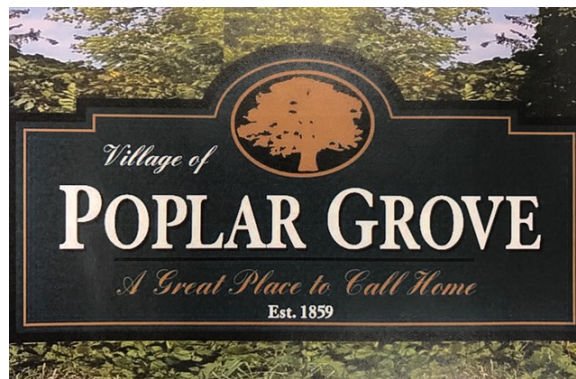


VILLAGE OF POPLAR GROVE, ILLINOIS

MANAGEMENT LETTER



FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

200 Hill Street
Poplar Grove, IL 61065
Phone: 815.765.3201
Fax: 815.765.3571
www.poplargrove-il.us

VILLAGE OF POPLAR GROVE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Poplar Grove, Illinois including:

List of Principal Officials

VILLAGE OF POPLAR GROVE, ILLINOIS

List of Principal Officials

April 30, 2024

Don Sattler, President

BOARD OF TRUSTEES

Betsy Straw, Trustee

Austin Davies, Trustee

Dan Cheek, Trustee

Jeff Goings, Trustee

Owen Costanza, Trustee

Bruce Moore, Trustee

ADMINISTRATION

Karri Anderberg, Village Clerk

Carina Boyd, Treasurer

Barbara Resch, Accounting and Billing Specialist

Katie Jaster, Deputy Clerk

FINANCIAL SECTION

This section includes:

Independent Auditor's Reports

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITOR'S REPORTS

This section includes the opinions of the Village's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

November 1, 2024

The Honorable Village President
Members of the Board of Trustees
Village of Poplar Grove, 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 Village of Poplar Grove (the Village), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Poplar Grove, 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 accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Poplar Grove, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Village of Poplar Grove Illinois
November 1, 2024

Other Information

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



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

November 1, 2024

The Honorable Village President
Members of the Board of Trustees
Village of Poplar Grove, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Poplar Grove (the Village), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated November 1, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Village of Poplar Grove, Illinois
November 1, 2024

Purpose of this Report

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

This discussion and analysis of the Village of Poplar Grove's (the Village) financial performance provides an overview of the Village of Poplar Grove's financial activities for the fiscal year ended April 30, 2024. Please read it in conjunction with the Village's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$1,420,475 or 16.5 percent and net position of business-type activities increased by \$151,505, or 1.8 percent.
- During the year, government-wide revenues totaled \$5,930,815, while expenses totaled \$4,358,835, resulting in an increase to net position of \$1,571,980.
- The Village's net position totaled \$18,370,749 on April 30, 2024, which includes \$12,211,396 net investment in capital assets, \$597,472 subject to external restrictions, and \$5,561,881 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$203,375, or 9.5 percent, resulting in ending fund balance of \$2,334,265.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village of Poplar Grove as a whole and present a longer-term view of the Village's finances. 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 Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

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

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

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

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

Fund Financial Statements

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

Governmental Funds

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

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

The Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, the Debt Service Fund, and the Capital Replacement Fund, all of which are considered to be major funds.

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

Proprietary Funds

The Village maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its waterworks and sewerage 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 Waterworks and Sewerage Fund, which is considered to be a major fund of the Village.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management’s Discussion and Analysis

April 30, 2024

USING THIS ANNUAL REPORT - Continued

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village’s I.M.R.F. employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. The other supplementary information referred to earlier is presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$18,370,749.

| | Net Position | | | | | |
|------------------------------------|--------------|------------|---------------|------------|------------|------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | Activities | Activities | Activities | 2024 | 2023 |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and Other Assets | \$ 5,566,890 | 5,404,061 | 1,917,853 | 1,556,437 | 7,484,743 | 6,960,498 |
| Capital Assets | 7,867,428 | 5,129,245 | 8,919,802 | 9,603,913 | 16,787,230 | 14,733,158 |
| Total Assets | 13,434,318 | 10,533,306 | 10,837,655 | 11,160,350 | 24,271,973 | 21,693,656 |
| Deferred Outflows | 82,104 | 68,101 | 355,649 | 366,549 | 437,753 | 434,650 |
| Total Assets/Deferred Outflows | 13,516,422 | 10,601,407 | 11,193,304 | 11,526,899 | 24,709,726 | 22,128,306 |
| Long-Term Liabilities | 2,100,210 | 558,133 | 2,057,540 | 2,628,697 | 4,157,750 | 3,186,830 |
| Other Liabilities | 1,006,039 | 361,616 | 730,919 | 680,994 | 1,736,958 | 1,042,610 |
| Total Liabilities | 3,106,249 | 919,749 | 2,788,459 | 3,309,691 | 5,894,708 | 4,229,440 |
| Deferred Inflows | 388,238 | 1,080,198 | 56,031 | 19,899 | 444,269 | 1,100,097 |
| Total Liabilities/Deferred Inflows | 3,494,487 | 1,999,947 | 2,844,490 | 3,329,590 | 6,338,977 | 5,329,537 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 5,548,143 | 4,393,176 | 6,663,253 | 6,804,090 | 12,211,396 | 11,197,266 |
| Restricted | 597,472 | 801,075 | — | — | 597,472 | 801,075 |
| Unrestricted | 3,876,320 | 3,407,209 | 1,685,561 | 1,393,219 | 5,561,881 | 4,800,428 |
| Total Net Position | 10,021,935 | 8,601,460 | 8,348,814 | 8,197,309 | 18,370,749 | 16,798,769 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Management’s Discussion and Analysis

