual earnings on pension plan investments	162,009	-	162,009
Total deferred amounts to be recognized in pension expense in future periods	\$ 237,615	\$ 82,558	\$ 155,057
Pension contributions made subsequent to the measurement date	13,693	-	13,693
Total deferred amounts related to pensions	\$ 251,308	\$ 82,558	\$ 168,750

\$13,693 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending December 31	Net Deferred Outflows of Resources
2023	\$ (4,765)
2024	27,455
2025	50,342
2026	80,682
2027	1,343
Thereafter	-
Total	\$ 155,057

NOTE 10 - POLICE PENSION PLAN

A. Plan Administration

Full-time police sworn personnel of the Village are covered by The Spring Grove Police Pension Fund of the Village of Spring Grove (Plan). Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Plan as a pension trust fund. No separate report is issued on this pension plan.

The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Board consists of five elected or appointed members.

B. Plan Membership

At April 30, 2023, the date of the latest actuarial valuation, Plan participation consisted of:

Retirees and beneficiaries receiving benefits	6
Terminated plan members entitled to but not yet receiving benefits	3
Active plan members	6
Total	<u>15</u>

C. Benefits Provided

The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

D. Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2023 the Village’s contribution was 47.58% of covered payroll.

E. Investment Policy

ILCS limit the Plan’s investments to those allowable by ILCS and require the Plan’s Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan’s investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States

NOTES TO FINANCIAL STATEMENTS (Continued)

or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

The Plan's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	55.0%	0.9%
Large Capital Domestic Equity	31.5%	6.3%
Small Capital Domestic Equity	9.0%	7.9%
International Equity	4.5%	6.8%

ILCS limits the Plan's investments in equities to 65% of total assets of the fund. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The Estimated Annual Inflation Rate (CPI) assumption used is 2.5%. The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management firm in December of 2014 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or long-term expected real rates of return excluding inflation for each major asset class included in the Plan's target asset allocation as of December 31, 2022 are listed in the table above.

F. *Investment Valuations*

All Investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30, 2023 for debt securities, equity securities and mutual funds.

G. *Investment Valuations*

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.0% or more of the Plan's investments.

H. *Investment Rate of Return*

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.80% as of April 30, 2022. The current year rate when unknown as of the date of this report. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

I. *Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Plan's deposits may not be returned to it. The Plan's investment policy requires all bank balances to be covered by federal depository insurance.

NOTES TO FINANCIAL STATEMENTS (Continued)

J. Interest Rate Risk

The following table presents the investments and maturities of the Plan’s debt securities as of April 30, 2023:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
Money Market	\$ 74,957	\$ 74,957	\$ -	\$ -	\$ -
Consolidated Pension Fund	4,300,255	4,300,255	-	-	-
	<u>\$ 4,375,212</u>	<u>\$ 4,375,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In accordance with its investment policy, the Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Plan.

K. Credit Risk

The Plan limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated by at least one of the two largest rating services at the time of purchase. If subsequently downgraded below investment grade, the bonds must be liquidated by the manager from the portfolio within 90 days after being downgraded. However, certain fixed income securities are not rated. As of April 30, 2023, the Plan’s investments were rated as follows:

Investment	Credit Rating	Rating Source
Consolidated Pension Fund	NR	N/A

L. Net Pension Liability

The components of the net pension liability of the Plan as of April 30, 2023 calculated in accordance with GASB Statement No. 68 were as follows:

Total Pension Liability	\$ 6,891,329
Plan Fiduciary Net Position	4,503,179
Village's Net Pension Liability	2,388,150
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.35%

See the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios in the Required Supplementary Information for additional information related to the funded status of the Plan.

M. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2023 using the following actuarial methods and assumptions:

NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Valuation Date	May 01, 2022
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Inflation	2.25%
Salary Increases	3.25% - 7.19%
Investment Rate of Return	6%
Asset Valuation Method	5-year soothed fair value

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. The other non-economic actuarial assumptions used in the April 30, 2023 valuation were based on a review of assumptions in the L&A 2020 study for Illinois Police Officers.

