



TOWN OF CORTLAND, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2024



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Board of Trustees
Town of Cortland, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Cortland, Illinois (the Town) as of and for the year ended April 30, 2024 and the related notes to financial statements, which collectively comprise the Town'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 Town of Cortland, Illinois, as of April 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town'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.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town'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 relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises 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.

Sikich CPA LLC

Naperville, Illinois
September 9, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

TOWN OF CORTLAND, ILLINOIS

Management's Discussion and Analysis April 30, 2024

Our discussion and analysis of the Town of Cortland's financial performance provides an overview of the Town's financial activities for the fiscal year ended April 30, 2024. Please read it in conjunction with the Town's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The Town's net position increased from \$36,031,825 to \$36,903,810, an increase of \$871,985 or 2.42%.
- During the year, government-wide revenues totaled \$5,590,296, while government-wide expenses totaled \$4,718,311 resulting in an increase of net position of \$871,985.
- Total fund balances for the governmental funds were \$4,442,171 at April 30, 2024 compared to \$3,668,781 in the prior year, an increase of \$773,390.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 6) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operation in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Town's finances, in a manner like a private-sector business. The government-wide financial statements can be found on pages 4 - 6 of this report.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

TOWN OF CORTLAND, ILLINOIS

Management's Discussion and Analysis April 30, 2024

Government-Wide Financial Statements – Continued

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements report functions of the Town that are principally supported by taxes and charges for services revenues (governmental activities) from other functions that are intended to recover all or a sizable portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety and highways and streets. The business-type activities of the Town include water and sewer.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains six individual governmental funds, General Fund, Motor Fuel Tax Fund, Tax Increment Financing Fund, Capital Improvement Fund, Special Service Area #1 Fund, and Special Service Area #9-10 Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund and Tax Increment Financing Fund, all of which are considered major funds. Data from the other remaining governmental funds is presented in aggregate on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances.

TOWN OF CORTLAND, ILLINOIS

Management's Discussion and Analysis April 30, 2024

Governmental Funds – Continued

The Town adopts an annual budget for the General Fund, Capital Improvements Fund, Motor Fuel Tax Fund, and Tax Increment Financing Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

Proprietary Funds

The Town maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town utilizes enterprise funds to account for its water and sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund, which are major funds of the Town.

The basic proprietary fund financial statements can be found on pages 11 - 14 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The Town has three fiduciary funds: Special Service Area #1 Fund, Special Service Area #4-8 Fund, and Special Service Area #9-10. The basic fiduciary fund financial statements can be found on pages 15 and 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes for the financial statements can be found on pages 17 - 38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's proportionate share of the net pension liability and employer contributions for the Illinois Municipal Retirement Fund (IMRF) and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 39 - 42 of this report. The combining and individual fund statements and schedules can be found immediately after the required supplementary information, on pages 43 - 58 of this report.

TOWN OF CORTLAND, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of the Town, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$36.9 million.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 6,335,958	5,542,643	4,296,953	279,738	10,632,911	5,822,381
Capital Assets	11,792,488	11,851,045	17,538,439	18,148,866	29,330,927	29,999,911
Total Assets	18,128,446	17,393,688	21,835,392	18,428,604	39,963,838	35,822,292
Deferred Outflow of Resources	334,480	478,813	96,643	126,311	431,123	605,124
Total Assets & Deferred Outflow:	18,462,926	17,872,501	21,932,035	18,554,915	40,394,961	36,427,416
Long-Term Debt	878,447	1,046,900	709,523	787,871	1,587,970	1,834,771
Other Liabilities	1,005,924	1,039,024	67,217	65,686	1,073,141	1,104,710
Total Liabilities	1,884,371	2,085,924	776,740	853,557	2,661,111	2,939,481
Deferred Inflows of Resources	828,548	784,117	1,492	2,290	830,040	786,407
Total Liab. & Deferred Inflows	2,712,919	2,870,041	778,232	855,847	3,491,151	3,725,888
Net Position						
Net Investment in						
Capital Assets	11,493,111	11,510,228	16,961,911	17,523,232	28,455,022	29,033,460
Restricted	2,504,365	2,029,053	135,600	135,600	2,639,965	2,164,653
Unrestricted (Deficit)	1,752,531	1,463,179	4,056,292	3,370,533	5,808,823	4,833,712
Total Net Position	15,750,007	15,002,460	21,153,803	21,029,365	36,903,810	36,031,825

By far the largest portion of the Town’s net position or 77.1% reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion or 7.15% of the Town’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 15.74% represents an unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.

TOWN OF CORTLAND, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2024	2023
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 140,140	127,476	1,334,475	1,249,378	1,474,615	1,376,854
Operating Grants/Contrib.	391,719	206,280	100,000	1,746	491,719	208,026
Capital Grants/Contrib.	51,624	86,635	-	-	51,624	86,635
General Revenues						
Property Taxes	773,128	742,919	-	-	773,128	742,919
Utility Taxes	157,087	178,681	-	-	157,087	178,681
Replacement Taxes	2,990	4,136	-	-	2,990	4,136
Sales and Use Taxes	781,225	735,890	-	-	781,225	735,890
Income Taxes	720,016	710,621	-	-	720,016	710,621
Other Taxes	548,716	34,381	-	-	548,716	34,381
Interest Income	268,620	125,378	194,953	92,398	463,573	217,776
Miscellaneous / Other	32,679	710,165	92,924	67,947	125,603	778,112
Gain on Sale of Capital	-	428,259	-	-	-	428,259
Total Revenues	3,867,944	4,090,821	1,722,352	1,411,469	5,590,296	5,502,290
Expenses						
General Government	843,462	880,637	-	-	843,462	880,637
Public Safety	935,552	1,125,156	-	-	935,552	1,125,156
Highways and Streets	918,184	782,581	-	-	918,184	782,581
Building	201,500	203,604	-	-	201,500	203,604
Economic Development	208,042	-	-	-	208,042	-
Interest on Long-Term Debt	13,657	13,344	-	-	13,657	13,344
Water	-	-	807,378	823,374	807,378	823,374
Sewer	-	-	790,536	753,445	790,536	753,445
Total Expenses	3,120,397	3,005,322	1,597,914	1,576,819	4,718,311	4,582,141
Change in Net Position	747,547	1,085,499	124,438	(165,350)	871,985	920,149
Net Position - Beginning	15,002,460	13,916,961	21,029,365	21,194,715	36,031,825	35,111,676
Net Position - Ending	15,750,007	15,002,460	21,153,803	21,029,365	36,903,810	36,031,825

The Town’s net position increased by \$871,985. Government-wide revenues totaled \$5,590,296, while government-wide expenses totaled \$4,718,311.

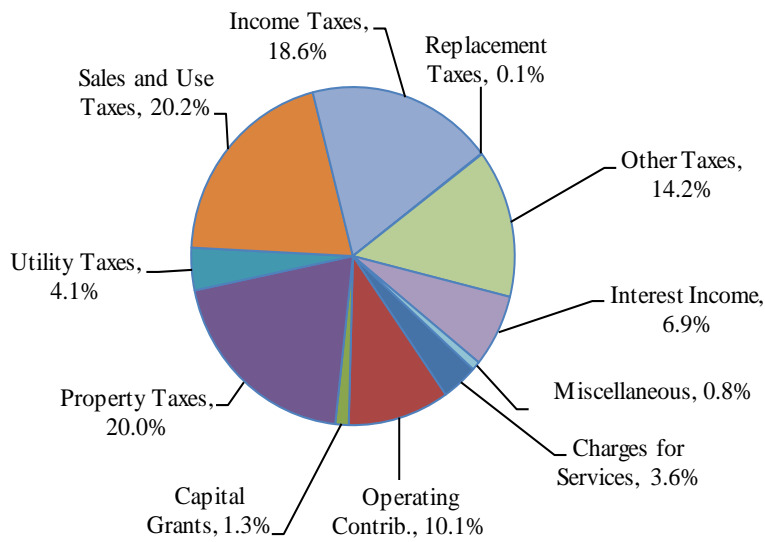
TOWN OF CORTLAND, ILLINOIS

**Management's Discussion and Analysis
April 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The following table graphically depicts the major revenue sources of the Town. It depicts very clearly the reliance of property taxes and sales and use taxes to fund governmental activities.