April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

A large portion of the Village’s net position, \$12,211,396 or 66.5 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings, park building/equipment, equipment, vehicles, streets, water/sewer utility system, and Village water system), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$597,472 or 3.3 percent, of the Village’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 30.3 percent, or \$5,561,881, represents unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.

| | Change in Net Position | | | | | |
|---------------------------------|------------------------|------------------|------------------|------------------|-------------------|-------------------|
| | Governmental | | Business-Type | | Totals | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 108,364 | 119,442 | 1,900,496 | 1,805,230 | 2,008,860 | 1,924,672 |
| Operating Grants/Contrib. | 1,121,853 | 205,742 | — | — | 1,121,853 | 205,742 |
| Capital Grants/Contrib. | — | 55,173 | — | — | — | 55,173 |
| General Revenues | | | | | | |
| Property Taxes | 316,465 | 297,049 | — | — | 316,465 | 297,049 |
| Telecommunication Taxes | 41,605 | 42,012 | — | — | 41,605 | 42,012 |
| Electric Utility Taxes | 129,074 | 129,931 | — | — | 129,074 | 129,931 |
| Other Taxes | 349,266 | 394,186 | — | — | 349,266 | 394,186 |
| Replacement Taxes | 9,885 | 15,007 | — | — | 9,885 | 15,007 |
| Income Taxes | 826,595 | 815,809 | — | — | 826,595 | 815,809 |
| Sales Taxes | 680,040 | 650,344 | — | — | 680,040 | 650,344 |
| Investment Income | 258,690 | 89,818 | 57,193 | 17,789 | 315,883 | 107,607 |
| Miscellaneous | 119,672 | 31,137 | 11,617 | 22,223 | 131,289 | 53,360 |
| Total Revenues | 3,961,509 | 2,845,650 | 1,969,306 | 1,845,242 | 5,930,815 | 4,690,892 |
| Expenses | | | | | | |
| General Government | 987,831 | 979,702 | — | — | 987,831 | 979,702 |
| Culture and Recreation | 156,516 | 132,147 | — | — | 156,516 | 132,147 |
| Transportation and Public Works | 1,329,180 | 800,516 | — | — | 1,329,180 | 800,516 |
| Interest on Long-Term Debt | 67,507 | 30,989 | — | — | 67,507 | 30,989 |
| Waterworks and Sewerage | — | — | 1,817,801 | 1,589,106 | 1,817,801 | 1,589,106 |
| Total Expenses | 2,541,034 | 1,943,354 | 1,817,801 | 1,589,106 | 4,358,835 | 3,532,460 |
| Change in Net Position | 1,420,475 | 902,296 | 151,505 | 256,136 | 1,571,980 | 1,158,432 |
| Net Position - Beginning | 8,601,460 | 7,699,164 | 8,197,309 | 7,941,173 | 16,798,769 | 15,640,337 |
| Net Position - Ending | 10,021,935 | 8,601,460 | 8,348,814 | 8,197,309 | 18,370,749 | 16,798,769 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Management’s Discussion and Analysis

April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the Village’s governmental activities increased by 16.5 percent (\$10,021,935 in 2024 compared to \$8,601,460 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$3,876,320 at April 30, 2024.

Net position of business-type activities increased by 1.8 percent (\$8,348,814 in 2024 compared to \$8,197,309 in 2023).