N. *Discount Rate*

The discount rate used to measure the total pension liability was 4.05%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent that Projected Benefit Payments are covered by the Plan's Projected Fiduciary Net Position, the Expected Rate of Return on Plan Investments is used to determine the portion of the Net Pension Liability associated with those payments. To the extent that Projected Benefit Payments are not covered by the Plan's Projected Fiduciary Net Position, the Municipal Bond Rate is used to determine the portion of the Net Pension Liability associated with those payments.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2022	\$ 7,681,596	\$ 4,374,836	\$ 3,306,760
Changes for the year:			
Service Cost	\$ 153,431	\$ -	\$ 153,431
Interest on the Total Pension Liability	353,581	-	353,581
Differences Between Expected and Actual Experience of the Total Pension Liability	21,876	-	21,876
Changes of Assumptions	(932,295)	-	(932,295)
Changes of Benefit Terms	(7,972)	-	(7,972)
Contributions - Employer	-	384,037	(384,037)
Contributions - Employee	-	46,917	(46,917)
Net Investment Income	-	88,718	(88,718)
Benefit Payments, including Refunds of Employee Contributions	(378,888)	(378,888)	-
Administrative Expense	-	(9,494)	9,494
		(2,947)	2,947
Net Changes	\$ (790,267)	\$ 128,343	\$ (918,610)
Balances at April 30, 2023	\$ 6,891,329	\$ 4,503,179	\$ 2,388,150

O. *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 4.70%, 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:

NOTES TO FINANCIAL STATEMENTS (Continued)

	1% Decrease 4.68%	Current Discount Rate 5.68%	1% Increase 6.68%
Employer Net Pension Liability	\$ 3,333,803	\$ 2,388,150	\$ 1,616,683

P. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2023, the Village recognized pension expense of \$26,723. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflow s of Resources	Inflow s of Resources	Net Outflow s of Resources
Differences between expected and actual experience	\$ 292,505	\$ 595,349	\$ (302,844)
Assumption changes	364,548	1,000,188	(635,640)
Net difference between projected and actual earnings on pension investments	270,139	-	270,139
Total deferred amounts related to pensions	<u>\$ 927,192</u>	<u>\$ 1,595,537</u>	<u>\$ (668,345)</u>

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

Year Ending April 30	Net Deferred Outflow s of Resources
2023	\$ (157,303)
2024	(128,600)
2025	(43,442)
2026	(108,476)
2027	(149,017)
Thereafter	(81,507)
	<u>\$ (668,345)</u>

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS – RETIREE PAID INSURANCE

A. Plan Overview

In addition to the providing the pension benefits described in Note 9 and Note 10, the Village provides post-employment benefits other than pensions (“OPEB”) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village’s governmental activities.

B. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village’s retirement plans or meet COBRA requirements. All health care benefits are provided through the Village’s insured health plan. The benefit levels are the same as those afforded to active employees. Retirees and their eligible dependents can remain on Village’s medical insurance plan, provided that they pay the entire premium. Coverage can continue for Medicare eligibility ages. Full-time Police Officers that suffer a catastrophic injury or are killed in the line of duty receive free lifetime coverage for the employee, their

NOTES TO FINANCIAL STATEMENTS (Continued)

spouse, and each eligible dependent under the Public Safety Employee Benefits Act. Employees are not required to contribute to the plan.

C. Membership

Membership in the plan consisted of the following at April 30, 2023, the date of the latest actuarial valuation:

Active Employees	16
Inactive Employees Entitled to but not yet Receiving Benefits	-
Inactive Employees Currently Receiving Benefits	1
Total	<u>17</u>

D. Total OPEB Liability

The Village’s total OPEB liability was measured as of April 30, 2023, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2022.

E. Actuarial Assumptions

The total OPEB liability in the May 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount rate	4.14%
Inflation	3.00%
Salary Rate Increase	4.00%
Health Care Trend	
	Initial Trend Rate 6.00%
	Ultimate Trend Rate 4.50%
	FY the Ultimate Rate is Reached 2038
Mortality	IMRF Personnel: PubG.H-2010 Mortality Table – General with Mortality Improvement using Scale MP-2020 Police Personnel: PubS.H-2010 Mortality Table – Safety with Mortality Improvement using Scale MP-2020
Election at Retirement	20% of active employees are assumed to elect coverage at retirement
Marital Status	25% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females. Actual spouse data was used for current retirees.