Revenues by Source - Governmental Activities



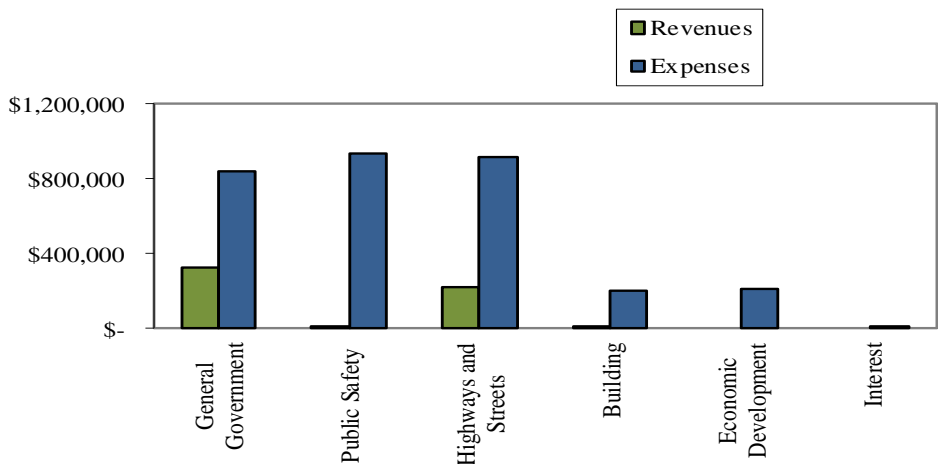
TOWN OF CORTLAND, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The following Expenses and Program Revenues Table identifies those governmental functions where program expenses exceed revenues. The general government, public safety and highways and streets functions charge user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Town’s reliance on general revenues such as property and sales tax.

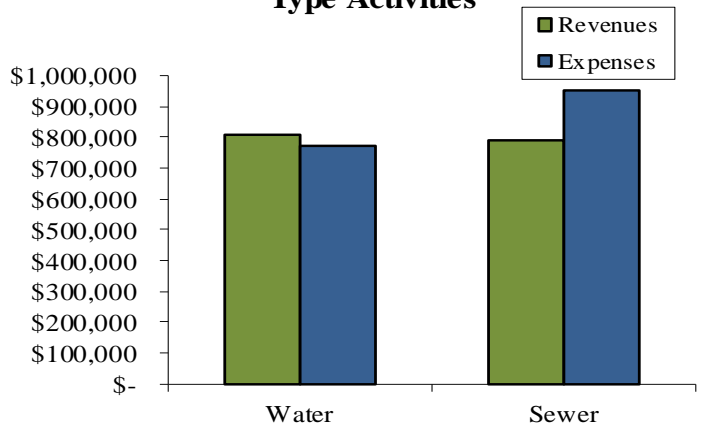
Expenses and Program Revenues - Governmental Activities



Business-Type Activities

Revenues for business-type activities totaled \$1,722,352, while expenses totaled \$1,597,914 resulting in a increase to business-type net position of \$124,438. Water and sewer expenses increased 5.0 percent when compared to the prior year. The increase in revenue is attributable to the increase in investment income as well as an increase in permit revenue.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for water and sewer operations. The graph shows that revenues for the water operations exceeded the water operations expenses by a small margin.

TOWN OF CORTLAND, ILLINOIS

Management's Discussion and Analysis April 30, 2024

Business-Type Activities – Continued

The sewer operations expenses exceeded the revenue collected in fiscal year 2024. The Town plans to do a water and sewer study in 2025 to evaluate the water and sewer rates.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$4,442,171. The prior years combined ending fund balances totaled \$3,668,781.

In the current year, governmental fund balances increased by \$773,390 or 21.1 percent. The General Fund reported an increase of \$135,657. The Capital Improvements Fund reported an increase of 355,113. The Tax Increment Financing Fund reported an increase of \$319,919. The Nonmajor governmental funds reported a decrease of \$37,299.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund actual revenues were higher than budgeted revenues. Actual revenues for the current year were \$2,424,337 compared to budgeted revenues of \$2,306,660.

The General Fund actual expenditures were less than budgeted expenditures. Actual expenditures totaled \$2,397,531, while budgeted expenditures totaled \$2,652,824.

TOWN OF CORTLAND, ILLINOIS

Management's Discussion and Analysis April 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of April 30, 2024, was \$29,330,927 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and infrastructure.

The total decrease in the Town's investment in capital assets for the current fiscal year was \$668,984. The depreciation expense charged for the year was \$955,563. Vehicles and equipment assets increased \$286,579 due to the equipment purchased for the Suppeland Park Splash pad and a purchase of a Vermeer woodchipper.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,203,874	6,203,874	1,156,775	1,156,775	7,360,649	7,360,649
Building and Improvements	867,672	897,254	-	-	867,672	897,254
Vehicles and Equipment	318,567	221,584	192,537	102,030	511,104	323,614
Infrastructure	4,402,375	4,528,333	16,189,127	16,890,061	20,591,502	21,418,394
Total	11,792,488	11,851,045	17,538,439	18,148,866	29,330,927	29,999,911

Additional information on the Town's capital assets can be found in Note 4 on pages 26 - 27 of this report.

TOWN OF CORTLAND, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2024**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

As of April 30, 2024, the Town had a total long-term debt outstanding of \$1,587,970. This long-term debt is made up of governmental activities and business-type activities outstanding debt of \$878,447 and \$709,523, respectively. The previous year had a total long-term debt outstanding of \$1,834,765. The prior year’s total outstanding debt for governmental activities was \$1,046,897 and business-type activities was \$787,871. As of April 30, 2024, the decrease in long-term debt is the result of a decrease in net pension liability. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Loans Payable	\$ -	-	-	-	-	-
Notes Payable	299,377	340,814	-	-	299,377	340,814
Compensated Absences	73,524	57,005	-	-	73,524	57,005
Net Pension Liability	505,546	649,078	102,995	132,237	608,541	781,315
Asset Retirement Obligation	-	-	30,000	30,000	30,000	30,000
IEPA Loans Payable	-	-	576,528	625,634	576,528	625,634
Total	878,447	1,046,897	709,523	787,871	1,587,970	1,834,768

Additional information on the Town’s long-term debt can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Town’s elected and appointed officials considered many factors when setting the fiscal-year budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Town is faced with a similar economic environment like many of the other local municipalities are faced with, including inflation and unemployment rates.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Town of Cortland, 59 South Somonauk Road, PO Box 519, Cortland, Illinois 60112-0519.

BASIC FINANCIAL STATEMENTS

TOWN OF CORTLAND, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,243,096	\$ 4,001,286	\$ 9,244,382
Receivables (net, where applicable, of allowances for uncollectible)			
Property taxes	821,218	-	821,218
Accounts	5,198	292,921	298,119
Due from other governments	219,619	-	219,619
Prepaid items	46,827	2,746	49,573
Capital assets			
Not depreciated	6,203,874	1,156,775	7,360,649
Depreciated (net of accumulated depreciation)	5,588,614	16,381,664	21,970,278
Total assets	18,128,446	21,835,392	39,963,838
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	334,480	68,143	402,623
Asset retirement obligation	-	28,500	28,500
Total deferred outflows of resources	334,480	96,643	431,123
Total assets and deferred outflows of resources	18,462,926	21,932,035	40,394,961
LIABILITIES			
Customer deposits	917,340	800	918,140
Accounts payable	56,717	33,866	90,583
Accrued payroll	28,857	2,509	31,366
Accrued interest	3,010	1,079	4,089
Unearned revenue	-	28,963	28,963
Long-term liabilities			
Due within one year	57,074	50,058	107,132
Due in more than one year	821,373	659,465	1,480,838
Total liabilities	1,884,371	776,740	2,661,111
DEFERRED INFLOWS OF RESOURCES			
Pension related items	7,330	1,492	8,822
Property taxes	821,218	-	821,218
Total deferred inflows of resources	828,548	1,492	830,040
Total liabilities and deferred inflows of resources	2,712,919	778,232	3,491,151
NET POSITION			
Net investment in capital assets	11,493,111	16,961,911	28,455,022
Restricted			
Parks	13,962	-	13,962
Capital improvements	835,504	-	835,504
Special service areas	23,637	-	23,637
Debt service	52,043	-	52,043
Highways and streets	654,660	-	654,660
Economic development	924,559	-	924,559
Radium removal	-	135,600	135,600
Unrestricted	1,752,531	4,056,292	5,808,823
TOTAL NET POSITION	\$ 15,750,007	\$ 21,153,803	\$ 36,903,810

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2024

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 843,462	\$ 126,664	\$ 179,360	\$ 16,022
Public safety	935,552	9,376	-	8,701
Highways and streets	918,184	4,100	212,359	24,451
Building	201,500	-	-	2,450
Economic development	208,042	-	-	-
Interest	13,657	-	-	-
Total governmental activities	3,120,397	140,140	391,719	51,624
Business-Type Activities				
Water	807,378	670,638	-	-
Sewer	790,536	663,837	100,000	-
Total business-type activities	1,597,914	1,334,475	100,000	-
TOTAL PRIMARY GOVERNMENT	\$ 4,718,311	\$ 1,474,615	\$ 491,719	\$ 51,624

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (521,416)	\$ -	\$ (521,416)
	(917,475)	-	(917,475)
	(677,274)	-	(677,274)
	(199,050)	-	(199,050)
	(208,042)	-	(208,042)
	(13,657)	-	(13,657)
	<u>(2,536,914)</u>	<u>-</u>	<u>(2,536,914)</u>
	-	(136,740)	(136,740)
	-	(26,699)	(26,699)
	-	(163,439)	(163,439)
	<u>(2,536,914)</u>	<u>(163,439)</u>	<u>(2,700,353)</u>
General Revenues			
Taxes			
Property taxes	773,128	-	773,128
Utility taxes	157,087	-	157,087
Replacement taxes	2,990	-	2,990
Other taxes	68,105	-	68,105
Intergovernmental			
Sales and use taxes	781,225	-	781,225
Income taxes	720,016	-	720,016
Other	480,611	-	480,611
Investment income	268,620	194,953	463,573
Miscellaneous	32,679	92,924	125,603
Total	<u>3,284,461</u>	<u>287,877</u>	<u>3,572,338</u>
CHANGE IN NET POSITION	747,547	124,438	871,985
NET POSITION, MAY 1	<u>15,002,460</u>	<u>21,029,365</u>	<u>36,031,825</u>
NET POSITION, APRIL 30	<u>\$ 15,750,007</u>	<u>\$ 21,153,803</u>	<u>\$ 36,903,810</u>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2024