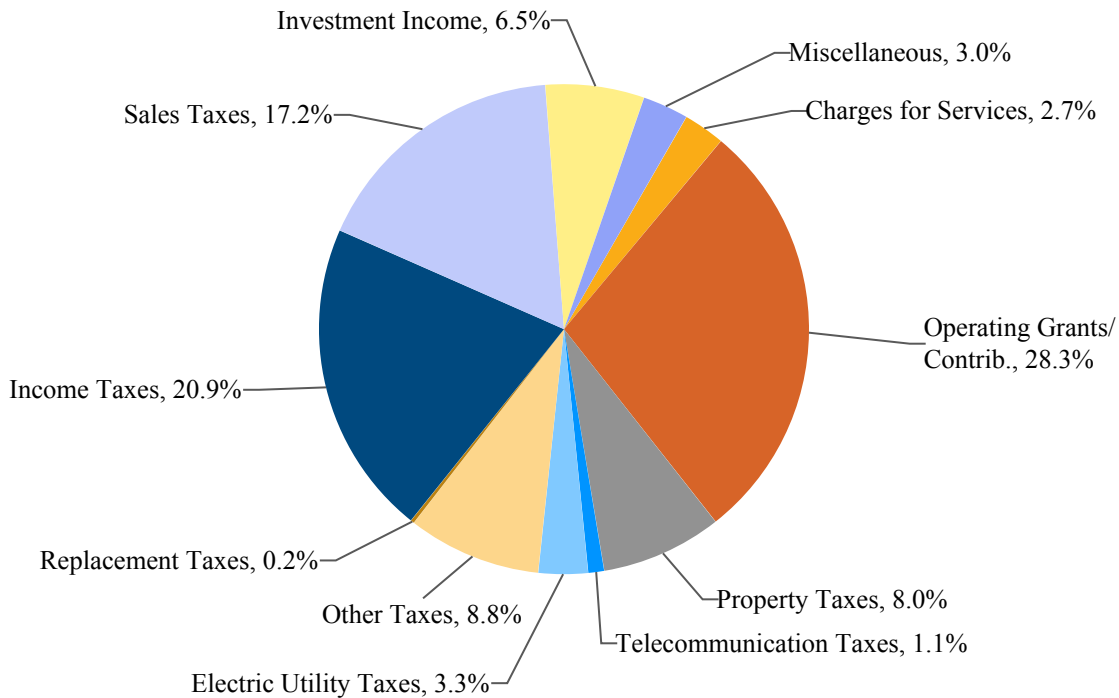
Governmental Activities

Revenues for governmental activities totaled \$3,961,509, while the cost of all governmental functions totaled \$2,541,034. This results in a surplus of \$1,420,475. In 2023, revenues of \$2,845,650 exceeded expenses of \$1,943,354, resulting in a surplus of \$902,296.

Investment income came in higher than budgeted, and we received litigation income also not budgeted. The expenses were lower than budgeted due to a mild winter that left snowplowing and other winter related expenses lower than anticipated.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of income taxes, sales taxes, and property taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from income taxes.

Revenue by Source - Governmental Activities



VILLAGE OF POPLAR GROVE, ILLINOIS

Management’s Discussion and Analysis

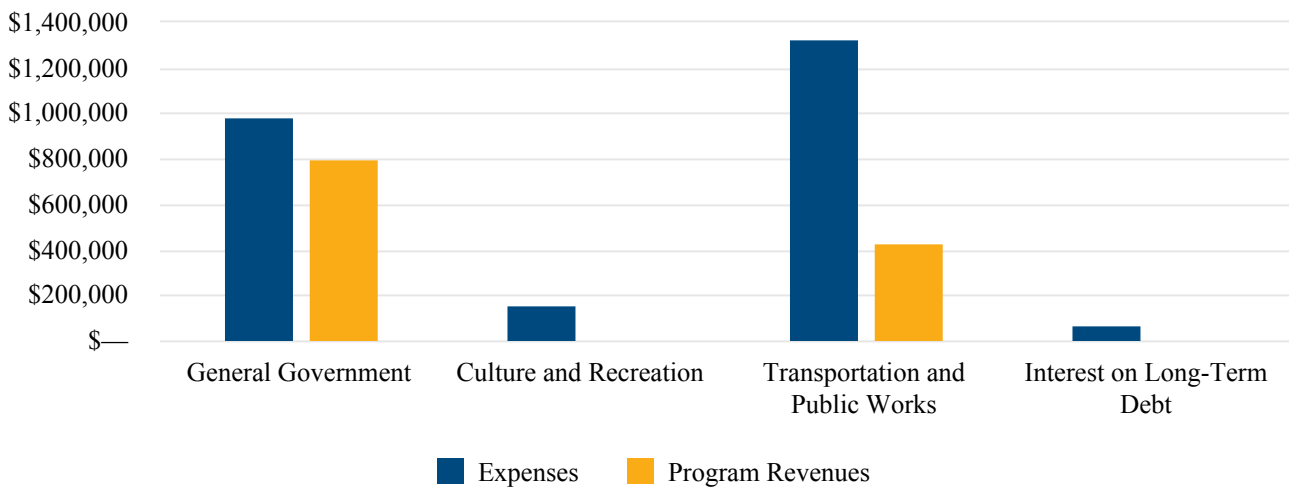
April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues.

Expenses and Program Revenues - Governmental Activities

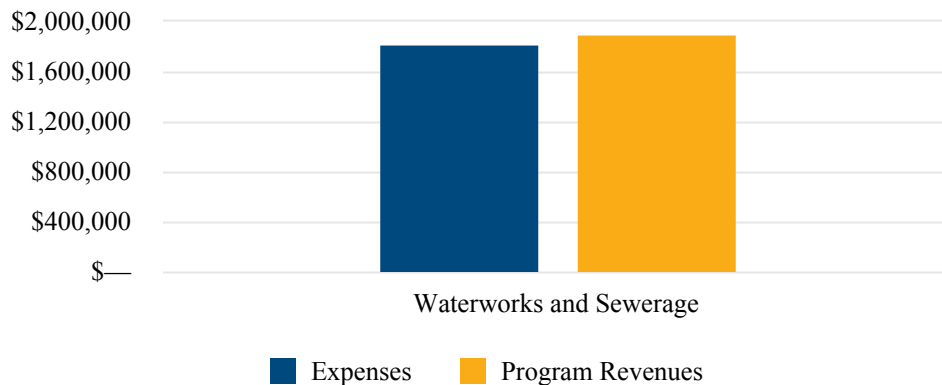


Business-Type Activities

Business-type activities posted total revenues of \$1,969,306, while the cost of all business-type activities totaled \$1,817,801. This results in an increase of \$151,505. In 2023, revenues of \$1,845,242 exceeded expenses of \$1,589,106, resulting in an increase of \$256,136.