The actuarial assumptions used in the May 1, 2022 valuation were based on the results of an actuarial experience study for the period May 1, 2022 through April 30, 2023. Assumption changes reflect a change in the discount rate of 4.14% from 3.98% for the beginning of the year values and 4.14% for the disclosure date.

There is no long-term expected rate of return on OPEB plan investments because the Village does not have a trust dedicated exclusively to the payment of OPEB benefits.

F. Discount Rate

The Village does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

NOTES TO FINANCIAL STATEMENTS (Continued)

A rate of 4.14% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 30, 2023.

G. Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at April 30, 2022	\$ 183,892	\$ -	\$ 183,892
Changes for the year:			
Service Cost	\$ 7,245	\$ -	\$ 7,245
Interest on Total OPEB Liability	7,069	-	7,069
Actuarial Experience	(10,952)	-	(10,952)
Assumption Changes	400	-	400
Benefit Payments	(12,597)	-	(12,597)
Net Changes	<u>\$ (8,835)</u>	<u>\$ -</u>	<u>\$ (8,835)</u>
Balances at April 30, 2023	<u>\$ 175,057</u>	<u>\$ -</u>	<u>\$ 175,057</u>

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 165,559	\$ 175,057	\$ 185,470

I. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 187,872	\$ 175,057	\$ 163,816

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

For the fiscal year ended April 30, 2023, the Village recognized OPEB expense of \$27,764. At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ 62,403	\$ 9,967	\$ 52,436
Changes of Assumptions	28,941	21,587	7,354
Total	<u>\$ 91,344</u>	<u>\$ 31,554</u>	<u>\$ 59,790</u>

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (11.12 years, active and retired) in the postretirement plan.

NOTES TO FINANCIAL STATEMENTS (Continued)

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending April 30	Net Outflows of Resources
2024	\$ 13,451
2025	13,451
2026	13,451
2027	13,451
2028	3,887
2029	2,986
2030	2,986
2031	(1,764)
2032	(1,046)
2033	(949)
2034	(114)
	<u>\$ 59,790</u>

NOTE 12 - SOCIAL SECURITY

All employees, except full-time police officers, are covered under Social Security. The Village paid the total required contribution for the current fiscal year.

NOTE 13 - RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The Village is a member of the McHenry County Municipal Risk Management Agency (MCMRMA), a public entity risk pool through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The relationship between the Village and MCMRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Village is contractually obligated to make all annual and supplementary contributions for MCMRMA, to report claims on a timely basis, cooperate with MCMRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by MCMRMA. Members have a contractual obligation to fund any deficit of MCMRMA attributable to a membership year during which they were a member.

MCMRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. MCMRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The Village participates in the Intergovernmental Personnel Benefit Cooperative. Intergovernmental Personnel Benefit Cooperative (IPBC) is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain governmental, quasigovernmental, and nonprofit service entities.

IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative, along with an alternate, from each member. In addition, there are two officers; a chairperson and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

NOTES TO FINANCIAL STATEMENTS (Continued)

Complete financial statement, the latest available dated June 30, 2022, may be obtained directly from IPBC's administrative offices at 800 Roosevelt Road, Building C, Suite 312, Glen Ellyn, Illinois 60137.

During the year ended April 30, 2023, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in any of the past three years. The Village is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended April 30, 2023, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - CONTINGENCIES

The Village is not aware of any litigation which might have a material adverse effect on the Village's financial position.

NOTE 15 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of governmental activities bonded debt to 8.625% of the most recent available equalized assessed valuation (EAV) of the Village.

