



VILLAGE OF PECATONICA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2023



SIKICH.COM

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Village of Pecatonica, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Pecatonica, Illinois (the Village) as of and for the year ended April 30, 2023 and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Pecatonica, Illinois 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 the modified cash basis of accounting.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note 1e of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1e; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a reported dated October 2, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
October 2, 2023

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

To the Honorable Mayor
and Trustees of the Village Board
and Management
Village of Pecatonica
Pecatonica, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Pecatonica, Illinois (Village) 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 and have issued our report thereon dated October 2, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Villages's internal control. Accordingly, we do not express an opinion on the effectiveness of the Villages's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Pecatonica's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Pecatonica, Illinois' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Village of Pecatonica, Illinois' responses were not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

Purpose of this Report

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

Sikich LLP

Naperville, Illinois
October 2, 2023

MATERIAL WEAKNESSES

We consider the following to be material weaknesses in internal control:

1. Internal Control over Credit Cards

Village employees are permitted to use credit cards and the Village currently has a formal policy to help ensure that credit cards are used appropriately. However, during credit card testing conducted by Sikich, the Village policy either does not appear to be effectively ensuring the appropriate use of credit cards, or the policy is not being enforced. We recommend that the Village modify its existing policy to help improve internal controls over credit cards and to enforce this policy.

During our testing, it was noted that there were uncertainties related to the whereabouts of items being purchased through the Village credit card process. We recommend that the Village develop an inventory tracking system to properly account for all equipment and supplies purchased through Village credit cards. This system will determine that all purchases are for Village use. We also recommend that the Village modify their policy specific to where purchases are shipped. Requiring purchases to be delivered directly to Village Hall would help centralize equipment and supply tracking.

In addition, there was one purchase that could not be substantiated as a proper Village expense and was for Village business. Sikich recommends that Village prohibits the personal use of Village credit cards and funds.

Finally, we recommend that the Village Board review and approve the detailed monthly credit card expenses by individual cardholders, even if a meeting is canceled. Certain meetings were not held this fiscal year, which eliminated any potential review of credit card transactions. These transactions should have been approved at the next Village Board meeting. The Village Board should be provided with a detailed monthly expense listing, by cardholder, that itemizes each purchase made with the related receipt/documentation support.

Management Response

The Village has instituted an inventory system for the various Village departments which includes recording serial numbers and quantities of items as well as applying property tags to items, where appropriate.

On June 20, 2023, the Village Board adopted Ordinance No. 2023-08 which made changes to Section 3.1(1) and Section 7.1(1) of the credit card policy.

Section 3.1(1) was amended to read – 1. Village credit cards will be issued to the Village President, Police Chief, Public Works Director, and other selected employees of the Village as authorized by the Village Board of Trustees.

The following changes were made to Section 7.1(1) –

- A. Department Heads (Street, Water, Sewer, and Police) are authorized up to the current limit of \$1,500.
- B. Credit cards are no longer issued to Committee Heads or Liaisons.

MATERIAL WEAKNESSES (Continued)

1. Internal Control over Credit Cards (Continued)

Management Response (Continued)

- C. Village President is authorized a monthly credit card limit up to \$3,000. The Village President's credit card is authorized, but not issued to the Village President. It is kept in the office safe.
- D. All credit card purchases over \$3,000 require prior Village Board approval, with the sole exception of emergency purchases.

The matter of the unsubstantiated credit card purchase is in the process of being resolved.

At meetings where credit card statements from the bank are included on the Warrant List, each Board member is supplied with a copy of the statement, copies of the individual charge receipts, supporting documentation for each receipt which includes the name of the person making the charge, and a breakdown of the accounts each purchase is charged to.

2. Purchasing Policy Compliance

During our testing of purchasing policy compliance over Village expenditures, it was noted that three (3) Board meetings were cancelled during the fiscal year. These cancellations caused warrant lists to go unapproved which results in checks being issued without getting the approvals required under the Village's purchasing policy.

Management Response

The current purchasing policy is being updated to include a cancelled meeting policy.

Pending Updated Policy

In the case that any meeting is cancelled for whatever reason, vendors should be paid if their invoices are under the classification level of budgetary control as determined by the Treasurer. In these cases, the warrant lists are to be marked by indicating those checks that were mailed and those that are held because they are over budget. A supplemental budget/appropriation ordinance needs to be prepared so the Village Board of Trustees can provide additional funds from the approved appropriation or by moving appropriation and associated budget dollars from another department or fund.

MATERIAL WEAKNESSES (Continued)

3. Segregation of Duties

A fundamental element of internal control is the segregation of certain key duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets, in particular cash
- Authorization or approval of related transaction affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction or transaction activity

An essential feature of segregation of duties within an organization is that no one employee or group of employees has exclusive control over any transaction or group of transactions.

We noted specific lack of segregation of duties listed below. This list would not be considered to be all inclusive as we did not perform a review of all control structures throughout the Village.

The Village Clerk has the ability to generate bills, receive payments, deposit payments, and modify customer accounts.

In all cases, we recommend the Village reassign duties or increase approval processes in order to more fully segregate conflicting duties.

We recommend the Village review software access for all employees and ensure access incompatible with job duties are addressed and compensating controls, such as additional review processes, are implemented in instances when software access cannot practically be limited.

Management Response

Up until now the only job description and delegation of duties for the Clerk and Treasurer are contained in our Code of Ordinances. These descriptions and delegation of duties were adopted many decades ago and have never been updated. We have begun an audit of the job description and delegation of duties of the Clerk, Assistant Clerk, and Treasurer to better define their roles in the running of the Village. A final compilation of those job descriptions and delegation of duties will be codified in the Village Code of Ordinances.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,723,558	\$ 1,309,739	\$ 3,033,297
Restricted cash and cash equivalents	-	200,504	200,504
Internal activity	(249,079)	249,079	-
Capital assets not being depreciated	472,624	2,385,935	2,858,559
Capital assets being depreciated (net of accumulated depreciation)	3,967,926	13,685,733	17,653,659
Total assets	5,915,029	17,830,990	23,746,019
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	7,433	7,433
Total deferred outflows of resources	-	7,433	7,433
Total assets and deferred outflows of resources	5,915,029	17,838,423	23,753,452
LIABILITIES			
Retainage payable	-	89,345	89,345
Meter deposits	-	51,902	51,902
Noncurrent liabilities			
Due within one year	114,280	343,530	457,810
Due in more than one year	3,806,002	7,437,277	11,243,279
Total liabilities	3,920,282	7,922,054	11,842,336
NET POSITION			
Net investment in capital assets	520,268	8,208,949	8,729,217
Restricted			
Police protection	1,065	-	1,065
IMRF	15,240	-	15,240
Social Security	12,771	-	12,771
Streets	347,026	-	347,026
Economic development	141,064	-	141,064
Debt service	-	200,504	200,504
Unrestricted	957,313	1,506,916	2,464,229
TOTAL NET POSITION	\$ 1,994,747	\$ 9,916,369	\$ 11,911,116

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 96,759	\$ 207,455	\$ -	\$ -
Streets	301,675	11,473	-	-
Public safety	419,375	23,708	-	-
Public works	18,496	-	86,673	24,110
Economic development	330,174	22,000	-	-
Interest and fiscal charges	94,747	-	-	-
Total governmental activities	1,261,226	264,636	86,673	24,110
Business-Type Activities				
Water	397,097	731,298	-	-
Sewer	640,229	796,049	-	-
Total business-type activities	1,037,326	1,527,347	-	-
TOTAL PRIMARY GOVERNMENT	\$ 2,298,552	\$ 1,791,983	\$ 86,673	\$ 24,110

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ 110,696	\$ -	\$ 110,696
	(290,202)	-	(290,202)
	(395,667)	-	(395,667)
	92,287	-	92,287
	(308,174)	-	(308,174)
	(94,747)	-	(94,747)
	(885,807)	-	(885,807)
	-	334,201	334,201
	-	155,820	155,820
	-	490,021	490,021
	(885,807)	490,021	(395,786)
General Revenues			
Taxes			
Property	250,583	-	250,583
Sales	228,210	-	228,210
Utility taxes	145,968	-	145,968
Other taxes	281,432	-	281,432
Intergovernmental			
American Rescue Plan Act	210,128	-	210,128
Income taxes	337,699	-	337,699
Replacement	26,520	-	26,520
Investment income	26,233	21,524	47,757
Miscellaneous	6,806	13,295	20,101
Gain on disposal of capital assets	65,356	-	65,356
Transfers in (out)	(158,926)	158,926	-
Total	1,420,009	193,745	1,613,754
CHANGE IN NET POSITION	534,202	683,766	1,217,968
NET POSITION, MAY 1	1,460,545	9,232,603	10,693,148
NET POSITION, APRIL 30	\$ 1,994,747	\$ 9,916,369	\$ 11,911,116