The surplus in 2024 is due to the budgeted capital projects that were scheduled for FY2024, but will be completed in FY2025.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for waterworks and sewerage operations.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$4,514,734, which is an increase of \$240,810, or 5.6 percent, from last year's total of \$4,273,924. Of the \$4,514,734 total, \$2,322,911, or approximately 51.5 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase in fund balance for the year of \$203,375, a change of 9.5 percent in fund balance from the previous year. Revenues and expenditures came in lower compared to budget. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

Investment income came in higher than budget and litigation income that also was not in the budget. Expenses were lower due to having a mild winter that reduced snowplowing and other winter related expenses. There is also an open position that was not filled.

The General Fund is the chief operating fund of the Village. At April 30, 2024, unassigned fund balance in the General Fund was \$2,322,911, which represents 99.5 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 141.8 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a decrease of \$211,080 in the current year, resulting in an ending fund balance of \$568,829. Transportation and public works expenditures exceeded motor fuel tax allotments in the current year. We had been saving up our MFT funds so we could do a large road project. This project was completed in FY2024.

The Debt Service Fund stayed relatively consistent with a fund balance of \$32,693. The Village funds debt service payments with transfers from the General Fund each year.

The Capital Replacement Fund had an increase in fund balance of \$245,972.

Proprietary Funds

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

The Village reports the Waterworks and Sewerage Fund as a major proprietary fund. The Waterworks and Sewerage Fund accounts for all of the operations of the municipal water and sewer system. The Village owns and operates its own water and sewer facilities. There is a water and sewer rate ordinance in place that increases the rates by 3.0 percent a year for the life of the 2012 bond series. The rates are financing the operations of the utility system, including labor costs, supplies, maintenance, depreciation, and debt payments. Prior to accounting for nonoperating revenues and expenses, the Waterworks and Sewerage Fund shows an operating income of \$159,033.

VILLAGE OF POPLAR GROVE, ILLINOIS

Management’s Discussion and Analysis

April 30, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS - Continued

Proprietary Funds - Continued

The Village budgets the fund at a breakeven on a cash basis. Periodically, there will be an annual deficit. The surplus in the Waterworks and Sewerage Fund during the current fiscal year was \$151,505, while the previous fiscal year reported a surplus of \$256,136. Unrestricted net position in the Waterworks and Sewerage Fund was a surplus of \$1,685,561 at April 30, 2024.

The surplus is mainly due to budget capital projects that will be completed in fiscal year 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board did pass a budget amendment for fiscal year 2024.

The General Fund actual expenditures for the year were \$1,638,324, under the final budget by \$448,604. The General Fund also transferred a total of \$3,615,629 to the Debt Service Fund and Capital Replacement Fund. Due to a mild winter some of the public work/street expenditures came in under budget.

CAPITAL ASSETS

The Village’s investment in capital assets for its governmental and business type activities as of April 30, 2024 was \$16,787,230 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, park building/equipment, equipment, vehicles, streets, water/sewer utility system, and Village water system.

| | Capital Assets - Net of Depreciation | | | | | |
|----------------------------|--------------------------------------|-----------|---------------|-----------|------------|------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 687,548 | 687,548 | — | — | 687,548 | 687,548 |
| Construction In Progress | — | 575,350 | 136,245 | 136,245 | 136,245 | 711,595 |
| Buildings | 3,954,771 | 858,390 | — | — | 3,954,771 | 858,390 |
| Park Building/Equipment | 334,353 | 93,003 | — | — | 334,353 | 93,003 |
| Equipment | 82,395 | 17,042 | — | — | 82,395 | 17,042 |
| Vehicles | 439,353 | 449,180 | 7,333 | 11,000 | 446,686 | 460,180 |
| Streets | 2,369,008 | 2,448,732 | 35,770 | 37,434 | 2,404,778 | 2,486,166 |
| Water/Sewer Utility System | — | — | 1,473,139 | 1,761,298 | 1,473,139 | 1,761,298 |
| Village Water System | — | — | 7,267,315 | 7,657,936 | 7,267,315 | 7,657,936 |
| Totals | 7,867,428 | 5,129,245 | 8,919,802 | 9,603,913 | 16,787,230 | 14,733,158 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Management’s Discussion and Analysis

April 30, 2024

CAPITAL ASSETS - Continued

This year’s major additions included:

| | |
|-------------------------|-------------------------|
| Buildings | \$ 2,578,361 |
| Park Building/Equipment | 277,458 |
| Equipment | 75,316 |
| Vehicles | 140,119 |
| Streets | <u>17,702</u> |
| | <u><u>3,088,956</u></u> |

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

DEBT ADMINISTRATION

At year-end, the Village had total outstanding debt of \$4,552,418 as compared to \$3,500,767 the previous year, an increase of 30.04 percent. During fiscal year 2024 the Village issued \$1,960,460 in new debt. The following is a comparative statement of outstanding debt:

| | Long-Term Debt Outstanding | | | | | |
|--------------------------------|----------------------------|----------------|------------------|------------------|------------------|------------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General Obligation Refunding/ | | | | | | |
| Alternate Revenue Source Bonds | \$ 405,000 | 600,000 | 2,240,000 | 2,775,000 | 2,645,000 | 3,375,000 |
| Installment Contracts Payable | 79,150 | 125,767 | — | — | 79,150 | 125,767 |
| Promissory Notes Payable | 1,828,268 | — | — | — | 1,828,268 | — |
| | <u>2,312,418</u> | <u>725,767</u> | <u>2,240,000</u> | <u>2,775,000</u> | <u>4,552,418</u> | <u>3,500,767</u> |

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$10,088,725.