2022 EAV	\$ 226,188,731
	X 8.625%
Debt Margin	\$ 19,508,778
Current Governmental Activities Debt	(10,212)
Remaining Debt Margin	<u>\$ 19,498,566</u>

NOTE 16 - TAX ABATEMENT AGREEMENTS

In 2003, the Village entered into an economic incentive agreement with Jewel Food Stores, Inc. As a result of this agreement, in exchange for Jewel providing economic assistance in constructing a water tower, the Village rebates fifty percent of its share of sales tax collected by Jewel. The abatement ends after 20 years, or when Jewel recoups the value of the water tower, whichever occurs first. In the fiscal year ending April 30, 2023, the Village rebated sales tax in the amount of \$166,222.

In 2021, The Village entered into an economic incentive agreement with Casey's. As a result of the agreement, the Village rebates fifty percent of its share of sales tax collected by Casey's up to \$50,000. The abatement ends after Casey recoups \$50,000. In the fiscal year ending April 30, 2023, the Village rebated sales tax in the amount of \$4,580.

The Village is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17 - NET POSITION/FUND BALANCE ADJUSTMENT

In prior years, the Village accrued two months of Income, and Personal Property from the State of Illinois. In the current year, the Village began recognizing these revenues based on when the state has vouchered or allocated these payments as these amounts are not derived tax revenues at the local government level. Instead, these revenues fall in line with a voluntary non-exchange transaction, in which eligibility then availability requirements should both be determined before recognizing the revenue. In the case of revenues, these eligibility and availability requirements are not met until the month the funds are vouchered by that state. Due to this, a fund balance adjustment and corresponding net position adjustment were made for the prior year accrual amount of \$225,332, as these eligibility requirements were not met in prior year as well.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

The Village has implemented GASB Statement No. 87, *Leases*. This statement establishes financial reporting standards related to leases. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SPRING GROVE, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2023

	4/30/2023 *	4/30/2022 *	4/30/2021 *	4/30/2020 *	4/30/2019 *	4/30/2018 *	4/30/2017 *	4/30/2016 *
TOTAL PENSION LIABILITY								
Service Cost	\$ 50,442	\$ 53,910	\$ 53,690	\$ 52,240	\$ 53,628	\$ 60,747	\$ 59,466	\$ 60,637
Interest on the Total Pension Liability	158,696	151,916	140,250	133,197	123,265	119,964	112,362	104,372
Differences Between Expected and Actual Experience	30,216	(51,208)	59,089	(30,461)	24,970	(11,899)	(9,147)	(3,407)
Changes of Assumptions	-	-	(39,019)	-	57,361	(59,678)	(2,627)	-
Benefit Payments, Including Refunds of Member Contributions	(65,408)	(53,311)	(53,117)	(63,708)	(66,025)	(57,092)	(65,596)	(43,074)
Net Change in Total Pension Liability	\$ 173,946	\$ 101,307	\$ 160,893	\$ 91,268	\$ 193,199	\$ 52,042	\$ 94,458	\$ 118,528
Total Pension Liability - Beginning	2,196,398	2,095,091	1,934,198	1,842,930	1,649,731	1,597,689	1,503,231	1,384,703
Total Pension Liability - Ending	\$ 2,370,344	\$ 2,196,398	\$ 2,095,091	\$ 1,934,198	\$ 1,842,930	\$ 1,649,731	\$ 1,597,689	\$ 1,503,231
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 54,927	\$ 55,495	\$ 54,765	\$ 47,088	\$ 56,200	\$ 57,193	\$ 57,073	\$ 55,545
Contributions - Member	27,483	24,898	25,199	24,469	24,794	25,060	25,154	24,080
Net Investment Income	(247,056)	309,504	233,968	266,033	(60,979)	215,721	83,355	6,093
Benefit Payments, Including Refunds of Member Contributions	(65,408)	(53,311)	(53,117)	(63,708)	(66,025)	(57,092)	(65,596)	(43,074)
Other (Net Transfers)	(47,954)	14,755	3,140	(49,959)	28,308	(8,183)	7,879	(46,304)
Net Change in Plan Fiduciary Net Position	\$ (278,008)	\$ 351,341	\$ 263,955	\$ 223,923	\$ (17,702)	\$ 232,699	\$ 107,865	\$ (3,660)
Plan Net Position - Beginning	2,358,722	2,007,381	1,743,426	1,519,503	1,537,205	1,304,506	1,196,641	1,200,301
Plan Net Position - Ending	\$ 2,080,714	\$ 2,358,722	\$ 2,007,381	\$ 1,743,426	\$ 1,519,503	\$ 1,537,205	\$ 1,304,506	\$ 1,196,641
Village's Net Pension Liability	\$ 289,630	\$ (162,324)	\$ 87,710	\$ 190,772	\$ 323,427	\$ 112,526	\$ 293,183	\$ 306,590
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.78%	107.39%	95.81%	90.14%	82.45%	93.18%	81.65%	79.60%
Covered Payroll	\$ 608,745	\$ 553,290	\$ 559,966	\$ 543,744	\$ 550,976	\$ 556,896	\$ 558,987	\$ 535,112
Employer's Net Pension Liability as a Percentage of Covered Payroll	47.58%	-29.34%	15.66%	35.08%	58.70%	20.21%	52.45%	57.29%