	General	Capital Improvements	Tax Increment Financing	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 2,347,442	\$ 1,308,616	\$ 924,559	\$ 662,479	\$ 5,243,096
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	821,218	-	-	-	821,218
Accounts	5,198	-	-	-	5,198
Due from other governments	125,717	78,084	-	15,818	219,619
Prepaid items	46,827	-	-	-	46,827
TOTAL ASSETS	\$ 3,346,402	\$ 1,386,700	\$ 924,559	\$ 678,297	\$ 6,335,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Customer deposits	\$ 917,340	\$ -	\$ -	\$ -	\$ 917,340
Accounts payable	52,691	4,026	-	-	56,717
Accrued payroll	28,857	-	-	-	28,857
Total liabilities	998,888	4,026	-	-	1,002,914
DEFERRED INFLOWS OF RESOURCES					
Property taxes	821,218	-	-	-	821,218
Unavailable state taxes	46,729	22,926	-	-	69,655
Total deferred inflows of resources	867,947	22,926	-	-	890,873
FUND BALANCES					
Nonspendable - prepaid items					
Prepaid items	46,827	-	-	-	46,827
Restricted					
Parks	13,962	-	-	-	13,962
Capital improvements	835,504	-	-	-	835,504
Special service areas	-	-	-	23,637	23,637
Debt service	52,043	-	-	-	52,043
Highways and streets	-	-	-	654,660	654,660
Economic development	-	-	924,559	-	924,559
Unrestricted					
Assigned for capital improvements	-	1,359,748	-	-	1,359,748
Unassigned	531,231	-	-	-	531,231
Total fund balances	1,479,567	1,359,748	924,559	678,297	4,442,171
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,346,402	\$ 1,386,700	\$ 924,559	\$ 678,297	\$ 6,335,958

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2024

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,442,171
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	11,792,488
Certain revenues that are deferred in governmental funds are recognized as revenue in the governmental activities	69,655
Deferred outflows of resources related to the Town's participation in IMRF are not financial resources and, therefore, are not reported in the governmental funds	334,480
Deferred inflows of resources related to the Town's participation in IMRF are not financial resources and, therefore, are not reported in the governmental funds	(7,330)
Some liabilities reported in the governmental activities do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds	
Net pension liability	(505,546)
Compensated absences	(73,524)
Notes payable	(299,377)
Accrued interest payable	<u>(3,010)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 15,750,007</u></u>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2024

	General	Capital Improvements	Tax Increment Financing	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	\$ 783,184	\$ 432,196	\$ 480,611	\$ -	\$ 1,695,991
Intergovernmental	1,327,975	153,466	-	193,159	1,674,600
Charges for services	29,131	-	-	-	29,131
Licenses and permits	75,816	-	-	-	75,816
Fines and forfeitures	9,376	-	-	-	9,376
Investment income	120,084	62,043	47,350	39,143	268,620
Miscellaneous	78,771	-	-	31,350	110,121
Total revenues	2,424,337	647,705	527,961	263,652	3,863,655
EXPENDITURES					
Current					
General government	547,668	-	-	32,021	579,689
Public safety	914,489	-	-	-	914,489
Highways and streets	573,230	-	-	268,930	842,160
Building	201,859	-	-	-	201,859
Economic development	-	-	208,042	-	208,042
Capital outlay	104,794	183,741	-	-	288,535
Debt service					
Principal	41,440	-	-	-	41,440
Interest and fiscal charges	14,051	-	-	-	14,051
Total expenditures	2,397,531	183,741	208,042	300,951	3,090,265
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,806	463,964	319,919	(37,299)	773,390
OTHER FINANCING SOURCES (USES)					
Transfers in	108,851	-	-	-	108,851
Transfers (out)	-	(108,851)	-	-	(108,851)
Total other financing sources (uses)	108,851	(108,851)	-	-	-
NET CHANGE IN FUND BALANCES	135,657	355,113	319,919	(37,299)	773,390
FUND BALANCES, MAY 1	1,343,910	1,004,635	604,640	715,596	3,668,781
FUND BALANCES, APRIL 30	\$ 1,479,567	\$ 1,359,748	\$ 924,559	\$ 678,297	\$ 4,442,171

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 773,390
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	163,292
Depreciation on capital assets is reported as an expense in the statement of activities	(221,849)
Certain revenue recognition is different on the full accrual basis than on the modified accrual basis	4,289
The change in deferred outflows is reported as an expense on the statement of activities	(144,333)
The change in deferred inflows is reported as an expense on the statement of activities	3,911
The change in the net pension liability is reported as an expense on the statement of activities	143,532
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	41,440
The change in accrued interest payable is reported as interest expense on the statement of activities	394
The change in compensated absences payable is shown as an expense on the statement of activities	<u>(16,519)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 747,547</u>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2024

	Water	Sewer	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,299,535	\$ 2,701,751	\$ 4,001,286
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	139,525	153,396	292,921
Prepaid items	1,688	1,058	2,746
	1,440,748	2,856,205	4,296,953
Total current assets			
NONCURRENT ASSETS			
Capital assets			
Nondepreciable	20,000	1,136,775	1,156,775
Depreciable	13,213,527	17,749,658	30,963,185
Accumulated depreciation	(6,308,058)	(8,273,463)	(14,581,521)
	6,925,469	10,612,970	17,538,439
Total noncurrent assets			
Total assets	8,366,217	13,469,175	21,835,392
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	40,886	27,257	68,143
Asset retirement obligation	28,500	-	28,500
	69,386	27,257	96,643
Total deferred outflows of resources			
Total assets and deferred outflows of resources	8,435,603	13,496,432	21,932,035
CURRENT LIABILITIES			
Accounts payable	13,816	20,050	33,866
Accrued payroll	1,737	772	2,509
Accrued interest	-	1,079	1,079
Unearned revenue	-	28,963	28,963
Customer deposits	800	-	800
IEPA loan payable	-	50,058	50,058
	16,353	100,922	117,275
Total current liabilities			
NONCURRENT LIABILITIES			
IEPA loan payable, net of current portion	-	526,470	526,470
Net pension liability	61,797	41,198	102,995
Asset retirement obligation	30,000	-	30,000
	91,797	567,668	659,465
Total noncurrent liabilities			
Total liabilities	108,150	668,590	776,740
DEFERRED INFLOWS OF RESOURCES			
Pension related items	896	596	1,492
	109,046	669,186	778,232
Total liabilities and deferred inflows of resources			
NET POSITION			
Net investment in capital assets	6,925,469	10,036,442	16,961,911
Restricted for radium removal	135,600	-	135,600
Unrestricted	1,265,488	2,790,804	4,056,292
	8,326,557	12,827,246	21,153,803
TOTAL NET POSITION			

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended April 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services			
Customer charges	\$ 566,338	\$ 565,837	\$ 1,132,175
Permits and hook up fees	104,300	98,000	202,300
Miscellaneous	8,498	29,133	37,631
Total operating revenues	<u>679,136</u>	<u>692,970</u>	<u>1,372,106</u>
OPERATING EXPENSES			
Operations	487,600	364,539	852,139
Depreciation and amortization	319,778	414,236	734,014
Total operating expenses	<u>807,378</u>	<u>778,775</u>	<u>1,586,153</u>
OPERATING INCOME (LOSS)	<u>(128,242)</u>	<u>(85,805)</u>	<u>(214,047)</u>
NON-OPERATING REVENUES (EXPENSES)			
Grant revenue	-	100,000	100,000
Lease income	-	34,293	34,293
Connection fees	-	21,000	21,000
Investment income	65,852	129,101	194,953
Interest expense	-	(11,761)	(11,761)
Total non-operating revenues (expenses)	<u>65,852</u>	<u>272,633</u>	<u>338,485</u>
CHANGE IN NET POSITION	(62,390)	186,828	124,438
NET POSITION, MAY 1	<u>8,388,947</u>	<u>12,640,418</u>	<u>21,029,365</u>
NET POSITION, APRIL 30	<u>\$ 8,326,557</u>	<u>\$ 12,827,246</u>	<u>\$ 21,153,803</u>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 669,563	\$ 688,072	\$ 1,357,635
Payments to employees	(159,145)	(114,413)	(273,558)
Payments to suppliers	(331,564)	(247,534)	(579,098)
	<hr/>		
Net cash from operating activities	178,854	326,125	504,979
	<hr/>		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental	-	100,000	100,000
Lease income	-	34,293	34,293
Connection fees	-	21,000	21,000
	<hr/>		
Net cash from noncapital financing activities	-	155,293	155,293
	<hr/>		
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	65,852	129,101	194,953
	<hr/>		
Net cash from investing activities	65,852	129,101	194,953
	<hr/>		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(37,416)	(85,871)	(123,287)
Principal paid on long-term debt	-	(49,106)	(49,106)
Interest paid on long-term debt	-	(11,843)	(11,843)
	<hr/>		
Net cash from capital and related financing activities	(37,416)	(146,820)	(184,236)
	<hr/>		
NET INCREASE IN CASH AND CASH EQUIVALENTS	207,290	463,699	670,989
CASH AND CASH EQUIVALENTS, MAY 1	1,092,245	2,238,052	3,330,297
	<hr/>		
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,299,535	\$ 2,701,751	\$ 4,001,286
	<hr/>		

(This statement is continued on the following page.)