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

April 30, 2023

	General	Land Development	Street, Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 794,053	\$ 2,731	\$ 25,266	\$ 901,508	\$ 1,723,558
Advance to other funds	105,000	-	-	-	105,000
TOTAL ASSETS	\$ 899,053	\$ 2,731	\$ 25,266	\$ 901,508	\$ 1,828,558
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Advances from other funds	\$ -	\$ 354,079	\$ -	\$ -	\$ 354,079
Total liabilities	-	354,079	-	-	354,079
FUND BALANCES					
Nonspendable	105,000	-	-	-	105,000
Restricted					
Police protection	-	-	-	1,065	1,065
IMRF	-	-	-	15,240	15,240
Social Security	-	-	-	12,771	12,771
Streets	-	-	-	347,026	347,026
Economic development	-	-	-	141,064	141,064
Unrestricted					
Assigned					
Capital outlay	-	-	25,266	309,166	334,432
Debt service	-	-	-	75,176	75,176
Subsequent year's budget	223,231	-	-	-	223,231
Unassigned (deficit)	570,822	(351,348)	-	-	219,474
Total fund balances (deficit)	899,053	(351,348)	25,266	901,508	1,474,479
TOTAL LIABILITIES AND FUND BALANCES	\$ 899,053	\$ 2,731	\$ 25,266	\$ 901,508	\$ 1,828,558

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT
OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,474,479
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the fund	
Depreciable capital assets, net of accumulated depreciation	4,440,550
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(3,392,700)
Loans payable	<u>(527,582)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,994,747</u></u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2023

	General	Land Development	Street, Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES COLLECTED					
Taxes	\$ 702,629	\$ -	\$ 30,368	\$ 199,716	\$ 932,713
Licenses and permits	27,262	22,000	-	-	49,262
Fines and fees	31,274	-	-	700	31,974
Intergovernmental	547,827	-	-	110,783	658,610
Charges for services	183,400	-	-	-	183,400
Investment income	11,706	194	1,797	12,536	26,233
Miscellaneous	3,513	1,981	-	1,312	6,806
Total revenues collected	1,507,611	24,175	32,165	325,047	1,888,998
EXPENDITURES PAID					
Current					
General government	343,160	-	-	5,733	348,893
Streets	180,778	-	102,570	55,561	338,909
Public safety	352,219	-	-	13,868	366,087
Public works	-	-	-	18,496	18,496
Economic development	-	22,726	-	33,977	56,703
Capital outlay	2,948	273,471	1,346,892	87,589	1,710,900
Debt service					
Principal	-	25,154	-	87,000	112,154
Interest	-	8,552	-	86,195	94,747
Total expenditures paid	879,105	329,903	1,449,462	388,419	3,046,889
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	628,506	(305,728)	(1,417,297)	(63,372)	(1,157,891)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	260,010	260,010
Transfers (out)	(418,936)	-	-	-	(418,936)
Loans issued	-	100,000	-	-	100,000
Proceeds from sale of assets	311	65,045	-	-	65,356
Total other financing sources (uses)	(418,625)	165,045	-	260,010	6,430
NET CHANGE IN FUND BALANCES	209,881	(140,683)	(1,417,297)	196,638	(1,151,461)
FUND BALANCES (DEFICIT), MAY 1	689,172	(210,665)	1,442,563	704,870	2,625,940
FUND BALANCES (DEFICIT), APRIL 30	\$ 899,053	\$ (351,348)	\$ 25,266	\$ 901,508	\$ 1,474,479

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS**

For the Year Ended April 30, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,151,461)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,828,324
Proceeds from the disposal of capital assets recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(65,000)
Depreciation expense on capital assets is reported as an expense in the statement of activities	(89,815)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(100,000)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	<u>112,154</u>
CHANGE IN NET POSITION OF THE GOVERNMENTAL ACTIVITIES	<u><u>\$ 534,202</u></u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND

April 30, 2023

	Water	Sewer	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 766,214	\$ 543,525	\$ 1,309,739
Restricted cash	200,504	-	200,504
Total current assets	966,718	543,525	1,510,243
NONCURRENT ASSETS			
Advances to other funds	118,449	130,630	249,079
Capital assets not being depreciated	2,201,105	184,830	2,385,935
Capital assets being depreciated	7,569,467	10,911,986	18,481,453
Less accumulated depreciation	(1,539,253)	(3,256,467)	(4,795,720)
Total noncurrent assets	8,349,768	7,970,979	16,320,747
Total assets	9,316,486	8,514,504	17,830,990
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	7,433	-	7,433
Total deferred outflows of resources	7,433	-	7,433
Total assets and deferred outflows of resources	9,323,919	8,514,504	17,838,423
CURRENT LIABILITIES			
Retainage payable	89,345	-	89,345
Meter deposits	51,902	-	51,902
Current portion of long-term debt	90,000	253,530	343,530
Total current liabilities	231,247	253,530	484,777
NONCURRENT LIABILITIES			
Long-term debt, net of current portion	5,789,359	1,647,918	7,437,277
Total liabilities	6,020,606	1,901,448	7,922,054
NET POSITION			
Net investment in capital assets	2,270,048	5,938,901	8,208,949
Restricted for debt service	200,504	-	200,504
Unrestricted	832,761	674,155	1,506,916
TOTAL NET POSITION	\$ 3,303,313	\$ 6,613,056	\$ 9,916,369

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

**STATEMENT OF REVENUES COLLECTED, EXPENSES PAID
AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND**

For the Year Ended April 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES COLLECTED			
Water and sewer service	\$ 731,298	\$ 796,049	\$ 1,527,347
Total operating revenues collected	<u>731,298</u>	<u>796,049</u>	<u>1,527,347</u>
OPERATING EXPENSES PAID			
Water department	248,362	-	248,362
Sewer department	-	345,831	345,831
Depreciation	140,102	294,398	434,500
Total operating expenses paid	<u>388,464</u>	<u>640,229</u>	<u>1,028,693</u>
OPERATING INCOME	<u>342,834</u>	<u>155,820</u>	<u>498,654</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	14,642	6,882	21,524
Miscellaneous revenue	11,295	2,000	13,295
Interest expense	(8,633)	-	(8,633)
Total non-operating revenues (expenses)	<u>17,304</u>	<u>8,882</u>	<u>26,186</u>
INCOME BEFORE TRANSFERS	<u>360,138</u>	<u>164,702</u>	<u>524,840</u>
TRANSFERS			
Transfer in	-	158,926	158,926
Total transfers	<u>-</u>	<u>158,926</u>	<u>158,926</u>
CHANGE IN NET POSITION	<u>360,138</u>	<u>323,628</u>	<u>683,766</u>
NET POSITION, MAY 1	<u>2,943,175</u>	<u>6,289,428</u>	<u>9,232,603</u>
NET POSITION, APRIL 30	<u>\$ 3,303,313</u>	<u>\$ 6,613,056</u>	<u>\$ 9,916,369</u>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS
PROPRIETARY FUND

For the Year Ended April 30, 2023

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 729,778	\$ 796,049	\$ 1,525,827
Receipts from miscellaneous income	11,295	2,000	13,295
Payments to personnel	(130,761)	(122,520)	(253,281)
Payments to suppliers	(117,601)	(223,311)	(340,912)
Net cash from operating activities	492,711	452,218	944,929
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due from other funds	38,546	-	38,546
Advance to other fund	17,756	23,504	41,260
Transfers in	-	158,926	158,926
Net cash from noncapital financing activities	56,302	182,430	238,732
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,603,996)	(214,366)	(1,818,362)
Proceeds of long-term debt	1,442,162	-	1,442,162
Principal payments on long-term debt	(90,000)	(253,530)	(343,530)
Interest paid on long-term debt	(8,633)	-	(8,633)
Net cash from capital and related financing activities	(260,467)	(467,896)	(728,363)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	14,642	6,882	21,524
Net cash from investing activities	14,642	6,882	21,524
NET INCREASE IN CASH AND CASH EQUIVALENTS	303,188	173,634	476,822
CASH AND CASH EQUIVALENTS, MAY 1	663,530	369,891	1,033,421
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 966,718	\$ 543,525	\$ 1,510,243
CASH AND CASH EQUIVALENTS, APRIL 30			
Cash and cash equivalents	\$ 766,214	\$ 543,525	\$ 1,309,739
Restricted cash	200,504	-	200,504
TOTAL CASH AND CASH EQUIVALENTS, APRIL 30	\$ 966,718	\$ 543,525	\$ 1,510,243

(This statement is continued on the following page.)

VILLAGE OF PECATONICA, ILLINOIS

STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS (Continued)
PROPRIETARY FUND

April 30, 2023

	<u>Water</u>		<u>Sewer</u>		<u>Total</u>
RECONCILIATION OF OPERATING INCOME					
TO NET CASH FROM OPERATING ACTIVITIES					
Operating income	\$ 342,834	\$	155,820	\$	498,654
Miscellaneous income	11,295		2,000		13,295
Adjustments to reconcile net operating income to net cash from operating activities					
Meter deposits	(1,520)		-		(1,520)
Depreciation expense	140,102		294,398		434,500
					<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 492,711	\$	452,218	\$	944,929
					<hr/>
NONCASH TRANSACTIONS					
Capital asset additions in retainage	\$ 89,345	\$	-	\$	89,345
					<hr/>
TOTAL NONCASH TRANSACTIONS	\$ 89,345	\$	-	\$	89,345
					<hr/>

See accompanying notes to financial statements.