Notes to Schedule:

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
APRIL 30, 2023

	<u>4/30/2023 *</u>	<u>4/30/2022 *</u>	<u>4/30/2021 *</u>	<u>4/30/2020 *</u>	<u>4/30/2019 *</u>	<u>4/30/2018 *</u>	<u>4/30/2017 *</u>	<u>4/30/2016 *</u>
Actuarially-Determined Contribution	\$ 54,726	\$ 55,495	\$ 54,765	\$ 47,088	\$ 56,200	\$ 57,193	\$ 57,073	\$ 55,545
Contributions in Relation to Actuarially-Determined Contribution	<u>54,927</u>	<u>55,495</u>	<u>54,765</u>	<u>47,088</u>	<u>56,200</u>	<u>57,193</u>	<u>57,073</u>	<u>55,545</u>
Contribution Deficiency/(Excess)	<u>\$ (201)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 611,671	\$ 563,932	\$ 555,692	\$ 543,744	\$ 550,976	\$ 556,896	\$ 558,987	\$ 535,112
Contributions as a Percentage of Covered Payroll	8.98%	9.84%	9.86%	8.66%	10.20%	10.27%	10.21%	10.38%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2022 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 21-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 2.75%

Price Inflation: 2.25%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 2.85% to 13.75%, including inflation

Investment Rate of Return: 7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.

Mortality: For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation; note two year lag between valuation and rate setting.