TOWN OF CORTLAND, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2024

	Water	Sewer	Total
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH FLOWS FROM			
OPERATING ACTIVITIES			
Operating income (loss)	\$ (128,242)	\$ (85,805)	\$ (214,047)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	319,778	414,236	734,014
Changes in assets and liabilities			
Receivables	(9,573)	(5,361)	(14,934)
Prepaid items	(630)	(365)	(995)
Deferred outflows	17,621	11,747	29,368
Accounts payable	(1,637)	3,907	2,270
Accrued payroll	(440)	(680)	(1,120)
Deferred revenue	-	463	463
Net pension liability	(17,545)	(11,697)	(29,242)
Deferred inflows	(478)	(320)	(798)
Total adjustments	307,096	411,930	719,026
NET CASH FROM OPERATING ACTIVITIES	\$ 178,854	\$ 326,125	\$ 504,979

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS**

April 30, 2024

	<u>Custodial</u>
ASSETS	
Cash	\$ 667,663
Total assets	<u>667,663</u>
LIABILITIES	
None	<u>-</u>
Total liabilities	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>
NET POSITION	
Restricted for debt service	<u>667,663</u>
TOTAL NET POSITION	<u><u>\$ 667,663</u></u>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS**

For the Year Ended April 30, 2024

	<u>Custodial</u>
ADDITIONS	
Contributions	
Property owner	\$ 657,942
Investment income	
Interest	<u>45,207</u>
Total additions	<u>703,149</u>
DEDUCTIONS	
Contractual services	
Accounting and financial services	10,000
Transfers to Capital Projects	31,350
Debt service	
Principal retirement	380,000
Interest	<u>222,223</u>
Total deductions	<u>643,573</u>
CHANGE IN NET POSITION	59,576
NET POSITION	
May 1	<u>608,087</u>
April 30	<u><u>\$ 667,663</u></u>

See accompanying notes to financial statements.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Cortland, Illinois (the Town) 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)). 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 Town's accounting policies are described below.

a. Reporting Entity

The Town is a municipal corporation governed by an elected President and Board of Trustees. As required by GAAP, these financial statements present the Town (the primary government).

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Town is considered to be financially accountable for.

b. Fund Accounting

The Town uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Town's general activities including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. 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 administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Town utilizes custodial funds to account for funds received and reserved for debt service on the noncommitment debt.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of material 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 demonstrates the degree to which the direct expenses of a given function, segment or program are 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 shared revenues 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.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

The Tax Increment Financing Fund, a capital projects fund, is used to account for the restricted property tax revenues and expenditures directly related to the Tax Increment Financing District established within the Town.

The Capital Improvements Fund, a capital projects fund, is used to fund capital improvements of the Town. It is primarily funded by utility and simplified telecommunications taxes and non-home rule sales tax.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major proprietary funds:

The Water Fund accounts for the water billings and expenses incurred for providing those services to residents.

The Sewer Fund accounts for the sewer billings and expenses incurred for providing those services to residents.

Additionally, the Town reports three custodial funds (Special Service Area #1 and Special Service Area #9-10). Custodial funds are used to account for special service area collection of taxes from benefited property owners for payment to bondholders where the Town is acting in only an agent capacity.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The Town recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Town reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability or deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Cash Equivalents

Cash and cash equivalents on the statement of net position are considered to be cash on hand, demand deposits and cash with fiscal agent. For the purpose of the proprietary funds' statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent and all highly liquid investments with an original maturity of three months or less.

f. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

h. Capital Assets

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

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated acquisition value on the date donated.

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

	<u>Years</u>
Buildings and improvements	7-50
Vehicles and equipment	5
Software	5
Infrastructure	50
Water distribution system	35-40
Water and sewer equipment	5-10
Sewerage system	30-60

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as any gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

j. Net Position/Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in 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 a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Town. Committed fund balance is constrained by formal actions of the Town's Board of Trustees, which is considered the Town'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 Town's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Town Administrator by the Board of Trustees. Any residual fund balance of the General Fund is reported as unassigned. Any deficit fund balances in other governmental funds are also reported as unassigned.

The Town'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 Town considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Town's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Net position of the Town has not been restricted as a result of enabling legislation enacted by the Town.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Interfund Receivables, Payables and Activity

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

l. Receivables

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

m. Compensated Absences

The Town accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

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

n. Use of Estimates

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

2. PROPERTY TAX CALENDAR

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Since the 2023 levy is intended to finance the fiscal year ended April 30, 2025, the levy is recorded as a receivable and deferred inflow of resources. The 2024 tax levy has not been recorded as a receivable at April 30, 2024. Although the tax attached as a lien on property as of January 1, 2024, the tax will not be levied until December 2024 and, accordingly, is not measurable at April 30, 2024.

3. CASH AND INVESTMENTS

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

Permitted Deposits and Investments

Statutes authorize the Town to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services 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.

3. CASH AND INVESTMENTS (Continued)

Permitted Deposits and Investments (Continued)

The Town categorizes its 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 assets. 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 Town does not have any recurring investments requiring fair value measurement disclosure as of April 30, 2024.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy limits its exposure to interest rate risk by structuring the portfolio to match cash flow demands. The investment policy limits the maximum maturity length of investments to two years from date of purchase, unless matched to a specific cash flow. Investments of reserved funds may be purchased with maturities exceeding two years if they are made to coincide with cash flow needs.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral evidenced by a written agreement and held at an independent third party in the name of the Town. At year end, the entire bank balance of deposits was covered by collateral, federal depository insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Town's investment policy requires all security transactions that are exposed to be delivered versus payment (DVP) basis with the underlying investments held by an independent third-party custodian designated by the treasurer and evidenced by safekeeping receipts. The Town's investment in The Illinois Fund is not subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's investment policy does not address credit risk. The Town's investment in The Illinois Funds was rated AAA by Standard & Poor's.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CASH AND INVESTMENTS (Continued)

Concentration Credit Risk

This is the risk of loss attributed to the magnitude of the Town’s investment in a single issuer. The Town’s investment policy states that diversification can be by type of investment, institution and length of maturity. At year end, the Town’s investment in The Illinois Funds represents over 5% of the total cash and investment portfolio.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2024 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 6,203,874	\$ -	\$ -	\$ 6,203,874
Total capital assets not being depreciated	6,203,874	-	-	6,203,874
Capital assets being depreciated				
Buildings and improvements	1,293,872	-	-	1,293,872
Vehicles and equipment	1,370,554	163,292	-	1,533,846
Infrastructure	6,297,889	-	-	6,297,889
Total capital assets being depreciated	8,962,315	163,292	-	9,125,607
Less accumulated depreciation for				
Buildings and improvements	396,618	29,582	-	426,200
Vehicles and equipment	1,148,970	66,309	-	1,215,279
Infrastructure	1,769,556	125,958	-	1,895,514
Total accumulated depreciation	3,315,144	221,849	-	3,536,993
Total capital assets being depreciated, net	5,647,171	(58,557)	-	5,588,614
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 11,851,045	\$ (58,557)	\$ -	\$ 11,792,488

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,156,775	\$ -	\$ -	\$ 1,156,775
Total capital assets not being depreciated	<u>1,156,775</u>	<u>-</u>	<u>-</u>	<u>1,156,775</u>
Capital assets being depreciated				
Vehicles and equipment	863,382	123,287	-	986,669
Infrastructure	29,976,516	-	-	29,976,516
Total capital assets being depreciated	<u>30,839,898</u>	<u>123,287</u>	<u>-</u>	<u>30,963,185</u>
Less accumulated depreciation for				
Vehicles and equipment	761,352	32,780	-	794,132
Infrastructure	13,086,455	700,934	-	13,787,389
Total accumulated depreciation	<u>13,847,807</u>	<u>733,714</u>	<u>-</u>	<u>14,581,521</u>
Total capital assets being depreciated, net	<u>16,992,091</u>	<u>(610,427)</u>	<u>-</u>	<u>16,381,664</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 18,148,866</u>	<u>\$ (610,427)</u>	<u>\$ -</u>	<u>\$ 17,538,439</u>

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

GOVERNMENTAL ACTIVITIES

General government	\$ 8,935
Public safety	21,560
Highways and streets	<u>191,354</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 221,849