VILLAGE OF PECATONICA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Pecatonica, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)) except as described in Note 1e. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Organization

The Village, located in Winnebago County, was incorporated on March 14, 1881 under the provisions of the State of Illinois. The Village operates under a Mayor and Board of Trustees form of government and provides services to the public such as police, sanitation, water and sewer systems, public works and general administrative services.

b. Report Entity

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 31*, there are no component units for which the Village is considered to be financially accountable for.

c. Fund Accounting

The Village uses funds to report on its financial position - modified cash basis and the changes in its financial position - modified cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain village functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental and proprietary. Governmental funds are used to account for all of the Village's general activities. The General Fund is the primary operating fund, accounting for all financial resources not accounted for in another fund. Special revenue funds account for revenue sources that are legally restricted or committed for specific purposes. Capital project funds account for funds committed, restricted or assigned for the acquisition or construction of capital assets. Debt service funds account for funds committed, restricted or assigned for the servicing of long-term debt. Permanent funds are used to account for the management of funds held in trust where the interest earnings can be used for governmental services. The Village has no permanent funds.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial information. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). The Village has no internal service funds.

d. Government-Wide and Fund Financial Statements

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

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.

Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Government-Wide and Fund Financial Statements (Continued)

The Land Development Fund is used to facilitate the economic development of property the Village purchased to entice new organizations to build retail and light commercial establishments to add to the Village's tax and employment bases.

The Street, Road and Bridge Fund is used to account Village's general infrastructure improvements including street (re)construction, road (re)construction and bridge (re)construction.

The Village reports the following major enterprise funds:

The Water Fund accounts for the provision of water treatment and distribution to the residential and commercial users of the Village.

The Sewer Fund accounts for the storm drainage runoff service provided to the residential and commercial users of the Village.

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

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and using the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. The Village reports capital assets and liabilities issued to acquire capital assets, not long-term operating liabilities. Revenues are recorded at the time of receipt by the Village. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements. Payroll withholdings from employees and escrow deposits are reflected on the statement of net position and balance sheets as liabilities. Other liabilities are primarily credit balances in customer accounts.

Finally, debt payable and the unamortized loss on refunding related to capital assets are reflected as liabilities and deferred outflows of resources, respectively, on the statement of net position and proprietary fund balance sheet. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting which is a comprehensive basis of accounting other than GAAP. Revenues are recorded at the time of receipt by the Village. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with GAAP.

f. Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village and filed with the Winnebago County Clerk on or before the second Tuesday in December. Property taxes attach as an enforceable lien on property as of the January prior to levy passage. Generally, in April of the subsequent year, the County Clerk calculates the tax rates using the equalized assessed value of the township as determined by the Illinois Department of Revenue. These rates are then extended against the equalized assessed value of each parcel of property. The tax bills are then normally mailed by May 1 with payments due in two equal installments on June 1 and September 1. The Village receives significant distributions of tax receipts approximately one month after these due dates.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of tax districts in Illinois to raise revenue through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all urban consumers. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

g. Cash, Cash Equivalents and Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For purposes of the statement of cash flows, proprietary funds consider cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets, which include building, building improvements, equipment, vehicles and infrastructure assets (e.g., building roads, bridges, storm water), are reported in the government-wide and enterprise fund financial statements. Capital assets are defined by the Village as assets with an initial, individual cost ranging from \$5,000 to \$50,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	50
Equipment and vehicles	5-20
Infrastructure	50
Utility system	50

Capital assets in the governmental fund financial statements are reported as expenditures when paid.

i. Long-Term Debt

Capital related long-term liabilities are reported in the government-wide and enterprise fund financial statements as liabilities. The governmental fund financial statements do not report long-term liabilities because they do not require the use of current financial resources. Bond premiums are deferred and amortized over the term of the bonds using the effective interest method in the government-wide financial statements but are recognized during the current period in the governmental fund financial statements. Bond issue costs are recognized during the current period as debt service expenditures in both the government-wide and governmental fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for specific purpose, externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Board of Trustees retains the authority to assign fund balance. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances of all other governmental funds are also reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "net investment in capital assets" are classified as unrestricted net position. None of the Village's net position or fund balances were restricted as a result of enabling legislation.

2. CASH AND INVESTMENTS

The Village categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village held no investments at fair value at April 30, 2023.

2. CASH AND INVESTMENTS (Continued)

The Village is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds and The Illinois Funds. The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity and yield.

a. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. The Village's deposits with financial institutions were covered either by FDIC or pledged collateral held by an independent third-party depository in the Village's name at April 30, 2023.

b. Investments

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by diversifying its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds.

Interest rate risk is the risk that the market value of investments will fall due to changes in market interest rates. In accordance with its investment policy, the Village limits its exposure to interest rate risk by matching its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village does not directly invest in securities maturing more than five years from the date of purchase. Reserved funds and other funds with longer term investment horizons may be invested in securities exceeding two years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

b. Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. The investments shall be diversified by type of investment, number of institutions invested in and length of maturity.

3. RESTRICTED CASH

Certain resources of cash accounts are classified as restricted net position in the financial statements because their use is to be limited to and accumulated for future restricted purposes. The Waterworks and Sewerage Revenue Bonds issued during fiscal 2006 require the establishment of the following restricted accounts within the Enterprise Fund: Bond and Interest - to pay principal and interest on the outstanding bond.

Restricted cash and net position consist of the following:

Series 2016 bond and interest sinking fund	<u>\$ 200,504</u>
TOTAL RESTRICTED	<u>\$ 200,504</u>

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

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

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 288,119	\$ 202,137	\$ 65,000	\$ 425,256
Construction in progress	1,831,437	1,495,832	3,279,901	47,368
Total capital assets not being depreciated	2,119,556	1,697,969	3,344,901	472,624
Capital assets being depreciated				
Infrastructure	492,523	3,410,256	-	3,902,779
Building and improvements	371,796	-	-	371,796
Equipment and vehicles	685,047	-	-	685,047
Total capital assets being depreciated	1,549,366	3,410,256	-	4,959,622
Less accumulated depreciation for				
Infrastructure	275,329	31,671	-	307,000
Building and improvements	141,386	13,054	-	154,440
Equipment and vehicles	485,166	45,090	-	530,256
Total accumulated depreciation	901,881	89,815	-	991,696
Capital assets being depreciated, net	647,485	3,320,441	-	3,967,926
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 2,767,041	\$ 5,018,410	\$ 3,344,901	\$ 4,440,550
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 17,993	\$ -	\$ -	\$ 17,993
Construction in progress	5,802,189	302,594	3,736,841	2,367,942
Total capital assets not being depreciated	5,820,182	302,594	3,736,841	2,385,935
Capital assets being depreciated				
Infrastructure	2,980,259	4,817,169	-	7,797,428
Buildings and improvements	9,749,161	-	-	9,749,161
Equipment and vehicles	934,864	-	-	934,864
Total capital assets being depreciated	13,664,284	4,817,169	-	18,481,453
Less accumulated depreciation for				
Infrastructure	1,015,955	92,934	-	1,108,889
Buildings and improvements	3,001,381	261,959	-	3,263,340
Equipment and vehicles	343,884	79,607	-	423,491
Total accumulated depreciation	4,361,220	434,500	-	4,795,720
Capital assets being depreciated, net	9,303,064	4,382,669	-	13,685,733
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 15,123,246	\$ 4,685,263	\$ 3,736,841	\$ 16,071,668

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 12,410
Streets	64,338
Public safety	<u>13,067</u>

TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 89,815</u>
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5. LONG-TERM DEBT

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

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
Loan payable (direct placement) General Obligation Bonds (Alternate Revenue Source), Series 2021A	\$ 227,736	\$ -	\$ 25,154	\$ 202,582	\$ 26,580
General Obligation Bonds (Alternate Revenue Source), Series 2021B	1,900,000	-	47,500	1,852,500	47,900
Loan payable (direct placement) - County*	1,579,700	-	39,500	1,540,200	39,800
	<u>225,000</u>	<u>100,000</u>	<u>-</u>	<u>325,000</u>	<u>-</u>
TOTAL LONG-TERM DEBT	<u>\$ 3,932,436</u>	<u>\$ 100,000</u>	<u>\$ 112,154</u>	<u>\$ 3,920,282</u>	<u>\$ 114,280</u>

*The loan payable was not fully disbursed at April 30, 2023 and, therefore, a debt service to maturity schedule is not available at the time of report issuance.

During 2020, the Village entered into a loan agreement (direct placement) for land development. The loan proceeds were \$280,000 and the loan has interest rate of 3.75%. The term of the loan is for ten years with payments occurring on a monthly basis.