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

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2023

	4/30/2023	4/30/2022	4/30/2021	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
TOTAL PENSION LIABILITY									
Service Cost	\$ 153,431	\$ 172,016	\$ 160,541	\$ 178,466	\$ 226,844	\$ 222,453	\$ 211,860	\$ 192,048	\$ 244,858
Interest on the Total Pension Liability	353,581	338,181	351,259	331,380	337,592	317,980	328,937	322,278	307,104
Changes of Benefit Terms	(7,972)	-	-	15,343	-	-	-	-	-
Differences Between Expected and Actual Experience	21,876	(346,653)	394,621	(255,343)	(492,380)	163,284	(482,536)	(629,688)	-
Changes of Assumptions	(932,295)	(267,176)	322,338	257,279	(59,673)	158,894	(6,867)	324,689	-
Benefit Payments, Including Refunds of Member Contributions	(378,888)	(321,014)	(270,985)	(255,479)	(192,436)	(330,659)	(210,405)	(178,193)	(154,138)
Net Change in Total Pension Liability	\$ (790,267)	\$ (424,646)	\$ 957,774	\$ 271,646	\$ (180,053)	\$ 531,952	\$ (159,011)	\$ 31,134	\$ 397,824
Total Pension Liability - Beginning	7,681,596	8,106,242	7,148,468	6,876,822	7,056,875	6,524,923	6,683,934	6,652,800	6,254,976
Total Pension Liability - Ending	\$ 6,891,329	\$ 7,681,596	\$ 8,106,242	\$ 7,148,468	\$ 6,876,822	\$ 7,056,875	\$ 6,524,923	\$ 6,683,934	\$ 6,652,800
PLAN FIDUCIARY NET POSITION									
Contributions - Employer	\$ 384,037	\$ 385,000	\$ 385,500	\$ 385,600	\$ 367,526	\$ 338,500	\$ 332,000	\$ 332,003	\$ 295,297
Contributions - Member	46,917	45,799	49,356	47,855	48,780	48,380	51,014	51,533	56,429
Contributions - Other	-	-	84,619	-	-	-	-	-	-
Net Investment Income	88,718	(361,092)	675,230	167,782	196,197	124,296	128,317	83,344	51,935
Benefit Payments, Including Refunds of Member Contributions	(378,888)	(321,014)	(270,985)	(255,479)	(192,436)	(330,659)	(210,405)	(178,193)	(210,568)
Administrative Expenses	(9,493)	(12,436)	(11,146)	(11,352)	(11,860)	(11,492)	(10,651)	(10,587)	(6,341)
Prior Period Audit Adjustment	(2,947)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 128,344	\$ (263,743)	\$ 912,574	\$ 334,406	\$ 408,207	\$ 169,025	\$ 290,275	\$ 278,100	\$ 186,752
Plan Net Position - Beginning	4,374,835	4,638,578	3,726,004	3,391,598	2,983,391	2,814,366	2,524,091	2,245,991	2,059,239
Plan Net Position - Ending	\$ 4,503,179	\$ 4,374,835	\$ 4,638,578	\$ 3,726,004	\$ 3,391,598	\$ 2,983,391	\$ 2,814,366	\$ 2,524,091	\$ 2,245,991
Village's Net Pension Liability	\$ 2,388,150	\$ 3,306,761	\$ 3,467,664	\$ 3,422,464	\$ 3,485,224	\$ 4,073,484	\$ 3,710,557	\$ 4,159,843	\$ 4,406,809
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.35%	56.95%	57.22%	52.12%	49.32%	42.28%	43.13%	37.76%	33.76%
Covered Payroll	\$ 643,500	\$ 494,893	\$ 500,932	\$ 484,000	\$ 598,049	\$ 525,988	\$ 594,671	\$ 580,059	\$ 411,705
Employer's Net Pension Liability as a Percentage of Covered Payroll	371.12%	668.18%	692.24%	707.12%	582.77%	774.44%	623.97%	717.14%	1070.38%
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expenses	7.80%*	7.80%	17.76%	4.79%	6.25%	4.36%	4.85%	2.38%	2.00%

Notes to Schedule:

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

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

	4/30/2023	4/30/2022	4/30/2021	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
Actuarially-Determined Contribution	\$ 389,279	\$ 409,202	\$ 358,227	\$ 400,084	\$ 408,363	\$ 394,326	\$ 359,046	\$ 331,957	\$ 296,699
Contributions in Relation to Actuarially-Determined Contribution	384,037	385,000	385,500	385,600	367,526	338,500	332,000	332,003	295,297
Contribution Deficiency/(Excess)	\$ 5,242	\$ 24,202	\$ (27,273)	\$ 14,484	\$ 40,837	\$ 55,826	\$ 27,046	\$ (46)	\$ 1,402
Covered-Employee Payroll	\$ 643,500	\$ 494,893	\$ 500,932	\$ 484,000	\$ 598,049	\$ 525,988	\$ 594,671	\$ 580,059	\$ 411,705
Contributions as a Percentage of Covered-Employee Payroll	59.68%	77.79%	76.96%	79.67%	61.45%	64.36%	55.83%	57.24%	71.73%

Notes to Schedule:

Notes to Schedule:

Actuarial Method and Assumptions Used:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 100% funded over 14.02 years

Asset Valuation Method: 5-year smoothed market

Wage Growth: 3.0%

Price Inflation: 2.25%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.25% to 6.64%, including inflation

Investment Rate of Return: 5.00%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.

Mortality: For non-disabled retirees, the Pub-2010, adjusted for plan status, demographics and Illinois Public Pension Data. Retirement Rates - 100% of L&A Illinois Police Retirement capped at age 65, termination rates - 100% of L&A Illinois Police Termination Rates, and Disability Rates - 100% of L&A 2020 Illinois Police Disability Rates

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation; note two year lag between valuation and rate setting.