BUSINESS-TYPE ACTIVITIES

Water	\$ 319,478
Sewer	<u>414,236</u>

**TOTAL DEPRECIATION EXPENSE -
BUSINESS-TYPE ACTIVITIES**

\$ 733,714

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. Notes Payable (Direct Placement)

The Town enters into notes payable to provide funds typically for acquisition of capital assets. Notes payable have been issued for the governmental activities. Notes payable currently outstanding are as follows:

Issue	Beginning Balance	Issuances	Retirements	Ending Balance	Current Portion
Building Note Payable - due in semi-annual installments of \$25,564 including interest at 2.98% through June 30, 2030.	\$ 340,817	\$ -	\$ 41,440	\$ 299,377	\$ 42,369
TOTAL NOTES PAYABLE (DIRECT PLACEMENT)	\$ 340,817	\$ -	\$ 41,440	\$ 299,377	\$ 42,369

b. IEPA Loans Payable

The Town has entered into a loan agreement with the IEPA to provide low interest financing for waterworks and sewerage improvements. The IEPA loan currently outstanding is as follows:

Issue	Beginning Balance	Issuances	Retirements	Ending Balance	Current Portion
IEPA #L175003 Loan Payable of 2013 - due in semiannual installments including interest at 1.93% through September 25, 2034.	\$ 625,634	\$ -	\$ 49,106	\$ 576,528	\$ 50,058
TOTAL IEPA LOANS PAYABLE	\$ 625,634	\$ -	\$ 49,106	\$ 576,528	\$ 50,058

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported in the governmental long-term liabilities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Notes payable (direct placement)	\$ 340,817	\$ -	\$ 41,440	\$ 299,377	\$ 42,369
Compensated absences	57,005	27,920	11,401	73,524	14,705
Net pension liability	649,078	-	143,532	505,546	-
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES	\$ 1,046,900	\$ 27,920	\$ 196,373	\$ 878,447	\$ 57,074

The General Fund has typically been used in prior years to liquidate the liability for the net pension liability and compensated absences.

During the fiscal year, the following changes occurred in long-term liabilities reported in the business-type activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
IEPA loans payable	\$ 625,634	\$ -	\$ 49,106	\$ 576,528	\$ 50,058
Net pension liability	132,237	-	29,242	102,995	-
Asset retirement obligation	30,000	-	-	30,000	-
TOTAL BUSINESS-TYPE LONG-TERM LIABILITIES	\$ 787,871	\$ -	\$ 78,348	\$ 709,523	\$ 50,058

d. Debt Service to Maturity Requirements

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

Year Ending April 30,	Notes Payable (Direct Placement)	
	Principal	Interest
2025	\$ 42,369	\$ 8,759
2026	43,684	7,443
2027	45,014	6,114
2028	46,385	4,743
2029	47,787	3,341
2030-2031	74,138	2,255
TOTAL	\$ 299,377	\$ 32,655

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Debt Service to Maturity Requirements (Continued)

<u>Year Ending April 30,</u>	<u>IEPA Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 50,058	\$ 10,889
2026	51,029	9,918
2027	52,018	8,928
2028	53,027	7,919
2029	54,056	6,891
2030-2034	286,415	18,318
2035	29,925	290
TOTAL	<u>\$ 576,528</u>	<u>\$ 63,153</u>

e. Special Service Area Bonds

On February 23, 2017, the Town issued \$4,890,000 Special Service Area #1 Refunding Bonds, Series 2017, which were used to refund through an in-substance defeasance the \$4,686,000 Special Service Area #1 Bonds. The bonds are payable solely from the special service area tax levied upon the properties located in the special service area and do not constitute an indebtedness of the Town. The Town, through its trustee, is acting solely as agent in receiving the taxes from the County and remitting principal and interest payments to the bond holders. Accordingly, these bonds are not reported as a liability in the Town's financial statements. As of April 30, 2024, \$3,015,000 of the bonds are outstanding.

On June 15, 2007, the Town issued \$5,335,000 and \$5,000,000 Special Tax Revenue Bonds, Series 2007-1 and 2007-2, respectively, known as the Richland Trails Project. The bonds are payable solely from the special service area tax levied upon the properties located in the special service area or payments made at the time of building permit and do not constitute an indebtedness of the Town. The Town, through its trustee, is acting solely as agent in receiving the taxes from the County and payments made at the time of building permit and remitting them to the bond holders. Interest is due on March 1 and September 1 of the year commencing on September 1, 2007. Principal payments are due on March 1 commencing on March 1, 2011. As of April 30, 2024, \$1,812,000 of the 2007-1 bonds are outstanding.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

f. Conduit Debt

The Town has issued Industrial Revenue Bonds (IRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Town is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as liability in these financial statements. The original principal issued on the IRBs was \$9,250,000.

g. Asset Retirement Obligation

The Town has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

6. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transfers

Interfund transfers during the year ended April 30, 2024 consisted of the following:

	Transfers In	Transfers Out
General	\$ 108,851	\$ -
Capital Improvements	-	108,851
TOTAL	\$ 108,851	\$ 108,851

The purpose of significant transfers are as follows:

- The transfer of \$108,851 during the year from Capital Improvements Fund to the General Fund was for capital outlay and debt service payments. It will not be repaid.

7. RISK MANAGEMENT

The Town participates in the Illinois Public Risk Fund for workers' compensation insurance and purchases third party insurance for liability insurance. The Town's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Town is not aware of any additional assessments that may be owed as of April 30, 2024. The Town purchases third party indemnity insurance for employee health. Settled claims have not exceeded coverage for the current or prior two fiscal years.

8. CONTINGENT LIABILITIES

a. Grants

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

b. Litigation

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

9. DEFINED BENEFIT PENSION PLAN

The Town contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at <https://www.imrf.org/>. As noted above, IMRF is an agent multiple-employer defined benefit pension plan. The Town and Cortland Community Library (the Library) both participate in the plan and, therefore, the plan is treated as a cost-sharing plan.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund

Plan Administration

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

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

Plan Membership

At December 31, 2023 (actuarial valuation date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>19</u>
 TOTAL	 <u><u>43</u></u>

The IMRF data included in the table above includes membership of both the Town and the Library.

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.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Town is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended April 30, 2024 was 8.67% of covered payroll.

Actuarial Assumptions

The Town's net pension liability was measured as of December 31, 2023 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, 2023
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 non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-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-2021.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 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 Town 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 period of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 4,189,193	\$ 3,330,511	\$ 858,682
Changes for the period			
Service cost	114,902	-	114,902
Interest	300,207	-	300,207
Difference between expected and actual experience	26,820	-	26,820
Changes in assumptions	(4,936)	-	(4,936)
Employer contributions	-	112,989	(112,989)
Employee contributions	-	58,042	(58,042)
Net investment income	-	371,783	(371,783)
Benefit payments and refunds	(211,718)	(211,718)	-
Other (net transfer)	-	84,061	(84,061)
Net changes	225,275	415,157	(189,882)
BALANCES AT DECEMBER 31, 2023	\$ 4,414,468	\$ 3,745,668	\$ 668,800

There were changes in assumptions related to mortality rates.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

The table presented on the prior page includes amounts for both the Town and the Library. The Town’s proportionate share of the net pension liability at January 1, 2023, the employer contributions and the net pension liability at December 31, 2023 was \$781,315, \$102,809 and \$608,541, respectively. The Library’s proportionate share of the net pension liability at January 1, 2023, the employer contributions and the net pension liability at December 31, 2023 was \$77,367, \$10,180 and \$60,259, respectively.

For the year ended April 30, 2024, the Town recognized pension expense of \$32,677.

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

At April 30, 2024, the Town 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	\$ 201,242	\$ -
Changes in assumption	-	9,696
Net difference between projected and actual earnings on pension plan investments	201,181	-
Contributions subsequent to measurement date	40,068	-
TOTAL	\$ 442,491	\$ 9,696

The deferred outflows of resources and deferred inflows of resources presented in the table above include amounts for both the Town and the Library. The Town’s proportionate share of the deferred outflows of resources and deferred inflows of resources at April 30, 2024 was \$402,623 and \$8,822, respectively. The Library’s proportionate share of the deferred outflows of resources and deferred inflows of resources at April 30, 2024 was \$39,868 and \$874, respectively.

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

\$40,068 reported as deferred outflows of resources related to pensions resulting from the Town and Library contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense by the Town as follows:

<u>Year Ending</u> <u>April 30,</u>		
2025	\$	128,901
2026		143,501
2027		144,170
2028		(23,845)
2029		-
Thereafter		-
		<hr/>
TOTAL	\$	<u><u>392,727</u></u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Town calculated using the discount rate of 7.25% as well as what the Town's net pension liability 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%)
	<hr/>		
Net pension liability - town	\$ 1,123,957	\$ 608,541	\$ 191,830
Net pension liability - library	111,296	60,259	18,995
	<hr/>		
NET PENSION LIABILITY - TOTAL	\$ 1,235,253	\$ 668,800	\$ 210,825
	<hr/>		

TOWN OF CORTLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Town provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Town and can be amended by the Town through its personnel manual. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The Town's total OPEB liability as of April 30, 2024 is immaterial; and therefore, not recorded by the Town.