On March 1, 2021, the Village issued \$1,900,000 General Obligation Bonds (Alternate Revenue Source), Series 2021A. Interest is payable semiannually on June 1 and December 1 at rates of 0.80% to 3.40%. Principal is payable annually on December 1, beginning December 1, 2022 through December 1, 2051. The bonds are being repaid by the Street, Road and Bridge Fund. The bonds were issued to provide resources to pay the costs of infrastructure improvements within the Village.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

On June 1, 2021, the Village issued \$1,600,000 General Obligation Bonds (Alternate Revenue Source), Series 2021B. Interest is payable semiannually on June 1 and December 1 at rates of 0.80% to 3.40%. Principal is payable annually on December 1, beginning on December 1, 2021 through December 1, 2051. The bonds are being repaid by the Debt Service Fund. The bonds were issued to provide resources to pay the costs of infrastructure improvements within the Village.

During 2022, the Village entered into a loan agreement (direct placement) with Winnebago County for economic development. The loan proceeds will be received over five years totaling \$525,000, of which \$325,000 was received as of April 30, 2023. The loan is interest free. The term of the loan is for fifteen years with payments occurring on an annual basis once the \$525,000 is fully disbursed.

Long-term debt activity for the year ended April 30, 2023 for business-type activities and the Enterprise Fund was as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Due in One Year
IEPA - L170933	\$ 2,154,978	\$ -	\$ 253,530	\$ 1,901,448	\$ 253,530
IEPA - L175087*	4,452,721	1,223,755	-	5,676,476	-
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	275,000	-	90,000	185,000	90,000
Unamortized bond premium	20,437	-	2,554	17,883	-
TOTAL LONG-TERM DEBT	\$ 6,903,136	1,223,755	\$ 346,084	\$ 7,780,807	\$ 343,530

*The IEPA - L175087 loan was not fully disbursed at April 30, 2023 and, therefore, a debt service to maturity schedule is not available at the time of report issuance. In addition, during fiscal year 2022, in accordance with the loan agreement, the Village was awarded \$400,000 in loan forgiveness.

On June 22, 2009, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Pollution Control Loan Program and American Recovery and Reinvestment Act of 2009 for wastewater treatment plant. The note is non-interest-bearing. The term of the loan is for 20 years with semiannual repayments of \$126,765 on January 1 and July 1.

In March 2016, the Village issued \$740,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016 with an average rate of 3.30% to advance refund \$727,400 of outstanding Illinois Finance Authority Waterworks and Sewerage Revenue Bonds, Series 2006 with an average rate of 3.44%.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Interest is payable semiannually on August 1 and February 1 at rates of 3.00% to 3.50%. Principal is payable annually on February 1, beginning February 1, 2017 through February 1, 2025. The bonds are being repaid by the Water and Sewer Funds. The bonds were issued to provide resources to purchase state and local government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position.

On December 10, 2020, the Village entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Pollution Control Loan Program for drinking water project. The note bears interest at 1.01%. The term of the loan is for 30 years with semiannual repayments on January 1 and July 1.

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of April 30, 2023 are as follows:

Year Ending April 30,	IEPA - L170933			General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 253,530	\$ -	\$ 253,530	\$ 90,000	\$ 6,475	\$ 96,475
2025	253,530	-	253,530	95,000	3,325	98,325
2026	253,530	-	253,530	-	-	-
2027	253,530	-	253,530	-	-	-
2028	253,530	-	253,530	-	-	-
2029-2031	633,798	-	633,798	-	-	-
TOTAL	\$ 1,901,448	\$ -	\$ 1,901,448	\$ 185,000	\$ 9,800	\$ 194,800

Year Ending April 30,	Loan Payable (Direct Placement)			General Obligation Bonds (Alternate Revenue Source), Series 2021A		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 26,580	\$ 7,126	\$ 33,706	\$ 47,900	\$ 46,637	\$ 94,537
2025	27,594	6,112	33,706	48,400	46,158	94,558
2026	28,647	5,059	33,706	48,900	45,625	94,525
2027	29,740	3,967	33,707	49,500	45,038	94,538
2028	30,874	2,832	33,706	50,200	44,395	94,595
2029-2033	59,147	2,100	61,247	262,800	210,077	472,877
2034-2038	-	-	-	289,800	182,926	472,726
2039-2043	-	-	-	327,900	144,805	472,705
2044-2048	-	-	-	378,500	94,278	472,778
2049-2052	-	-	-	348,600	29,678	378,278
TOTAL	\$ 202,582	\$ 27,196	\$ 229,778	\$ 1,852,500	\$ 889,617	\$ 2,742,117

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Year Ending April 30,	General Obligation Bonds (Alternate Revenue Source), Series 2021B		
	Principal	Interest	Total
2024	\$ 39,800	\$ 38,776	\$ 78,576
2025	40,200	38,378	78,578
2026	40,700	37,936	78,636
2027	41,200	37,447	78,647
2028	41,700	36,912	78,612
2029-2033	218,400	174,672	393,072
2034-2038	240,900	152,107	393,007
2039-2043	272,800	120,407	393,207
2044-2048	314,700	78,378	393,078
2049-2052	289,800	24,675	314,475
TOTAL	\$ 1,540,200	\$ 739,688	\$ 2,279,888

The amount of pledge remaining as of April 30, 2023 is as follows:

	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Pledged Revenue Collected	Principal and Interest Paid
General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016	Revenues of the System	\$ 194,800	2/1/2025	\$ 1,527,348	\$ 99,625
General Obligation Bonds (Alternate Revenue Source), Series 2021A	Sales and Use Taxes	2,742,117	12/1/2051	422,022	94,564
General Obligation Bonds (Alternate Revenue Source), Series 2021B	Sales and Use Taxes	2,279,888	12/1/2051	422,022	78,631

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$33,149,152. As of April 30, 2023, the Village had \$2,859,114 of remaining legal debt margin.

6. RISK MANAGEMENT

The Village is exposed to various risks related to torts and employee health claims; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Village carries commercial insurance. The amount of coverage has not decreased and amount of settlements have not exceeded insurance coverage for any of the last three years.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ACTIVITY

During the normal course of village operations, transfers between funds arise to reimburse individual funds for expenditures incurred for the benefit of other funds. The following operating transfers occurred during the fiscal year ended April 30, 2022:

	Transfers Out	Transfers In
General Fund	\$ 418,936	\$ -
Sewer Fund	-	158,926
Nonmajor Governmental Funds	-	260,010
TOTAL	\$ 418,936	\$ 418,936

The purposes of the significant interfund transfers are as follows:

- \$175,900 from the General Fund was transferred to the Nonmajor Governmental Funds (Debt Service Fund) for debt and interest payments. This transfer will not be repaid.
- \$158,926 from the General Fund was transferred to the Sewer Fund for debt and interest payments. This transfer will not be repaid.

Advance due from/to other funds at April 30, 2023 consist of the following:

	Advances to Other Funds	Advance from Other Funds
General Fund	\$ 105,000	\$ -
Water Fund	118,449	-
Sewer Fund	130,630	-
Land Development Fund	-	354,079
TOTAL	\$ 354,079	\$ 354,079

The purposes of the interfund balances are as follows:

- \$354,079 advance from the General Fund, Water Fund and Sewer Fund to the Land Development Fund until the property is developed. The advance will be repaid over ten years.

The following fund reported a deficit fund balance as of April 30, 2023:

Land Development Fund	\$ 351,348
-----------------------	------------

8. OTHER POSTEMPLOYMENT BENEFITS

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statues, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the Village has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, the total OPEB liability, deferred outflows of resources and deferred inflows of resources would not be reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1e. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2023.

9. RETIREMENT PLAN

The Village's defined benefit pension plan (the Plan), Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and schools in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2022 (most recent information available), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	11
Active employees	<u>7</u>
TOTAL	<u><u>27</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended 2023 was 6.48% of covered payroll.

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

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

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 1,345,639	\$ 1,514,984	\$ (169,345)
Changes for the period			
Service cost	53,880	-	53,880
Interest	96,954	-	96,954
Difference between expected and actual experience	(37,099)	-	(37,099)
Changes in assumptions	-	-	-
Employer contributions	-	35,459	(35,459)
Employee contributions	-	24,251	(24,251)
Net investment income	-	(196,068)	196,068
Benefit payments and refunds	(70,555)	(70,555)	-
Other (net transfer)	-	(7,303)	7,303
Net changes	43,180	(214,216)	257,396
BALANCES AT DECEMBER 31, 2022	\$ 1,388,819	\$ 1,300,768	\$ 88,051

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2023, the Village incurred pension expenditures of \$32,522.