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as 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 Village of Poplar Grove'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 Village Treasurer, Village of Poplar Grove, 200 Hill Street, Poplar Grove, IL 61065.

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Fund

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Net Position

April 30, 2024

See Following Page

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Net Position

April 30, 2024

| | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 4,763,448 | 1,040,748 | 5,804,196 |
| Cash at Paying Agent | — | 593,169 | 593,169 |
| Receivables - Net of Allowances | | | |
| Property Taxes | 336,467 | 39,184 | 375,651 |
| Accounts | 34,661 | 240,102 | 274,763 |
| Due from Other Governments | 205,627 | — | 205,627 |
| Prepays | 226,687 | 4,650 | 231,337 |
| Total Current Assets | <u>5,566,890</u> | <u>1,917,853</u> | <u>7,484,743</u> |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | 687,548 | 136,245 | 823,793 |
| Depreciable | 9,902,065 | 21,565,765 | 31,467,830 |
| Accumulated Depreciation | <u>(2,722,185)</u> | <u>(12,782,208)</u> | <u>(15,504,393)</u> |
| Total Noncurrent Assets | <u>7,867,428</u> | <u>8,919,802</u> | <u>16,787,230</u> |
| Total Assets | <u>13,434,318</u> | <u>10,837,655</u> | <u>24,271,973</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized Loss on Refunding | 5,445 | 22,151 | 27,596 |
| Deferred Items - IMRF | 76,659 | 31,217 | 107,876 |
| Deferred Items - ARO | — | 302,281 | 302,281 |
| Total Deferred Outflows of Resources | <u>82,104</u> | <u>355,649</u> | <u>437,753</u> |
| Total Assets and Deferred Outflows of Resources | <u>13,516,422</u> | <u>11,193,304</u> | <u>24,709,726</u> |

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

| LIABILITIES | Governmental Activities | Business-Type Activities | Totals |
|---|----------------------------|-----------------------------|-------------------|
| Current Liabilities | | | |
| Accounts Payable | \$ 640,436 | 110,147 | 750,583 |
| Retainage Payable | 46,747 | — | 46,747 |
| Accrued Payroll | 18,106 | 6,444 | 24,550 |
| Accrued Interest | 4,050 | 38,169 | 42,219 |
| Current Portion of Long-Term Debt | 296,700 | 576,159 | 872,859 |
| Total Current Liabilities | <u>1,006,039</u> | <u>730,919</u> | <u>1,736,958</u> |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 16,582 | 7,237 | 23,819 |
| Net Pension Liability - IMRF | 51,453 | 20,953 | 72,406 |
| General Obligation Bonds Payable - Net | 211,155 | 1,704,350 | 1,915,505 |
| Installment Contracts Payable | 30,467 | — | 30,467 |
| Promissory Notes Payable | 1,790,553 | — | 1,790,553 |
| Asset Retirement Obligation | — | 325,000 | 325,000 |
| Total Noncurrent Liabilities | <u>2,100,210</u> | <u>2,057,540</u> | <u>4,157,750</u> |
| Total Liabilities | <u>3,106,249</u> | <u>2,788,459</u> | <u>5,894,708</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 336,467 | 39,184 | 375,651 |
| Grants | 10,400 | — | 10,400 |
| Deferred Items - IMRF | 41,371 | 16,847 | 58,218 |
| Total Deferred Inflows of Resources | <u>388,238</u> | <u>56,031</u> | <u>444,269</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>3,494,487</u> | <u>2,844,490</u> | <u>6,338,977</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 5,548,143 | 6,663,253 | 12,211,396 |
| Restricted - Streets | 568,829 | — | 568,829 |
| Restricted - Debt Service | 28,643 | — | 28,643 |
| Unrestricted | 3,876,320 | 1,685,561 | 5,561,881 |
| Total Net Position | <u>10,021,935</u> | <u>8,348,814</u> | <u>18,370,749</u> |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2024

| | Expenses | Program Revenues | | |
|---------------------------------|------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 987,831 | 108,364 | 694,576 | — |
| Culture and Recreation | 156,516 | — | — | — |
| Transportation and Public Works | 1,329,180 | — | 427,277 | — |
| Interest on Long-Term Debt | 67,507 | — | — | — |
| Total Governmental Activities | 2,541,034 | 108,364 | 1,121,853 | — |
| Business-Type Activities | | | | |
| Waterworks and Sewerage | 1,817,801 | 1,900,496 | — | — |
| Total Primary Government | 4,358,835 | 2,008,860 | 1,121,853 | — |

General Revenues

Taxes

Property Tax

Telecommunication Taxes

Electric Utility Taxes

Other Taxes

Intergovernmental - Unrestricted

Replacement Taxes

State Income Taxes

Sales and Use Taxes

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

| Net (Expenses)/Revenues | | |
|----------------------------|-----------------------------|-------------|
| Primary Government | | |
| Governmental Activities | Business-Type Activities | Totals |
| (184,891) | — | (184,891) |
| (156,516) | — | (156,516) |
| (901,903) | — | (901,903) |
| (67,507) | — | (67,507) |
| (1,310,817) | — | (1,310,817) |
| — | 82,695 | 82,695 |
| (1,310,817) | 82,695 | (1,228,122) |
| 316,465 | — | 316,465 |
| 41,605 | — | 41,605 |
| 129,074 | — | 129,074 |
| 349,266 | — | 349,266 |
| 9,885 | — | 9,885 |
| 826,595 | — | 826,595 |
| 680,040 | — | 680,040 |
| 258,690 | 57,193 | 315,883 |
| 119,672 | 11,617 | 131,289 |
| 2,731,292 | 68,810 | 2,800,102 |
| 1,420,475 | 151,505 | 1,571,980 |
| 8,601,460 | 8,197,309 | 16,798,769 |
| 10,021,935 | 8,348,814 | 18,370,749 |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2024