The following are the summary results from the Town's actuarial valuation performed as of April 30, 2024

Liabilities	\$ 89,848
Deferred inflows of resources	-
Deferred outflows of resources	-
Total OPEB expense	12,387

b. Benefits Provided

The Town provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, the employee must qualify for retirement under the Town's retirement plan. The retirees pay 100% of the average employer group cost.

c. Membership

At April 30, 2024, membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees to benefits but not yet receiving them	-
Active employees	<u>16</u>
TOTAL	<u>16</u>
Participating employers	<u><u>1</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2024

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ 785,250	\$ 783,184
Intergovernmental	1,312,500	1,327,975
Charges for services	25,000	29,131
Licenses and permits	43,250	75,816
Fines and forfeitures	6,000	9,376
Investment income	70,060	120,084
Miscellaneous	64,600	78,771
	2,306,660	2,424,337
EXPENDITURES		
Current		
General government	439,476	547,668
Public safety	895,675	914,489
Highways and streets	546,475	573,230
Building	358,614	201,859
Capital outlay	361,456	104,794
Debt service		
Principal	41,142	41,440
Interest and fiscal charges	9,986	14,051
	2,652,824	2,397,531
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(346,164)	26,806
OTHER FINANCING SOURCES (USES)		
Transfers in	250,083	108,851
	250,083	108,851
NET CHANGE IN FUND BALANCE	\$ (96,081)	135,657
FUND BALANCE, MAY 1		1,343,910
FUND BALANCE, APRIL 30		\$ 1,479,567

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2024

BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The budgets are adopted on a basis of accounting consistent with GAAP.
2. The Town, each year prior to April 30 of the fiscal year, must file and pass the budget for the fiscal year ended April 30. This budget can be subsequently amended by a two-thirds vote of the Board of Trustees.
3. The budget basis shown in the applicable budget versus actual statements for proprietary funds differs from the financial statements basis by principal reductions in debt and amounts capitalized as capital assets and depreciation expenses.
4. Budgets are adopted and formal budgetary integration is employed as a control device during the year at the line item level for the General Fund, Special Revenue Funds, Capital Projects Funds (except for the Special Service Area #1 and Special Service Areas #9-10) and Enterprise Funds.
5. All budgets lapse at the end of the year for which the budgets were adopted. During the year, no budget amendments were necessary.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had expenditures in excess of budget:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Motor Fuel Tax Fund	\$ 255,000	\$ 268,930

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employer's proportion of net pension liability	90.78%	90.78%	90.78%	92.10%	92.10%	92.33%	91.21%	90.99%	90.99%
Employer's proportionate share of net pension liability	\$ 499,435	\$ 468,152	\$ 312,724	\$ 588,963	\$ 375,117	\$ 186,992	\$ 15,259	\$ 781,315	\$ 608,541
Employer's covered payroll	681,426	740,424	808,412	869,916	965,558	1,050,082	1,066,451	1,189,281	1,173,604
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	73.29%	63.23%	38.68%	67.70%	38.85%	17.81%	1.43%	65.70%	51.85%
Plan fiduciary net position as a percentage of the total pension liability	76.01%	78.88%	88.46%	77.79%	86.88%	93.95%	99.56%	79.50%	84.85%

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.)

TOWN OF CORTLAND, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 79,250	\$ 89,334	\$ 88,529	\$ 90,052	\$ 96,849	\$ 110,950	\$ 105,791	\$ 106,323	\$ 102,809
Contributions in relation to the actuarially determined contribution	79,250	89,334	88,529	90,052	96,849	110,950	105,791	106,323	102,809
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 681,426	\$ 740,424	\$ 808,412	\$ 892,332	\$ 989,369	\$ 1,068,937	\$ 1,125,450	\$ 1,179,952	\$ 1,185,878
Contributions as a percentage of covered payroll	11.63%	12.07%	10.95%	10.09%	9.79%	10.38%	9.40%	9.01%	8.67%

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 20 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and price inflation of 2.25%.

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.)

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

MAJOR GOVERNMENTAL FUNDS

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
TAXES			
Property taxes	\$ 756,000	\$ 756,000	\$ 755,557
Replacement tax	3,900	3,900	2,990
Road and bridge tax	18,600	18,600	17,571
Utility taxes	6,750	6,750	7,066
Total taxes	785,250	785,250	783,184
INTERGOVERNMENTAL			
Sales and use tax	571,500	571,500	537,544
State income tax	726,000	726,000	720,016
Video gaming tax	15,000	15,000	25,321
Grants	-	-	45,094
Total intergovernmental	1,312,500	1,312,500	1,327,975
CHARGES FOR SERVICES			
Franchise fees	25,000	25,000	29,131
Total charges for services	25,000	25,000	29,131
LICENSES AND PERMITS			
Building permits	40,000	40,000	60,466
Other	3,250	3,250	15,350
Total licenses and permits	43,250	43,250	75,816
FINES AND FORFEITURES			
Police fines	6,000	6,000	9,376
Total fines and forfeitures	6,000	6,000	9,376
INVESTMENT INCOME			
	70,060	70,060	120,084
MISCELLANEOUS			
Park development fees	1,000	1,000	700
Contributions	23,000	23,000	51,625
Other	40,600	40,600	26,446
Total miscellaneous	64,600	64,600	78,771
TOTAL REVENUES	\$ 2,306,660	\$ 2,306,660	\$ 2,424,337

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Personnel services			
Salaries - elected officials	\$ 119,100	\$ 119,100	\$ 118,879
Salaries - clerical workers	95,000	95,000	91,219
Payroll taxes	16,400	16,400	16,069
IMRF contribution	14,900	14,900	14,705
Employee health insurance	31,000	31,000	31,000
Total personnel services	<u>276,400</u>	<u>276,400</u>	<u>271,872</u>
Contractual services			
Legal	60,000	60,000	28,851
Audit and accounting	121,000	121,000	116,470
Street lighting	-	-	107
Insurance	13,500	13,500	22,420
Postage	2,900	2,900	1,362
Telephone	23,000	23,000	13,895
Technology upgrades	500	500	-
Dues and subscriptions	16,000	16,000	11,275
Travel and training	7,000	7,000	7,366
Contracted groups, events and labor	20,000	20,000	6,566
Less reimbursements	(150,000)	(150,000)	(926)
Total contractual services	<u>113,900</u>	<u>113,900</u>	<u>207,386</u>
Commodities			
Office supplies	9,500	9,500	3,588
Office equipment and maintenance	16,000	16,000	40,238
Copies and printing	2,000	2,000	370
Total commodities	<u>27,500</u>	<u>27,500</u>	<u>44,196</u>
Other expenditures	<u>21,676</u>	<u>21,676</u>	<u>24,214</u>
Total general government	<u>439,476</u>	<u>439,476</u>	<u>547,668</u>
Public safety			
Personnel services			
Salaries - police officers	451,000	451,000	489,812
Salaries - special assignment	20,000	20,000	23,047
Salaries - overtime	8,000	8,000	5,960
Salaries - clerical	19,500	19,500	15,841
Payroll taxes	38,100	38,100	38,595
IMRF contribution	42,000	42,000	44,193
Employee health insurance	90,075	90,075	90,075
Uniforms	11,500	11,500	7,634
Total personnel services	<u>680,175</u>	<u>680,175</u>	<u>715,157</u>

(This schedule is continued on the following pages.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Public safety (Continued)			
Contractual services			
Legal services	\$ 1,000	\$ 1,000	\$ 2,684
Adjudication	5,000	5,000	2,834
Maintenance and operations - vehicles and equipment	28,000	28,000	20,114
Maintenance and operations - police office	500	500	4,777
Insurance	25,500	25,500	39,032
Telephone	15,500	15,500	11,827
Telecommunications services	66,000	66,000	65,259
Business forms expense	2,500	2,500	1,000
Travel and training	8,500	8,500	4,004
	152,500	152,500	151,531
Commodities			
Gas and petroleum	18,000	18,000	16,265
Utilities	2,850	2,850	1,859
Office supplies	-	-	865
Office equipment and maintenance	4,000	4,000	5,180
Copies and printing	1,000	1,000	1,298
Postage	150	150	151
Dues and subscriptions	25,000	25,000	17,849
Technology upgrades	5,000	5,000	1,003
DUI prevention	3,000	3,000	-
	59,000	59,000	44,470
Other expenditures	4,000	4,000	3,331
	895,675	895,675	914,489
Highways and streets			
Personnel services			
Salaries - maintenance and operations	194,000	194,000	205,926
Payroll taxes	14,850	14,850	15,682
IMRF contribution	17,100	17,100	17,794
Employee health insurance	41,000	41,000	41,000
Unemployment benefits	-	-	3,330
Uniforms	1,600	1,600	952
Drug and alcohol program	800	800	594
	269,350	269,350	285,278
Contractual services			
Maintenance and operation - street lights	5,000	5,000	4,239
Maintenance and operation - garage	2,000	2,000	4,610
Maintenance and operation - town hall	6,000	6,000	5,124
Maintenance and operation - streets	24,000	24,000	8,538