At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 19,314	\$ 25,174
Assumption changes	-	2,067
Net difference between projected and actual earnings on pension plan investments	113,257	-
Contributions subsequent to the measurement date	9,570	-
TOTAL	<u><u>\$ 142,141</u></u>	<u><u>\$ 27,241</u></u>

For disclosure purposes, the amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF would be recognized in pension expense as follows:

\$9,570 reported as deferred outflows of resources related to pensions resulting from village contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ending April 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2024	\$ (4,360)
2025	13,868
2026	34,772
2027	61,050
2028	-
Thereafter	-
TOTAL	<u><u>\$ 105,330</u></u>

VILLAGE OF PECATONICA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1e.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 258,036	\$ 88,051	\$ (43,316)

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Taxes					
Property		\$ 184,459	\$ 184,459	\$ 183,935	\$ (524)
Sales tax		238,000	238,000	228,210	(9,790)
State replacement tax		17,500	17,500	26,521	9,021
Telecommunication tax		34,773	34,773	29,599	(5,174)
State use tax		87,500	87,500	85,105	(2,395)
Utility		131,652	131,652	145,968	14,316
Cannabis use tax		4,400	4,400	3,291	(1,109)
Total taxes		698,284	698,284	702,629	4,345
License and permits		31,525	29,025	27,262	(1,763)
Fines and fees					
Franchise fees		19,101	19,101	23,114	4,013
Police fines and fees		8,135	8,135	8,160	25
Total fines and fees		27,236	27,236	31,274	4,038
Intergovernmental					
State income tax		345,000	345,000	337,699	(7,301)
Other grants		141,246	210,128	210,128	-
Total intergovernmental		486,246	555,128	547,827	(7,301)
Charges for services					
Garbage collection fees		174,200	170,200	160,455	(9,745)
Rental income		23,000	23,000	22,945	(55)
Total charges for services		197,200	193,200	183,400	(9,800)
Investment income		1,110	1,110	11,706	10,596
Other revenue					
Miscellaneous		3,325	3,325	3,513	188
Total other revenue		3,325	3,325	3,513	188
Total revenues collected		1,444,926	1,507,308	1,507,611	303
EXPENDITURES PAID					
Current					
General government					
Personnel		79,589	73,389	62,565	(10,824)
Unemployment		39	39	55	16
General insurance		6,276	6,276	7,438	1,162
Health insurance		10,926	10,926	10,829	(97)
Building repairs and maintenance		4,600	4,100	1,204	(2,896)
Equipment repairs and maintenance		2,500	2,500	1,126	(1,374)
Professional services		46,750	40,250	24,295	(15,955)
Other professional services		30,500	25,500	39,226	13,726
Postage		4,300	4,300	2,196	(2,104)

(This schedule is continued on the following pages.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
 CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL (Continued)
 GENERAL FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES PAID (Continued)					
Current (Continued)					
General government (Continued)					
Phone and pagers	\$ 3,200		\$ 3,200	\$ 1,804	\$ (1,396)
Publishing/printed material		3,350	3,350	2,418	(932)
Community relations		127,000	17,000	1,266	(15,734)
Training		26,500	21,500	3,242	(18,258)
Dues		2,000	2,000	1,863	(137)
Utilities		2,500	2,000	1,807	(193)
Capital outlay		22,500	17,500	517	(16,983)
Technology and new equipment		10,000	10,000	9,916	(84)
Office supplies		8,486	7,486	4,750	(2,736)
Miscellaneous		13,750	13,500	10,920	(2,580)
Garbage pickup service		160,245	156,245	155,908	(337)
Bank fees		750	750	332	(418)
		<u>565,761</u>	<u>421,811</u>	<u>343,677</u>	<u>(78,134)</u>
Streets					
Personnel		87,452	80,452	78,516	(1,936)
Health insurance		27,455	22,955	14,389	(8,566)
Liability insurance		11,663	11,663	13,193	1,530
Building repairs and maintenance		1,000	1,000	-	(1,000)
Equipment repairs and maintenance		11,000	8,500	3,345	(5,155)
Vehicle maintenance		13,500	10,000	6,960	(3,040)
Street maintenance		1,000	1,000	2,592	1,592
Engineering		6,000	6,000	2,985	(3,015)
Legal		500	500	-	(500)
Medical services		250	250	391	141
Technology services		500	500	50	(450)
Contracted safety services		1,500	1,500	-	(1,500)
Other professional services		2,000	2,000	-	(2,000)
Capital outlay		20,500	7,500	-	(7,500)
Phone and pagers		3,000	3,000	2,315	(685)
Training		1,500	1,500	1,930	430
Utilities		750	500	328	(172)
Publications		250	250	256	6
Dues		250	250	-	(250)
Mosquito control		22,500	20,000	25,952	5,952
Equipment supplies		3,500	3,500	4,030	530
Vehicle supplies		3,000	3,000	2,852	(148)
Building supplies		1,250	1,250	612	(638)
Snow supplies		1,000	1,000	272	(728)
Grounds supplies		750	750	580	(170)
Office supplies		2,250	2,250	879	(1,371)
Tree service		2,000	2,000	-	(2,000)
Safety clothing/supplies		500	500	618	118
Fuel		14,000	10,500	11,431	931
Miscellaneous		500	500	4,869	4,369
Rental/lease		1,000	1,000	1,433	433
		<u>242,320</u>	<u>205,570</u>	<u>180,778</u>	<u>(24,792)</u>
Total streets		<u>242,320</u>	<u>205,570</u>	<u>180,778</u>	<u>(24,792)</u>

(This schedule is continued on the following page.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
 CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL (Continued)
 GENERAL FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES PAID (Continued)					
Current (Continued)					
Public safety					
Personnel	\$ 281,652	\$ 276,652	\$ 276,652	\$ 189,870	\$ (86,782)
Liability/workers' compensation insurance	14,760	14,760	14,760	12,421	(2,339)
Health insurance	69,765	62,765	62,765	42,871	(19,894)
General insurance	18,252	18,252	18,252	21,458	3,206
Uniform allowance	3,500	3,500	3,500	4,576	1,076
Equipment repairs and maintenance	2,000	2,000	2,000	1,485	(515)
Vehicle and repairs	7,000	4,500	4,500	10,538	6,038
Building repairs and maintenance	1,800	1,800	1,800	5,114	3,314
Legal	3,500	3,500	3,500	3,503	3
Other professional services	34,250	34,250	34,250	32,465	(1,785)
Postage	900	900	900	1,402	502
Phone and pagers	7,000	7,000	7,000	6,267	(733)
Dues	500	500	500	335	(165)
Training	6,650	6,650	6,650	5,700	(950)
Equipment supplies	1,200	1,200	1,200	123	(1,077)
Office supplies	3,500	2,500	2,500	2,495	(5)
Fuel	15,850	13,500	13,500	10,777	(2,723)
Capital outlay	10,000	5,000	5,000	2,431	(2,569)
Utilities	650	500	500	819	319
Total public safety	<u>482,729</u>	<u>459,729</u>	<u>459,729</u>	<u>354,650</u>	<u>(105,079)</u>
Total expenditures paid	<u>\$ 2,607,056</u>	<u>1,290,810</u>	<u>1,087,110</u>	<u>879,105</u>	<u>(208,005)</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>154,116</u>	<u>420,198</u>	<u>628,506</u>	<u>208,308</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)		(378,000)	(417,111)	(418,936)	(1,825)
Proceeds from sale of assets		2,500	2,500	311	(2,189)
Total other financing sources (uses)	<u>\$ -</u>	<u>(375,500)</u>	<u>(414,611)</u>	<u>(418,625)</u>	<u>(4,014)</u>
NET CHANGE IN FUND BALANCE		<u>\$ (221,384)</u>	<u>\$ 5,587</u>	<u>209,881</u>	<u>\$ 204,294</u>
FUND BALANCE, MAY 1				<u>689,172</u>	
FUND BALANCE, APRIL 30				<u>\$ 899,053</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
STREET, ROAD AND BRIDGE FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Property taxes		\$ 30,473	\$ 30,473	\$ 30,368	\$ (105)
Investment income		15,033	15,033	1,797	(13,236)
Total revenues collected		<u>45,506</u>	<u>45,506</u>	32,165	(13,341)
EXPENDITURES PAID					
Current					
Streets					
Bank service charges		50	50	-	(50)
Legal		-	-	30	30
Engineering		96,500	96,500	102,540	6,040
Maintenance		14,500	14,500	-	(14,500)
Capital outlay		<u>1,176,974</u>	<u>1,187,668</u>	1,346,892	159,224
Total expenditures paid	<u>\$ 1,483,718</u>	1,288,024	1,298,718	1,449,462	150,744
NET CHANGE IN FUND BALANCE		<u>\$ (1,242,518)</u>	<u>\$ (1,253,212)</u>	(1,417,297)	<u>\$ (164,085)</u>
FUND BALANCE, MAY 1				<u>1,442,563</u>	
FUND BALANCE, APRIL 30				<u>\$ 25,266</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
LAND DEVELOPMENT FUND