| | General | Special Revenue Motor Fuel Tax | Debt Service | Capital Projects Capital Replacement | Totals |
|--|------------------|---|-----------------|---|------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 2,311,145 | 560,862 | 32,693 | 1,858,748 | 4,763,448 |
| Receivables - Net of Allowances | | | | | |
| Property Taxes | 336,467 | — | — | — | 336,467 |
| Accounts | 34,661 | — | — | — | 34,661 |
| Due from Other Governments | 187,468 | 18,159 | — | — | 205,627 |
| Prepays | 11,354 | — | — | 215,333 | 226,687 |
| Total Assets | <u>2,881,095</u> | <u>579,021</u> | <u>32,693</u> | <u>2,074,081</u> | <u>5,566,890</u> |
| LIABILITIES | | | | | |
| Accounts Payable | 181,857 | 10,192 | — | 448,387 | 640,436 |
| Retainage Payable | — | — | — | 46,747 | 46,747 |
| Accrued Payroll | 18,106 | — | — | — | 18,106 |
| Total Liabilities | <u>199,963</u> | <u>10,192</u> | <u>—</u> | <u>495,134</u> | <u>705,289</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property Taxes | 336,467 | — | — | — | 336,467 |
| Grants | 10,400 | — | — | — | 10,400 |
| Leases | — | — | — | — | — |
| Total Deferred Inflows of Resources | <u>346,867</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>346,867</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>546,830</u> | <u>10,192</u> | <u>—</u> | <u>495,134</u> | <u>1,052,156</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 11,354 | — | — | 215,333 | 226,687 |
| Restricted | — | 568,829 | 32,693 | — | 601,522 |
| Assigned | — | — | — | 1,363,614 | 1,363,614 |
| Unassigned | 2,322,911 | — | — | — | 2,322,911 |
| Total Fund Balances | <u>2,334,265</u> | <u>568,829</u> | <u>32,693</u> | <u>1,578,947</u> | <u>4,514,734</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>2,881,095</u> | <u>579,021</u> | <u>32,693</u> | <u>2,074,081</u> | <u>5,566,890</u> |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2024

| | |
|--|--------------------------|
| Total Governmental Fund Balances | \$ 4,514,734 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds. | 7,867,428 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF | 35,288 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (20,727) |
| Net Pension Liability - IMRF | (51,453) |
| General Obligation Refunding/ARS Bonds Payable | (405,000) |
| Installment Contract Payable | (79,150) |
| Promissory Notes Payable | (1,828,268) |
| Unamortized Bond Premium | (12,312) |
| Unamortized Loss on Refunding | 5,445 |
| Accrued Interest Payable | (4,050) |
| Net Position of Governmental Activities | <u>10,021,935</u> |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2024**

| | General | Special Revenue Motor Fuel Tax | Debt Service | Capital Projects Capital Replacement | Totals |
|--|-------------|---|-----------------|---|-------------|
| Revenues | | | | | |
| Taxes | \$ 828,421 | — | — | — | 828,421 |
| Intergovernmental | 2,219,085 | 227,277 | — | 200,000 | 2,646,362 |
| Charges for Services | 7,545 | — | — | — | 7,545 |
| Licenses and Permits | 100,819 | — | — | — | 100,819 |
| Investment Income | 221,326 | 27,614 | 2,543 | 7,207 | 258,690 |
| Miscellaneous | 119,672 | — | — | — | 119,672 |
| Total Revenues | 3,496,868 | 254,891 | 2,543 | 207,207 | 3,961,509 |
| Expenditures | | | | | |
| General Government | 830,899 | — | — | — | 830,899 |
| Culture and Recreation | 121,701 | — | — | — | 121,701 |
| Transportation and Public Works | 328,022 | 465,971 | — | — | 793,993 |
| Capital Outlay | 124,580 | — | — | 3,360,301 | 3,484,881 |
| Debt Service | | | | | |
| Principal Retirement | 178,809 | — | 195,000 | — | 373,809 |
| Interest and Fiscal Charges | 54,313 | — | 21,563 | — | 75,876 |
| Total Expenditures | 1,638,324 | 465,971 | 216,563 | 3,360,301 | 5,681,159 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,858,544 | (211,080) | (214,020) | (3,153,094) | (1,719,650) |
| Other Financing Sources (Uses) | | | | | |
| Debt Issuance | 1,960,460 | — | — | — | 1,960,460 |
| Transfers In | — | — | 216,563 | 3,399,066 | 3,615,629 |
| Transfers Out | (3,615,629) | — | — | — | (3,615,629) |
| | (1,655,169) | — | 216,563 | 3,399,066 | 1,960,460 |
| Net Change in Fund Balances | 203,375 | (211,080) | 2,543 | 245,972 | 240,810 |
| Fund Balances - Beginning | 2,130,890 | 779,909 | 30,150 | 1,332,975 | 4,273,924 |
| Fund Balances - Ending | 2,334,265 | 568,829 | 32,693 | 1,578,947 | 4,514,734 |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 240,810