(This schedule is continued on the following pages.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Highways and streets (Continued)			
Contractual services (Continued)			
Maintenance and operation - maintenance vehicles	\$ 25,000	\$ 25,000	\$ 42,492
Maintenance and operation - railroad crossings	1,000	1,000	-
Parks	12,000	12,000	12,943
Street lights	36,500	36,500	55,814
Road salt	30,000	30,000	35,201
Road signs	5,000	5,000	10,209
Tools and hardware	3,000	3,000	2,665
Small equipment purchase	10,000	10,000	8,587
Equipment rental	20,000	20,000	2,005
Office equipment and maintenance	2,000	2,000	2,529
Copies and printing	1,500	1,500	-
Insurance	31,500	31,500	43,775
Repairs	7,000	7,000	4,830
Forestry	8,000	8,000	4,358
Nuisance mowing	1,000	1,000	-
Telephone	6,000	6,000	3,977
Utilities	8,125	8,125	8,997
Dues and subscriptions	-	-	66
Travel and training	2,000	2,000	1,247
Fees and permits	2,000	2,000	-
Miscellaneous	500	500	4,183
	<hr/>	<hr/>	<hr/>
Total contractual services	249,125	249,125	266,389
Commodities			
Gas and petroleum	25,000	25,000	18,879
Office supplies	1,000	1,000	321
	<hr/>	<hr/>	<hr/>
Total commodities	26,000	26,000	19,200
Other expenditures			
	2,000	2,000	2,363
	<hr/>	<hr/>	<hr/>
Total highways and streets	546,475	546,475	573,230
Building Department			
Personnel services			
Salaries - code official	35,000	35,000	29,544
Salaries - engineer	128,700	128,700	117,784
Payroll taxes	9,850	9,850	11,165
IMRF contribution	10,300	10,300	10,371
Employee health insurance	1,004	1,004	820
	<hr/>	<hr/>	<hr/>
Total personnel services	184,854	184,854	169,684
Contractual services			
Engineering: nonreimbursable	150,000	150,000	3,238
Planning/zoning/building	1,500	1,500	915
Zoning administration fees	-	-	12,750

(This schedule is continued on the following page.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Building Department (Continued)			
Contractual services (Continued)			
Vehicle and equipment maintenance	\$ 3,000	\$ 3,000	\$ 902
Office supplies	3,000	3,000	477
Postage	100	100	-
Telephone	2,160	2,160	2,204
Conference and training	5,000	5,000	3,904
Copies and printing	500	500	865
Dues and subscriptions	1,000	1,000	907
Total contractual services	166,260	166,260	26,162
Commodities			
Office	5,000	5,000	3,344
Gasoline	2,500	2,500	2,669
Total commodities	7,500	7,500	6,013
Total building department	358,614	358,614	201,859
CAPITAL OUTLAY			
Equipment and furniture	157,300	157,300	76,358
Building improvements	15,000	15,000	6,668
Town hall	5,000	5,000	-
SSA#4	50,000	50,000	-
Splash pad	79,851	79,851	-
Park development	14,305	14,305	-
Public works facility	5,000	5,000	9,195
Cemetery maintenance	-	-	850
Airport road property maintenance	-	-	228
Airport road property taxes	-	-	8,472
Road improvements	35,000	35,000	3,023
Total capital outlay	361,456	361,456	104,794
DEBT SERVICE			
Principal	41,142	41,142	41,440
Interest and fiscal charges	9,986	9,986	14,051
Total debt service	51,128	51,128	55,491
TOTAL EXPENDITURES	\$ 2,652,824	\$ 2,652,824	\$ 2,397,531

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Utility taxes	\$ 165,000	\$ 165,000	\$ 157,087
Telecommunications	20,000	20,000	25,052
Non-home rule sales tax	225,000	225,000	250,057
Intergovernmental	935,000	935,000	153,466
Investment income	15,000	15,000	62,043
	<hr/>	<hr/>	<hr/>
Total revenues	1,360,000	1,360,000	647,705
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Capital outlay			
Community programs	15,000	15,000	-
NPDES permit fee	-	-	1,000
Donations - community agencies	5,000	5,000	2,500
Chestnut parking lot	-	-	4,170
Street improvements	800,000	800,000	-
Emergency preparedness	-	-	3,069
Holiday decorations	15,000	15,000	13,493
Sidewalk construction	50,000	50,000	2,208
Splash pad	135,000	135,000	137,792
DeKalb County community grant	-	-	19,509
	<hr/>	<hr/>	<hr/>
Total expenditures	1,020,000	1,020,000	183,741
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	340,000	340,000	463,964
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(250,083)	(250,083)	(108,851)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(250,083)	(250,083)	(108,851)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 89,917	\$ 89,917	355,113
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1			1,004,635
			<hr/>
FUND BALANCE, APRIL 30			\$ 1,359,748
			<hr/>

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND**

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 355,000	\$ 355,000	\$ 480,611
Investment income	15,000	15,000	47,350
Total revenues	<u>370,000</u>	<u>370,000</u>	<u>527,961</u>
EXPENDITURES			
Economic development			
Contractual services	<u>427,000</u>	<u>427,000</u>	<u>208,042</u>
Total expenditures	<u>427,000</u>	<u>427,000</u>	<u>208,042</u>
NET CHANGE IN FUND BALANCE	<u>\$ (57,000)</u>	<u>\$ (57,000)</u>	319,919
FUND BALANCE, MAY 1			<u>604,640</u>
FUND BALANCE, APRIL 30			<u><u>\$ 924,559</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF CORTLAND, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2024

	<u>Special Revenue</u>	<u>Capital Projects</u>		<u>Total</u>
	<u>Motor Fuel</u>	<u>Special</u>	<u>Special</u>	<u>Nonmajor</u>
	<u>Tax</u>	<u>Service</u>	<u>Service</u>	<u>Governmental</u>
		<u>Area #1</u>	<u>Areas #9-10</u>	<u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 638,842	\$ 6,880	\$ 16,757	\$ 662,479
Due from other governments	15,818	-	-	15,818
TOTAL ASSETS	\$ 654,660	\$ 6,880	\$ 16,757	\$ 678,297
LIABILITIES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Restricted				
Special service areas	-	6,880	16,757	23,637
Highways and streets	654,660	-	-	654,660
Economic development	-	-	-	-
Total fund balances	654,660	6,880	16,757	678,297
TOTAL LIABILITIES AND FUND BALANCES	\$ 654,660	\$ 6,880	\$ 16,757	\$ 678,297

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2024

	<u>Special Revenue</u>	<u>Capital Projects</u>		<u>Total</u>
	<u>Motor Fuel</u>	<u>Special</u>	<u>Special</u>	<u>Nonmajor</u>
	<u>Tax</u>	<u>Service</u>	<u>Service</u>	<u>Governmental</u>
		<u>Area #1</u>	<u>Areas #9-10</u>	<u>Funds</u>
REVENUES				
Intergovernmental	\$ 193,159	\$ -	\$ -	\$ 193,159
Investment income	38,007	257	879	39,143
Miscellaneous	-	21,350	10,000	31,350
Total revenues	231,166	21,607	10,879	263,652
EXPENDITURES				
Current				
General government	-	16,241	15,780	32,021
Highways and streets	268,930	-	-	268,930
Total expenditures	268,930	16,241	15,780	300,951
NET CHANGE IN FUND BALANCES	(37,764)	5,366	(4,901)	(37,299)
FUND BALANCES, MAY 1	692,424	1,514	21,658	715,596
FUND BALANCES, APRIL 30	\$ 654,660	\$ 6,880	\$ 16,757	\$ 678,297

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 177,000	\$ 177,000	\$ 193,159
Investment income	12,000	12,000	38,007
Total revenues	189,000	189,000	231,166
EXPENDITURES			
Highways and streets			
Contractual services	55,000	55,000	217,224
Commodities	200,000	200,000	51,706
Total expenditures	255,000	255,000	268,930
NET CHANGE IN FUND BALANCE	\$ (66,000)	\$ (66,000)	(37,764)
FUND BALANCE, MAY 1			692,424
FUND BALANCE, APRIL 30			\$ 654,660

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
WATER FUND**

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Customer charges	\$ 520,000	\$ 520,000	\$ 563,338
Permits and hook up fees	50,000	50,000	104,300
Meter sales	5,000	5,000	3,000
Miscellaneous	6,745	6,745	8,498
Total operating revenues	<u>581,745</u>	<u>581,745</u>	<u>679,136</u>
OPERATING EXPENSES			
Operations	<u>688,185</u>	<u>688,185</u>	<u>525,016</u>
Total operating expenses	<u>688,185</u>	<u>688,185</u>	<u>525,016</u>
OPERATING INCOME (LOSS)	<u>(106,440)</u>	<u>(106,440)</u>	<u>154,120</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	<u>25,000</u>	<u>25,000</u>	<u>65,852</u>
Total non-operating revenues (expenses)	<u>25,000</u>	<u>25,000</u>	<u>65,852</u>
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ (81,440)</u>	<u>\$ (81,440)</u>	<u>219,972</u>
ADJUSTMENTS TO GAAP BASIS			
Additions to capital assets			37,416
Depreciation and amortization			<u>(319,778)</u>
CHANGE IN NET POSITION (GAAP BASIS)			(62,390)
NET POSITION, MAY 1			<u>8,388,947</u>
NET POSITION, APRIL 30			<u>\$ 8,326,557</u>