For the Year Ended April 30, 2023

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Licenses and permits		\$ 475,000	\$ 300,000	\$ 22,000	\$ (278,000)
Interest income		215	215	194	(21)
Miscellaneous		-	-	1,981	1,981
		<hr/>			
Total revenues collected		475,215	300,215	24,175	(276,040)
EXPENDITURES PAID					
Current					
Economic development					
General insurance		252	252	143	(109)
Professional fees		1,000	1,000	500	(500)
Legal		1,000	1,000	7,291	6,291
Engineering service		71,000	61,000	14,555	(46,445)
Miscellaneous		-	-	237	237
Capital outlay		550,000	450,000	273,471	(176,529)
Debt service					
Principal		26,224	25,474	25,154	(320)
Interest		8,733	8,233	8,552	319
		<hr/>			
Total expenditures paid	\$ 733,209	658,209	546,959	329,903	(217,056)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID					
		(182,994)	(246,744)	(305,728)	(58,984)
OTHER FINANCING SOURCES (USES)					
Loan proceeds		100,000	100,000	100,000	-
Proceeds from sale of assets		-	-	65,045	65,045
		<hr/>			
Total other financing sources (uses)	\$ -	100,000	100,000	165,045	65,045
NET CHANGE IN FUND BALANCE					
		\$ (82,994)	\$ (146,744)	(140,683)	\$ 6,061
FUND BALANCE (DEFICIT), MAY 1					
				(210,665)	
FUND BALANCE (DEFICIT), APRIL 30					
				\$ (351,348)	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF PECATONICA, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
 MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

	Special Revenue				Capital Projects				Debt Service	Total Nonmajor Governmental Funds
	IMRF Retirement	Social Security	Motor Fuel Tax	Police Confiscatory	Police Capital	Economic Development	Public Works	Business District		
ASSETS										
Cash and investments	\$ 15,240	\$ 12,771	\$ 347,026	\$ 1,065	\$ 24,209	\$ 84,416	\$ 200,541	\$ 141,064	\$ 75,176	\$ 901,508
TOTAL ASSETS	\$ 15,240	\$ 12,771	\$ 347,026	\$ 1,065	\$ 24,209	\$ 84,416	\$ 200,541	\$ 141,064	\$ 75,176	\$ 901,508
LIABILITIES AND FUND BALANCES										
LIABILITIES										
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES										
Restricted										
Police protection	\$ -	\$ -	\$ -	\$ 1,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,065
IMRF	15,240	-	-	-	-	-	-	-	-	15,240
Social Security	-	12,771	-	-	-	-	-	-	-	12,771
Streets	-	-	347,026	-	-	-	-	-	-	347,026
Economic development	-	-	-	-	-	-	-	141,064	-	141,064
Unrestricted										
Assigned										
Capital outlay	-	-	-	-	24,209	84,416	200,541	-	-	309,166
Debt service	-	-	-	-	-	-	-	-	75,176	75,176
Total fund balances	15,240	12,771	347,026	1,065	24,209	84,416	200,541	141,064	75,176	901,508
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,240	\$ 12,771	\$ 347,026	\$ 1,065	\$ 24,209	\$ 84,416	\$ 200,541	\$ 141,064	\$ 75,176	\$ 901,508

(See independent auditor's report.)

VILLAGE OF PECAATONICA, ILLINOIS

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2023

	Special Revenue			Capital Projects				Debt Service	Total Nonmajor Governmental Funds	
	IMRF	Social	Motor Fuel	Police	Police	Economic	Public			Business
	Retirement	Security	Tax	Confiscatory	Capital	Development	Works			District
REVENUES COLLECTED										
Property taxes	\$ 15,117	\$ 21,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,280	
Other taxes	-	-	-	-	-	54,730	-	108,706	163,436	
Intergovernmental	-	-	110,783	-	-	-	-	-	110,783	
Fines and fees	-	-	-	700	-	-	-	-	700	
Investment income	278	251	4,701	24	727	1,300	3,160	1,922	12,536	
Miscellaneous	-	-	1,215	-	-	97	-	-	1,312	
Total revenues collected	15,395	21,414	116,699	724	727	56,127	3,160	110,628	325,047	
EXPENDITURES PAID										
Current										
General government	2,445	3,288	-	-	-	-	-	-	5,733	
Streets	2,445	3,288	49,828	-	-	-	-	-	55,561	
Public safety	5,914	7,954	-	-	-	-	-	-	13,868	
Public works	7,888	10,608	-	-	-	-	-	-	18,496	
Economic development	-	-	-	-	-	33,477	-	500	33,977	
Capital outlay	-	-	-	1,198	86,391	-	-	-	87,589	
Debt service										
Principal	-	-	-	-	-	-	-	-	87,000	
Interest	-	-	-	-	-	-	-	-	86,195	
Total expenditures paid	18,692	25,138	49,828	1,198	86,391	33,477	-	500	388,419	
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(3,297)	(3,724)	66,871	(474)	(85,664)	22,650	3,160	110,128	(173,022)	
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	48,110	-	36,000	-	175,900	
Total other financing sources (uses)	-	-	-	-	48,110	-	36,000	-	175,900	
NET CHANGE IN FUND BALANCES	(3,297)	(3,724)	66,871	(474)	(37,554)	22,650	39,160	110,128	2,878	
FUND BALANCES, MAY 1	18,537	16,495	280,155	1,539	61,763	61,766	161,381	30,936	704,870	
FUND BALANCES, APRIL 30	\$ 15,240	\$ 12,771	\$ 347,026	\$ 1,065	\$ 24,209	\$ 84,416	\$ 200,541	\$ 141,064	\$ 901,508	

(See independent auditor's report.)

VILLAGE OF PECAATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2023

	<u>Final</u> <u>Appropriation</u>	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
REVENUES COLLECTED					
Property taxes		\$ 15,160	\$ 15,160	\$ 15,117	\$ (43)
Investment income		-	-	278	278
		<hr/>	<hr/>		
Total revenues collected		15,160	15,160	15,395	235
EXPENDITURES PAID					
Current					
General government					
IMRF		3,300	2,907	2,445	(462)
Bank service charges		50	50	-	(50)
Miscellaneous		50	50	-	(50)
		<hr/>	<hr/>		
Total general government		3,400	3,007	2,445	(562)
Streets					
IMRF		3,300	2,907	2,445	(462)
Public safety					
IMRF		7,982	7,033	5,914	(1,119)
Public works					
IMRF		10,645	9,380	7,888	(1,492)
		<hr/>	<hr/>		
Total expenditures paid	\$ 25,327	25,327	22,327	18,692	(3,635)
NET CHANGE IN FUND BALANCE					
		\$ (10,167)	\$ (7,167)	(3,297)	\$ 3,870
FUND BALANCE, MAY 1					
				<hr/>	18,537
FUND BALANCE, APRIL 30					
				<hr/>	\$ 15,240

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SOCIAL SECURITY FUND

For the Year Ended April 30, 2023

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Property taxes		\$ 21,224	\$ 21,224	\$ 21,163	\$ (61)
Investment income		40	41	251	210
Total revenues collected		<u>21,264</u>	<u>21,265</u>	<u>21,414</u>	<u>149</u>
EXPENDITURES PAID					
Current					
General government					
Bank service charges		50	50	-	(50)
Miscellaenous		50	50	-	
Social Security		3,564	3,172	2,665	(507)
Medicare		807	742	623	(119)
Total general government		<u>4,471</u>	<u>4,014</u>	<u>3,288</u>	<u>(676)</u>
Streets					
Social Security		3,564	3,172	2,665	(507)
Medicare		807	742	623	(119)
Total streets		<u>4,371</u>	<u>3,914</u>	<u>3,288</u>	<u>(626)</u>
Public safety					
Social Security		8,621	7,672	6,446	(1,226)
Medicare		1,953	1,794	1,508	(286)
Total public safety		<u>10,574</u>	<u>9,466</u>	<u>7,954</u>	<u>(1,512)</u>
Public works					
Social Security		11,498	10,232	8,597	(1,635)
Medicare		2,604	2,393	2,011	(382)
Total public works		<u>14,102</u>	<u>12,625</u>	<u>10,608</u>	<u>(2,017)</u>
Total expenditures paid	\$	<u>33,518</u>	30,019	25,138	(4,831)
NET CHANGE IN FUND BALANCE	\$	<u>(12,254)</u>	\$ <u>(8,754)</u>	(3,724)	\$ <u>4,980</u>
FUND BALANCE, MAY 1				<u>16,495</u>	
FUND BALANCE, APRIL 30				<u>\$ 12,771</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2023

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Motor fuel tax allotments		\$ 125,700	\$ 125,700	\$ 86,673	\$ (39,027)
Rebuild Illinois		500	500	24,110	23,610
Investment income		500	500	4,701	4,201
Miscellaneous		-	-	1,215	1,215
		<hr/>	<hr/>	<hr/>	<hr/>
Total revenues collected		126,700	126,700	116,699	(10,001)
EXPENDITURES PAID					
Current					
Streets					
Tree service		8,000	8,000	855	(7,145)
Street lighting		30,000	30,000	18,445	(11,555)
Snow and ice removal		55,000	35,000	14,339	(20,661)
Street maintenance		47,000	27,000	16,189	(10,811)
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures paid	\$ 140,000	140,000	100,000	49,828	(50,172)
NET CHANGE IN FUND BALANCE		\$ (13,300)	\$ 26,700	66,871	\$ 40,171
FUND BALANCE, MAY 1				<hr/>	280,155
FUND BALANCE, APRIL 30				<hr/>	\$ 347,026