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|--------------------------------------|-----------|
| Capital Outlays | 3,088,956 |
| Depreciation Expense | (348,154) |
| Disposals - Cost | (78,729) |
| Disposals - Accumulated Depreciation | 76,110 |

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | |
|---------------------------------|--------|
| Change in Deferred Items - IMRF | 26,174 |
|---------------------------------|--------|

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

| | |
|--|-------------|
| Change in Compensated Absences | (231) |
| Change in Net Pension Liability - IMRF | (6,179) |
| Debt Issuance | (1,960,460) |
| Retirement of Debt | 373,809 |
| Amortization of Bond Premium | 6,157 |
| Amortization of Loss on Refunding | (2,722) |

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

4,934

Changes in Net Position of Governmental Activities

1,420,475

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Net Position - Proprietary Fund

April 30, 2024

| | <u>Waterworks and Sewerage</u> |
|---|------------------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Investments | \$ 1,040,748 |
| Cash at Paying Agent | 593,169 |
| Receivables - Net of Allowances | |
| Property Taxes | 39,184 |
| Accounts | 240,102 |
| Prepays | 4,650 |
| Total Current Assets | <u>1,917,853</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Nondepreciable | 136,245 |
| Depreciable | 21,565,765 |
| Accumulated Depreciation | <u>(12,782,208)</u> |
| Total Noncurrent Assets | <u>8,919,802</u> |
| Total Assets | <u>10,837,655</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Unamortized Loss on Refunding | 22,151 |
| Deferred Items - IMRF | 31,217 |
| Deferred Items - ARO | <u>302,281</u> |
| Total Deferred Outflows of Resources | <u>355,649</u> |
| Total Assets and Deferred Outflows of Resources | <u>11,193,304</u> |

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

| | <u>Waterworks and Sewerage</u> |
|---|------------------------------------|
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 110,147 |
| Accrued Payroll | 6,444 |
| Accrued Interest | 38,169 |
| Current Portion of Long-Term Debt | 576,159 |
| Total Current Liabilities | <u>730,919</u> |
| Noncurrent Liabilities | |
| Compensated Absences Payable | 7,237 |
| Net Pension Liability - IMRF | 20,953 |
| General Obligation Bonds Payable - Net | 1,704,350 |
| Asset Retirement Obligation | 325,000 |
| Total Noncurrent Liabilities | <u>2,057,540</u> |
| Total Liabilities | <u>2,788,459</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 39,184 |
| Deferred Items - IMRF | 16,847 |
| Total Deferred Inflows of Resources | <u>56,031</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>2,844,490</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 6,663,253 |
| Unrestricted | <u>1,685,561</u> |
| Total Net Position | <u><u>8,348,814</u></u> |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
For the Fiscal Year Ended April 30, 2024

| | <u>Waterworks and Sewerage</u> |
|----------------------------------|------------------------------------|
| Operating Revenues | |
| Charges for Services | \$ 1,900,496 |
| Operating Expenses | |
| Operations | 1,058,053 |
| Depreciation and Amortization | 683,410 |
| Total Operating Expenses | <u>1,741,463</u> |
| Operating Income | <u>159,033</u> |
| Nonoperating Revenues (Expenses) | |
| Investment Income | 57,193 |
| Miscellaneous Revenue | 11,617 |
| Interest Expense | (76,338) |
| | <u>(7,528)</u> |
| Change in Net Position | 151,505 |
| Net Position - Beginning | <u>8,197,309</u> |
| Net Position - Ending | <u><u>8,348,814</u></u> |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended April 30, 2024

| | <u>Waterworks and Sewerage</u> |
|--|------------------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 1,839,729 |
| Payments to Employees | (199,127) |
| Payments to Suppliers | (789,676) |
| | <u>850,926</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Retirement of Debt | (535,000) |
| Interest Expense | (76,338) |
| | <u>(611,338)</u> |
| Cash Flows from Investing Activities | |
| Investment Income | <u>57,193</u> |
| Net Change in Cash and Cash Equivalents | 296,781 |
| Cash and Cash Equivalents - Beginning | <u>1,337,136</u> |
| Cash and Cash Equivalents - Ending | <u><u>1,633,917</u></u> |
| Reconciliation of Operating Income to Net Cash | |
| Provided (Used) by Operating Activities | |
| Operating (Loss) | 159,033 |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash | |
| Provided by (Used in) Operating Activities | |
| Depreciation and Amortization Expense | 683,410 |
| Other Income | 11,617 |
| (Increase) Decrease in Current Assets | (72,384) |
| Increase (Decrease) in Current Liabilities | <u>69,250</u> |
| Net Cash Provided by Operating Activities | <u><u>850,926</u></u> |

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Poplar Grove, Illinois (the Village) was organized shortly after 1895 under the provisions of the State of Illinois. The Village operates under a President/Trustee form of government and provides services to the public such as general administrative, water and sewer, and street maintenance services. The population of the Village is approximately 5,049. The Village covers an area of 8 square miles.

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

REPORTING ENTITY

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

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, transportation and public works, culture and recreation, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage service is classified as business-type activity.

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

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

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

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

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

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

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

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Motor Fuel Tax Fund, a major fund, is used to account for the receipts of the Village's share of state gasoline taxes. These funds are then expended for the maintenance of roads and bridges. State of Illinois law requires separate accounting for such revenues and expenditures.