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL -
BUDGETARY BASIS
WATER FUND**

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel services	\$ 185,050	\$ 185,050	\$ 158,303
Contractual services	265,135	265,135	255,917
Commodities	63,000	63,000	60,270
Other	-	-	20
Capital outlay	175,000	175,000	50,506
TOTAL OPERATING EXPENSES	\$ 688,185	\$ 688,185	\$ 525,016

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
SEWER FUND

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Customer charges	\$ 552,000	\$ 552,000	\$ 565,837
Permits and hook up fees	35,000	35,000	98,000
Miscellaneous	28,025	28,025	29,133
Total operating revenues	615,025	615,025	692,970
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Operations	438,150	438,150	450,410
Total operating expenses excluding depreciation	438,150	438,150	450,410
OPERATING INCOME	176,875	176,875	242,560
NON-OPERATING REVENUES (EXPENSES)			
Grant revenue	-	-	100,000
Lease income	10,725	10,725	34,293
Investment income	50,000	50,000	129,101
Connection fees	-	10,000	21,000
Interest expense	(11,841)	(11,841)	(11,761)
Debt service - principal	(49,106)	(49,106)	(49,106)
Total non-operating revenues (expenses)	(222)	9,778	223,527
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ 176,653	\$ 186,653	466,087
ADJUSTMENTS TO BUDGETARY BASIS			
Additions to capital assets			85,871
Depreciation			(414,236)
Debt service - principal			49,106
CHANGE IN NET POSITION (GAAP BASIS)			186,828
NET POSITION, MAY 1			12,640,418
NET POSITION, APRIL 30			\$ 12,827,246

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL -
BUDGETARY BASIS
SEWER FUND**

For the Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel services	\$ 131,350	\$ 131,350	\$ 113,463
Contractual services	172,100	172,100	159,727
Commodities	57,700	57,700	54,451
Other	500	500	80
Capital outlay	76,500	76,500	122,689
TOTAL OPERATING EXPENSES	\$ 438,150	\$ 438,150	\$ 450,410

(See independent auditor's report.)

FIDUCIARY FUNDS

TOWN OF CORTLAND, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS - SPECIAL SERVICE AREA FUNDS**

April 30, 2024

	Special Service Area #1	Special Service Area #9-10	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 455,788	\$ 211,875	\$ 667,663
Total assets	455,788	211,875	667,663
LIABILITIES			
None	-	-	-
Total liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	-	-	-
NET POSITION			
Restricted for debt service	\$ 455,788	\$ 211,875	\$ 667,663

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS - SPECIAL SERVICE AREA FUNDS**

For the Year Ended April 30, 2024

	Special Service Area #1	Special Service Area #9-10	Total Custodial Funds
ADDITIONS			
Contributions			
Property owner	\$ 453,060	\$ 204,882	\$ 657,942
Investment earnings			
Interest	30,582	14,625	45,207
Total additions	483,642	219,507	703,149
DEDUCTIONS			
Contractual services			
Accounting and financial services	10,000	-	10,000
Transfers to Capital Projects	21,350	10,000	31,350
Debt service			
Principal retirement	305,000	75,000	380,000
Interest	114,923	107,300	222,223
Total deductions	451,273	192,300	643,573
CHANGE IN NET POSITION	32,369	27,207	59,576
NET POSITION, MAY 1	423,419	184,668	608,087
NET POSITION, APRIL 30	\$ 455,788	\$ 211,875	\$ 667,663

(See independent auditor's report.)

SUPPLEMENTAL DATA (UNAUDITED)

TOWN OF CORTLAND, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
BUILDING NOTE PAYABLE OF 2020**

April 30, 2024

Date of Issue	September 25, 2020
Date of Maturity	June 30, 2030
Authorized Issue	\$441,509
Interest Rate	2.98%
Interest Date	June 30 and December 30
Principal Maturity Date	June 30 and December 30
Payable at	Resource Bank N.A., Cortland IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2025	\$ 42,369	\$ 8,759	\$ 51,128
2026	43,684	7,443	51,127
2027	45,014	6,114	51,128
2028	46,385	4,743	51,128
2029	47,787	3,341	51,128
2030	49,252	1,878	51,130
2031	24,886	377	25,263
	<u>\$ 299,377</u>	<u>\$ 32,655</u>	<u>\$ 332,032</u>

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA LOAN PAYABLE**

April 30, 2024

Date of Issue	November 28, 2013
Date of Maturity	September 25, 2034
Disbursements plus capitalized interest	\$986,512
Interest Rate	1.93%
Interest Date	March 25 and September 25
Principal Maturity Date	March 25 and September 25
Payable at	IEPA

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
2025	\$ 50,058	\$ 10,889	\$ 60,947
2026	51,029	9,918	60,947
2027	52,018	8,928	60,946
2028	53,027	7,919	60,946
2029	54,056	6,891	60,947
2030	55,104	5,843	60,947
2031	56,173	4,774	60,947
2032	57,262	3,685	60,947
2033	58,372	2,574	60,946
2034	59,504	1,442	60,946
2035	29,925	290	30,215
	<u>\$ 576,528</u>	<u>\$ 63,153</u>	<u>\$ 639,681</u>

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,
TAX EXTENSIONS AND TAX COLLECTIONS

Last Ten Levy Years

	2023	2022	2021**	2020	2019	2018	2017*	2016	2015	2014
ASSESSED VALUATIONS										
DeKalb County	\$ 92,990,574	\$ 84,861,520	\$ 78,262,644	\$ 74,530,933	\$ 72,062,180	\$ 67,936,779	\$ 63,554,345	\$ 58,341,017	\$ 55,621,683	\$ 52,454,195
TAX RATES										
Town										
Corporate	0.5418	0.5905	0.6184	0.6451	0.6800	0.7065	0.7410	0.7970	0.8288	0.8627
IMRF	0.0591	0.0648	0.0716	0.0764	0.0805	0.0839	0.0905	0.0968	0.1025	0.1083
Social Security	0.0559	0.0613	0.0664	0.0698	0.0735	0.0765	0.0826	0.0891	0.0935	0.0981
Police protection	0.2086	0.1768	0.1584	0.1656	0.1311	0.1222	0.1215	0.1286	0.1313	0.1363
Total tax rates	0.8654	0.8934	0.9148	0.9569	0.9651	0.9891	1.0356	1.1115	1.1561	1.2054
TAX EXTENSIONS										
Town										
Corporate	\$ 503,860	\$ 500,183	\$ 484,008	\$ 472,705	\$ 480,763	\$ 475,388	\$ 464,684	\$ 455,964	\$ 451,492	\$ 442,860
IMRF	55,004	54,914	56,005	55,973	56,915	56,462	56,735	55,412	55,827	55,617
Social Security	52,000	51,910	52,006	51,143	52,007	51,510	51,803	51,002	50,933	50,356
Police protection	194,006	149,730	124,007	121,381	92,730	82,210	76,176	73,551	71,502	69,984
Total tax extensions	\$ 804,870	\$ 756,737	\$ 716,026	\$ 701,202	\$ 682,415	\$ 665,570	\$ 649,398	\$ 635,929	\$ 629,754	\$ 618,817
TAX COLLECTIONS										
Town										
Corporate	\$ -	\$ 499,403	\$ 489,623	\$ 471,568	\$ 479,486	\$ 472,462	\$ 483,333	\$ 450,976	\$ 444,481	\$ 438,090
IMRF	-	54,827	56,411	55,838	56,764	56,115	59,012	54,806	54,961	55,018
Social Security	-	51,828	52,383	51,020	51,870	51,193	53,882	50,443	50,142	49,814
Police protection	-	149,493	124,906	121,089	92,483	81,705	79,234	72,745	70,391	69,231
Total tax collections	\$ -	\$ 755,551	\$ 723,323	\$ 699,515	\$ 680,603	\$ 661,475	\$ 675,461	\$ 628,970	\$ 619,975	\$ 612,153
PERCENTAGE OF EXTENSIONS COLLECTED AS OF APRIL 30										
	0.00%	99.84%	101.02%	99.76%	99.73%	99.38%	104.01%	98.91%	98.45%	98.92%

*Collections exceeded extension in tax year 2017 due to the collection of back taxes.

**Collections exceed extension in tax year 2021 due to the collection of back taxes.

(See independent auditor's report.)

TOWN OF CORTLAND, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2024

ASSESSED VALUATION - 2023	<u>\$ 92,990,574</u>
STATUTORY DEBT LIMITATION (8.625% of assessed valuation)	<u>\$ 8,020,437</u>
AMOUNT OF DEBT APPLICABLE TO LIMIT	
Building Note Payable of 2020	<u>299,377</u>
Total debt	<u>299,377</u>
LEGAL DEBT MARGIN	<u>\$ 7,721,060</u>

(See independent auditor's report.)