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

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
APRIL 30, 2023

	4/30/2023*	4/30/2022*	4/30/2021	4/30/2020*	4/30/2019
TOTAL OPEB LIABILITY					
Service Cost	\$ 7,245	\$ 11,781	\$ 10,132	\$ 5,833	\$ 5,643
Interest	7,068	3,680	3,829	4,331	1,952
Differences Between Expected and Actual Experience	(10,952)	-	46,035	-	66,591
Benefit Payments	(12,596)	(15,160)	(11,340)	(17,042)	(18,267)
Changes in Assumptions	400	(25,075)	19,974	3,173	17,291
Other Changes			-	294	7,344
Net Change in Total OPEB Liability	\$ (8,835)	\$ (24,774)	\$ 68,630	\$ (3,411)	\$ 80,554
Total OPEB Liability - Beginning	183,892	208,666	140,036	143,447	62,894
Village's Total OPEB Liability - Ending	\$ 175,057	\$ 183,892	\$ 208,666	\$ 140,036	\$ 143,448
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 1,055,807	\$ 961,918	\$ 961,918	\$ 928,145	\$ 928,145
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	16.58%	19.12%	21.69%	15.09%	15.46%

Notes to Schedule:

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

There is no actuarially-determined contribution (ADC) or employer contribution in relation to the ADC as the total OPEB liabilities are currently an unfunded obligation.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

The following are the discount rates used in each period: 4.14% 3.98% 1.83% 2.85% 3.21%

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

* - Covered-Employee Payroll is the same as the prior year due to the valuation being a rollforward instead of a new valuation.

VILLAGE OF SPRING GROVE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2023

	Appropriated Amounts	Actual Amounts
	<u>Original and Final</u>	<u></u>
REVENUES		
Local Taxes		
Property Tax	\$ 805,462	\$ 805,981
Intergovernmental		
State Sales Tax	896,000	996,962
State Income Tax	703,000	886,580
State Replacement Tax	4,000	10,621
State Use Tax	215,000	233,452
Grants	14,000	3,550
Other Local Sources		
Utility Tax	550,000	598,851
Amusement Tax	110,000	127,084
Licenses and Permits	197,000	198,250
Fines and Forfeitures	182,000	177,114
Charges for Services	49,975	59,108
Impact Fees	-	1,249
Interest	15,000	82,391
Rentals	7,000	9,756
Royalties	8,000	6,400
Miscellaneous	3,000	3,826
Total Revenues	\$ 3,759,437	\$ 4,201,175
EXPENDITURES		
Current		
Administration		
Personnel Salaries	\$ 212,500	\$ 217,242
Payroll Taxes	16,500	15,957
Retirement and Benefits	27,200	21,205
Contract Services	28,400	21,590
Professional Fees	119,750	129,857
Insurance	80,000	85,504
Dues and Subscriptions	9,250	7,278
Printing	1,600	554
Office Expense	7,600	6,393
Communications	11,500	10,822
Special Events	7,400	3,999
Revenue Sharing	155,000	170,202
Miscellaneous Expenses	1,000	738
	\$ 677,700	\$ 691,341
Public Works		
Personnel Salaries	\$ 358,000	\$ 342,549
Payroll Taxes	29,985	25,834
Retirement and Benefits	67,100	56,728
Contract Services	500	800