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
POLICE CONFISCATORY FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Fines and fees	\$ -	\$ -	\$ -	700	\$ 700
Investment income		-	-	24	24
Miscellaneous		1,000	1,000	-	(1,000)
		1,000	1,000	724	(276)
Total revenues collected		1,000	1,000	724	(276)
EXPENDITURES PAID					
Current					
Public safety					
Miscellaneous		1,400	1,400	-	(1,400)
Capital outlay		-	-	1,198	1,198
		-	-	1,198	1,198
Total expenditures paid	\$ 1,400	1,400	1,400	1,198	(202)
NET CHANGE IN FUND BALANCE		\$ (400)	\$ (400)	(474)	\$ (74)
FUND BALANCE, MAY 1				1,539	
FUND BALANCE, APRIL 30				\$ 1,065	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
POLICE CAPITAL FUND

For the Year Ended April 30, 2023

	<u>Final Appropriation</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES COLLECTED					
Investment income		\$ -	\$ -	\$ 727	\$ 727
Total revenues collected		<u>-</u>	<u>-</u>	<u>727</u>	<u>727</u>
EXPENDITURES PAID					
Public safety					
Bank charges		50	50	-	(50)
Miscellaneous		50	50	-	(50)
Capital outlay		<u>70,000</u>	<u>80,111</u>	<u>86,391</u>	<u>6,280</u>
Total expenditures paid	<u>\$ 70,100</u>	<u>70,100</u>	<u>80,211</u>	<u>86,391</u>	<u>6,180</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		<u>(70,100)</u>	<u>(80,211)</u>	<u>(85,664)</u>	<u>(5,453)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		18,000	48,111	48,110	(1)
Sale of capital assets		<u>21,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>39,000</u>	<u>49,111</u>	<u>48,110</u>	<u>(1,001)</u>
NET CHANGE IN FUND BALANCE		<u>\$ (31,100)</u>	<u>\$ (31,100)</u>	<u>(37,554)</u>	<u>\$ (6,454)</u>
FUND BALANCE, MAY 1				<u>61,763</u>	
FUND BALANCE, APRIL 30				<u>\$ 24,209</u>	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND

For the Year Ended April 30, 2023

	<u>Final</u> <u>Appropriation</u>	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
REVENUES COLLECTED					
Other taxes		\$ 49,000	\$ 49,000	\$ 54,730	\$ 5,730
Investment income		101	101	1,300	1,199
Miscellaneous		1,750	1,750	97	(1,653)
		<hr/>	<hr/>		
Total revenues collected		50,851	50,851	56,127	5,276
		<hr/>	<hr/>		
EXPENDITURES PAID					
Current					
Economic development					
Public/community relations		81,000	71,000	26,509	(44,491)
Printing		2,500	2,500	-	(2,500)
Repairs and maintenance		-	-	1,665	1,665
Gasoline		-	-	78	78
Miscellaneous		13,500	13,500	5,225	(8,275)
		<hr/>	<hr/>		
Total expenditures paid	\$ 97,000	97,000	87,000	33,477	(53,523)
		<hr/>	<hr/>		
NET CHANGE IN FUND BALANCE		\$ (46,149)	\$ (36,149)	22,650	\$ 58,799
		<hr/>	<hr/>		
FUND BALANCE, MAY 1				<hr/>	61,766
FUND BALANCE, APRIL 30				<hr/>	\$ 84,416

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
PUBLIC WORKS FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Investment income	\$	-	\$	-	\$
				3,160	3,160
Total revenues collected		-	-	3,160	3,160
EXPENDITURES PAID					
Public works					
Bank charges		50	50	-	(50)
Capital outlay		130,000	105,000	-	(105,000)
Total expenditures paid	\$	130,050	105,050	-	(105,050)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID					
		(130,050)	(105,050)	3,160	108,210
OTHER FINANCING SOURCES (USES)					
Transfers in		36,000	36,000	36,000	-
Total other financing sources (uses)	\$	-	36,000	36,000	-
NET CHANGE IN FUND BALANCE					
	\$	(94,050)	(69,050)	39,160	\$ 108,210
FUND BALANCE, MAY 1					
				161,381	
FUND BALANCE, APRIL 30					
				\$ 200,541	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
BUSINESS DISTRICT FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES COLLECTED					
Business district tax		\$ 123,889	\$ 108,889	\$ 108,706	\$ (183)
Interest income		50	50	1,922	1,872
Total revenues collected		123,939	108,939	110,628	1,689
EXPENDITURES PAID					
Current					
Economic development					
Professional fees		5,000	2,500	500	(2,000)
Total expenditures paid	\$ 80,000	5,000	2,500	500	(2,000)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		118,939	106,439	110,128	3,689
OTHER FINANCING SOURCES (USES)					
Transfers (out)		(75,000)	-	-	-
Total other financing sources (uses)	\$ -	(75,000)	-	-	-
NET CHANGE IN FUND BALANCE		\$ 43,939	\$ 106,439	110,128	\$ 3,689
FUND BALANCE, MAY 1				30,936	
FUND BALANCE, APRIL 30				\$ 141,064	

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget			
REVENUES COLLECTED								
Interest income	\$	200	\$	200	\$	173	\$	(27)
Total revenues collected		200		200		173		(27)
EXPENDITURES PAID								
Debt service								
Principal		87,000		87,000		87,000		-
Interest		86,196		86,196		86,195		(1)
Total expenditures paid	\$	173,196	173,196	173,196	173,195	173,195		(1)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(172,996)		(172,996)		(173,022)		(26)
OTHER FINANCING SOURCES (USES)								
Transfers in		174,000		174,000		175,900		1,900
Total other financing sources (uses)	\$	-	174,000	174,000	175,900	175,900		1,900
NET CHANGE IN FUND BALANCE	\$	1,004	\$	1,004	2,878	\$	1,874	
FUND BALANCE, MAY 1				72,298				
FUND BALANCE, APRIL 30				\$	75,176			

(See independent auditor's report.)

ENTERPRISE FUND

VILLAGE OF PECATONICA, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES PAID - MODIFIED CASH BASIS -
BUDGET AND ACTUAL
WATER FUND**

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
OPERATING EXPENSES PAID					
Water department					
Liability insurance		\$ 7,776	\$ 7,776	\$ 3,033	\$ (4,743)
Water personnel		172,129	165,629	130,761	(34,868)
Engineering fees		7,500	7,500	1,208	(6,292)
Professional services		47,700	44,200	40,417	(3,783)
Janitor service/supplies		500	500	-	(500)
Testing		3,000	3,000	3,042	42
Postage		3,500	3,500	1,850	(1,650)
Phone and pagers		5,000	5,000	4,381	(619)
Publishing		2,250	2,250	591	(1,659)
Dues/public relations		3,500	3,500	2,069	(1,431)
Utilities		66,000	63,250	30,600	(32,650)
Other expenses		2,700	2,450	21,307	18,857
Building repairs and maintenance		32,750	29,750	9,412	(20,338)
Equipment repairs and maintenance		21,000	16,000	11,809	(4,191)
Vehicle repairs and maintenance		11,500	11,500	7,473	(4,027)
Water meter/ERT purchase		2,500	2,500	9,123	6,623
Office expense		7,600	7,350	2,897	(4,453)
Chemical supplies		5,000	5,000	4,616	(384)
Safety supplies/clothing		2,500	2,500	-	(2,500)
Fuel		3,500	3,500	4,564	1,064
JULIE		500	500	281	(219)
Site repair		5,000	5,000	455	(4,545)
Non capitalized capital outlay		82,500	75,500	(67,016)	(142,516)
Health insurance		44,350	38,850	25,489	(13,361)
Depreciation		280,000	270,000	140,102	(129,898)
Total water department	\$ 6,354,351	820,255	776,505	388,464	(388,041)
TOTAL OPERATING EXPENSES PAID BUDGET BASIS	\$ 6,354,351	\$ 820,255	\$ 776,505	\$ 388,464	\$ (388,041)