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2023

	Appropriated Amounts	Actual Amounts
	<u>Original and Final</u>	<u> </u>
EXPENDITURES (Continued)		
Current (Continued)		
Public Works (Continued)		
Engineering Fees	\$ 40,000	\$ 113,574
Fuel	30,000	31,226
Small Tools	3,000	2,883
Seminars and Dues	600	388
Supplies	14,200	14,433
Rentals	10,000	-
Utilities	5,000	6,839
Maintenance and Repairs	240,200	185,724
Road Maintenance	396,000	342,232
Snowplowing	45,000	34,937
Communications	1,000	1,401
Miscellaneous Expenses	600	682
	<u>\$ 1,241,185</u>	<u>\$ 1,160,230</u>
Public Safety		
Personnel Salaries	\$ 683,000	\$ 667,150
Payroll Taxes	15,000	17,729
Retirement and Benefits	93,775	86,209
Pension Contribution	385,000	384,037
Contract Services	98,500	93,523
Professional Fees	55,000	58,195
Communications	15,000	2,077
Supplies	14,000	14,741
Conferences and Dues	7,500	15,358
Training and Education	11,000	9,450
Maintenance and Repairs	19,000	16,449
Printing	4,900	2,594
Office Expense	9,400	10,818
Fuel	25,000	36,656
Miscellaneous Expenses	17,500	23,420
	<u>\$ 1,453,575</u>	<u>\$ 1,438,406</u>
Parks and Recreation		
Personnel Salaries	\$ 22,600	\$ 20,774
Payroll Taxes	1,765	1,601
Instructional Fees	9,270	11,352
Supplies	5,330	4,083
Park Maintenance	68,500	21,247
Contract Services	7,500	8,089
Special Events	6,450	1,745
Utilities	1,000	2,065
Miscellaneous	200	-
	<u>\$ 122,615</u>	<u>\$ 70,956</u>

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2023

	Appropriated Amounts	Actual Amounts
	Original and Final	
EXPENDITURES (Continued)		
Current (Continued)		
Development		
Personnel Salaries	\$ 52,500	\$ 63,356
Payroll Taxes	4,100	5,530
Retirement and Benefits	19,400	18,495
Contract Services	14,000	13,626
Communications	960	921
Maintenance and Repairs	500	1,588
Printing	200	149
Seminars and Dues	2,000	700
Supplies	1,000	707
Utilities	4,500	6,789
Miscellaneous Expenses	750	983
	\$ 99,910	\$ 112,844
Capital Outlay		
Public Works	\$ -	\$ 7,083
Public Safety	42,000	61,053
Parks and Recreation	41,000	68,097
Development	15,500	19,812
	\$ 98,500	\$ 156,045
Debt Service		
Principal	\$ 60,000	\$ 11,165
	\$ 60,000	\$ 11,165
Total Expenditures	\$ 3,753,485	\$ 3,640,987
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,952	\$ 560,188
OTHER FINANCING SOURCES/(USES)		
Transfers	-	(480,500)
NET CHANGE IN FUND BALANCE	\$ 5,952	\$ 79,688
FUND BALANCE - MAY 1, 2022		3,271,674
FUND BALANCE ADJUSTMENT (Note 17)		(225,332)
FUND BALANCE - APRIL 30, 2023		\$ 3,126,030

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL
MOTOR FUEL TAX FUND
YEAR ENDED APRIL 30, 2023

	Appropriated Amounts Original and Final	Actual Amounts
REVENUES		
Intergovernmental		
State Motor Fuel Tax	\$ 226,000	\$ 227,912
Grants	-	63,465
Other Local Sources		
Interest	-	3,031
Total Revenues	\$ 226,000	\$ 294,408
EXPENDITURES		
Current		
Public Works		
Motor Fuel Expenses	\$ 114,000	\$ 190,573
	\$ 114,000	\$ 190,573
Total Expenditures	\$ 114,000	\$ 190,573
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 112,000	\$ 103,835
OTHER FINANCING SOURCES/(USES)		
Transfers	-	(36,306)
NET CHANGE IN FUND BALANCE	\$ 112,000	\$ 67,529
FUND BALANCE - MAY 1, 2022		469,018
FUND BALANCE - APRIL 30, 2023		\$ 536,547

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2023

NOTE 1 - APPROPRIATIONS

Appropriations are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds except agency funds. All annual appropriations lapse at fiscal year-end.

Appropriated expenditures are controlled at the departmental level with the Finance Committee Chairperson's oversight. All transfers and any revisions that change the total expenditures not contemplated of any fund must be approved by the Board of Trustees. All appropriation amendments must be approved by the Board of Trustees.

The appropriation ordinance was approved on April 5, 1899 and was not amended.

For the Special Service Area Fund, a budget to actual comparison could not be presented since there were no expenditures and a budget was not prepared.

NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended April 30, 2023, the Motor Fuel Tax Fund had expenditures that exceeded the appropriations ordinance by \$76,573.