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES PAID - MODIFIED CASH BASIS -
BUDGET AND ACTUAL
SEWER FUND

For the Year Ended April 30, 2023

	Final Appropriation	Original Budget	Final Budget	Actual	Over (Under) Budget
OPERATING EXPENSES PAID					
Sewer department					
Sewer personnel		\$ 126,877	\$ 120,877	\$ 122,520	\$ 1,643
Maintenance service - building		46,000	45,750	5,554	(40,196)
Professional services		38,000	36,000	39,483	3,483
Janitor service/supplies		3,250	3,250	18	(3,232)
Testing		2,000	2,000	338	(1,662)
Postage		3,500	3,500	1,868	(1,632)
Publishing		1,550	1,550	1,040	(510)
Phone and pagers		4,500	4,500	4,084	(416)
Utilities		60,750	57,000	44,166	(12,834)
Bank fees		200	200	-	(200)
Other		11,000	9,750	11,004	1,254
Equipment repairs and maintenance		53,000	40,000	27,563	(12,437)
Vehicle repairs and maintenance		4,000	4,000	-	(4,000)
Sludge removal		10,000	10,000	8,017	(1,983)
Engineering service		7,500	7,500	1,081	(6,419)
Televising sewer lines		8,000	8,000	675	(7,325)
Office expense		17,750	17,750	15,061	(2,689)
Chemical supplies		7,500	7,500	13,405	5,905
Fuel		2,500	2,500	2,046	(454)
JULIE		500	500	281	(219)
Health insurance		36,189	29,689	21,581	(8,108)
General insurance		14,424	14,424	16,589	2,165
Liability insurance		2,604	2,604	2,995	391
Dues/subscriptions		2,500	2,500	467	(2,033)
Non capitalized capital outlay		183,000	228,000	5,995	(222,005)
Depreciation		318,000	318,000	294,398	(23,602)
Total sewer department	\$ 6,052,127	965,094	977,344	640,229	(337,115)
TOTAL OPERATING EXPENSES PAID BUDGET BASIS					
	\$ 6,052,127	\$ 965,094	\$ 977,344	\$ 640,229	\$ (337,115)

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2023

1. BUDGET

The Village follows these procedures in establishing the budget:

- a. The Board of Trustees appoints a committee to prepare the operating budget and a schedule of estimated revenues.
- b. The proposed budget is reviewed by the Board of Trustees and approved.
- c. The Board of Trustees is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by the Board of Trustees as a supplemental appropriation ordinance.
- d. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for all funds.
- e. Budgetary authority lapses at year end.
- f. State law requires that “expenditures be made in conformity with appropriations/budget.” As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

Budgeted and actual figures are presented on the modified cash basis of accounting which is a method of accounting other than GAAP.

2. EXCESS OF ACTUAL EXPENDITURE/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had expenditures in excess of appropriation:

Fund	Appropriation	Budget	Actual
Police Capital Fund	\$ 70,100	\$ 50,100	\$ 86,391
Street, Road, and Bridge Fund	1,483,718	1,103,024	1,449,462

SUPPLEMENTAL DATA (Unaudited)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Eight Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY								
Service cost	\$ 35,825	\$ 35,672	\$ 36,930	\$ 33,372	\$ 42,765	\$ 48,080	\$ 47,713	\$ 53,880
Interest	57,855	59,233	62,424	67,348	76,035	82,434	89,058	96,954
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(29,330)	(10,122)	43,358	66,487	22,165	28,173	31,997	(37,099)
Changes of assumptions	-	-	(29,548)	31,159	-	(12,681)	-	-
Benefit payments, including refunds of member contributions	(50,057)	(41,739)	(43,996)	(47,463)	(57,100)	(53,614)	(55,312)	(70,555)
Net change in total pension liability	14,293	43,044	69,168	150,903	83,865	92,392	113,456	43,180
Total pension liability - beginning	778,518	792,811	835,855	905,023	1,055,926	1,139,791	1,232,183	1,345,639
TOTAL PENSION LIABILITY - ENDING	\$ 792,811	\$ 835,855	\$ 905,023	\$ 1,055,926	\$ 1,139,791	\$ 1,232,183	\$ 1,345,639	\$ 1,388,819
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 25,966	\$ 21,802	\$ 23,780	\$ 28,948	\$ 26,166	\$ 35,495	\$ 38,403	\$ 35,459
Contributions - member	14,885	14,344	26,985	17,747	19,958	21,702	23,480	24,251
Net investment income	4,056	53,747	152,549	(59,901)	183,990	162,621	218,188	(196,068)
Benefit payments, including refunds of member contributions	(50,057)	(41,739)	(43,996)	(47,463)	(57,100)	(53,614)	(55,312)	(70,555)
Other	(36,043)	1,814	(15,100)	28,902	(2,230)	6,444	9,732	(7,303)
Net change in plan fiduciary net position	(41,193)	49,968	144,218	(31,767)	170,784	172,648	234,491	(214,216)
Plan fiduciary net position - beginning	815,835	774,642	824,610	968,828	937,061	1,107,845	1,280,493	1,514,984
PLAN FIDUCIARY NET POSITION - ENDING	\$ 774,642	\$ 824,610	\$ 968,828	\$ 937,061	\$ 1,107,845	\$ 1,280,493	\$ 1,514,984	\$ 1,300,768
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 18,169	\$ 11,245	\$ (63,805)	\$ 118,865	\$ 31,946	\$ (48,310)	\$ (169,345)	\$ 88,051

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	97.71%	98.65%	107.05%	88.74%	97.20%	103.92%	112.58%	93.66%
Covered payroll	\$ 330,777	\$ 318,750	\$ 324,864	\$ 394,380	\$ 443,496	\$ 482,273	\$ 521,777	\$ 538,902
Employer's net pension liability (asset) as a percentage of covered payroll	5.49%	3.53%	(19.64%)	30.14%	7.20%	(10.02%)	(32.46%)	16.34%

Changes in assumptions related to inflation rates, salary increases, retirement age and mortality rates were made in 20

Changes in assumptions related to the discount rate were made in 2018.

Changes in assumptions related to inflation rates, salary rates and mortality rates were made in 2017.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 23,355	\$ 22,630	\$ 23,996	\$ 29,216	\$ 30,479	\$ 36,554	\$ 37,543	\$ 32,522
Contributions in relation to the actuarially determined contribution	23,355	22,630	23,996	29,216	30,479	36,554	37,543	32,522
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 309,771	\$ 323,791	\$ 328,270	\$ 495,186	\$ 475,201	\$ 496,653	\$ 530,236	\$ 502,174
Contributions as a percentage of covered payroll	7.54%	6.99%	7.31%	5.90%	6.41%	7.36%	7.08%	6.48%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually projected salary increases assumption of 2.85% to 13.75% compounded annually and wage growth of 2.75% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF PECATONICA, ILLINOIS

SCHEDULE OF TAX DATA

Last Ten Levy Years

	Tax Year 2022		Tax Year 2021		Tax Year 2020		Tax Year 2019	
ASSESSED VALUATIONS	\$	33,149,152	\$	30,625,272	\$	29,352,108	\$	27,531,193
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
PROPERTY TAX RATES AND EXTENSIONS								
Village	0.4345	\$ 144,033	0.4318	\$ 132,240	0.4375	\$ 128,415	0.4357	\$ 119,953
Police protection	0.1307	43,326	0.1173	35,923	0.0937	27,503	0.1057	29,100
Street and bridge	-	-	0.0351	10,749	0.0483	14,177	0.0452	12,444
IMRF	0.0390	12,928	0.0495	15,160	0.0499	14,647	0.0598	16,464
Social Security	0.0648	21,481	0.0693	21,223	0.0907	26,622	0.0698	19,217
Sewage disposal	-	-	-	-	-	-	-	-
Audit	0.0130	4,309	0.0129	3,951	0.0160	4,696	0.0210	5,782
Revenue recapture	0.0021	696	0.0007	214	-	-	-	-
Workers' compensation	0.0513	17,006	0.0386	11,821	0.0379	11,124	0.0293	8,067
Unemployment insurance	-	-	0.0010	306	0.0010	294	0.0025	688
	0.7354	\$ 243,779	0.7562	\$ 231,587	0.7750	\$ 227,478	0.7690	\$ 211,715

Data Sources

Office of the County Clerk
Office of the County Treasurer

Tax Year 2018		Tax Year 2017		Tax Year 2016		Tax Year 2015		Tax Year 2014		Tax Year 2013	
\$	26,820,393	\$	26,265,203	\$	26,014,878	\$	25,868,724	\$	26,213,090	\$	27,270,651
Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
0.4375	\$ 117,339	0.4375	\$ 114,910	0.0884	\$ 22,997	0.0826	\$ 21,368	0.0543	\$ 14,234	0.1143	\$ 31,170
0.1061	28,456	0.0406	10,664	0.0404	10,510	0.0406	10,503	0.0439	11,508	0.0569	15,517
0.0121	3,245	0.0620	16,284	-	-	-	-	0.0043	1,127	0.0244	6,654
0.0501	13,437	0.0709	18,622	0.0885	23,023	0.1160	30,008	0.1221	32,006	0.0771	21,026
0.0701	18,801	0.1150	30,205	0.1269	33,013	0.1238	32,025	0.1229	32,216	0.0734	20,017
0.0041	1,100	-	-	0.0327	8,507	0.0290	7,502	0.0516	13,526	0.0587	16,008
0.0211	5,659	0.0082	2,154	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
0.0101	2,709	0.0040	1,051	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
0.7112	\$ 190,746	0.7382	\$ 193,890	0.3769	\$ 98,050	0.3920	\$ 101,406	0.3991	\$ 104,617	0.4048	\$ 110,392

(See independent auditor's report.)