Debt service funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Debt Service Fund is treated as a major fund.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Replacement Fund, a nonmajor fund, is used to account for the financial resources to be used for the acquisition or construction of major facilities including replacement of existing assets (other than those financed by business-type/proprietary funds).

Proprietary Funds

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks and Sewerage Fund, which is used to account for the costs related to the operation of the Village's waterworks and sewerage system. Funding is provided by user fees.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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, and utility taxes. Business-type activities report utility charges as their major receivables.

Prepays

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

Interfund Receivables, Payables and Activity

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 to \$75,000, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market 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:

| | |
|----------------------------|---------------|
| Buildings | 40 Years |
| Park Building/Equipment | 5 - 40 Years |
| Equipment | 5 - 75 Years |
| Vehicles | 5 Years |
| Streets | 20 - 50 Years |
| Water/Sewer Utility System | 20 - 50 Years |
| Village Water System | 20 - 50 Years |

Compensated Absences

The Village 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. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

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.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

Net Position

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

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

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

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

Use of Estimates

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The term ‘budget’ used throughout the financial statements represents the estimated revenues and appropriations as set forth in the Village’s annual appropriation ordinance adopted for the fiscal year ended April 30, 2024. Budgets are adopted on a basis consistent with generally accepted accounting principles.

All departments of the Village submit requests for appropriation to the Village’s Treasurer so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body.

Expenditures/expenses may not legally exceed budgeted appropriations at the fund level.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- At least 15 days prior to the enactment of the budget, the Finance Committee submits to the Village Trustees a proposed means of financing expenditures appropriations for the fiscal year commencing the following May 1.
- Normally on the last Wednesday in April, but no later than April 30, the budget is legally enacted through passage of the appropriation ordinance.
- Budgeted amounts are as originally reported or as amended by the Village Trustees. Individual amendments were not material in relation to the original appropriations.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures/expenses budgeted for each object and purpose, but management control is exercised at budgetary line item levels.
- The budget amounts shown in the financial statements are the final authorized amounts, inclusive of one supplementary appropriation that was necessary during the year.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget for the fiscal year:

| Fund | Excess |
|---------------------|------------|
| Capital Replacement | \$ 156,701 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$2,994,536 and the bank balances totaled \$2,392,914. In addition, the Village has \$3,402,829 invested in the Illinois Funds at year-end, measured using the net asset value per share determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash flow requirements for ongoing operations and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village will minimize credit risk by limiting investments to the safest type of securities, pre-qualifying the financial institutions, brokers, intermediaries, and advisors, and diversifying the investment portfolio so potential losses on individual securities will be minimized. The Village's investment in the Illinois Funds was rated AAmmf by Fitch.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that all funds on deposit in excess of FDIC limits shall be secured by the deposit of marketable U.S. government or other approved securities or surety bonds issued by top-rated insurers, having a value of at least 110% of the deposits. At year-end, \$593,169 of the bank balance of the deposits was not covered by federal depository or equivalent insurance, and represents cash at paying agent for debt service payments.

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

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities. At year-end, the Village does not have any investments over 5 percent of cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

| Transfer In | Transfer Out | Amount |
|---------------------|--------------|-------------------------|
| Debt Service | General | \$ 216,563 (2) |
| Capital Replacement | General | <u>3,399,066 (1)</u> |
| | | <u><u>3,615,629</u></u> |

Transfers are used (1) to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) to move receipts restricted for debt service from the General Fund to the Debt Service Fund as debt service payments become due.

PROPERTY TAXES

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 Madison County and are payable in four installments, usually beginning in June. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

CAPITAL ASSETS

Governmental Activities

Depreciation expense was charged to governmental activities as follows:

| | |
|---------------------------------|-----------------------|
| General Government | \$ 174,077 |
| Culture and Recreation | 34,815 |
| Transportation and Public Works | <u>139,262</u> |
| | <u><u>348,154</u></u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Governmental Activities - Continued

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|------------------|----------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 687,548 | — | — | 687,548 |
| Construction in Progress | 575,350 | — | 575,350 | — |
| | <u>1,262,898</u> | <u>—</u> | <u>575,350</u> | <u>687,548</u> |
| Depreciable Capital Assets | | | | |
| Buildings | 1,382,434 | 3,153,711 | — | 4,536,145 |
| Park Building/Equipment | 244,811 | 277,458 | — | 522,269 |
| Equipment | 167,311 | 75,316 | — | 242,627 |
| Vehicles | 916,753 | 140,119 | 78,729 | 978,143 |
| Streets | 3,605,179 | 17,702 | — | 3,622,881 |
| | <u>6,316,488</u> | <u>3,664,306</u> | <u>78,729</u> | <u>9,902,065</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 524,044 | 57,330 | — | 581,374 |
| Park Building/Equipment | 151,808 | 36,108 | — | 187,916 |
| Equipment | 150,269 | 9,963 | — | 160,232 |
| Vehicles | 467,573 | 147,327 | 76,110 | 538,790 |
| Streets | 1,156,447 | 97,426 | — | 1,253,873 |
| | <u>2,450,141</u> | <u>348,154</u> | <u>76,110</u> | <u>2,722,185</u> |
| Total Net Depreciable Capital Assets | <u>3,866,347</u> | <u>3,316,152</u> | <u>2,619</u> | <u>7,179,880</u> |
| Total Net Capital Assets | <u>5,129,245</u> | <u>3,316,152</u> | <u>577,969</u> | <u>7,867,428</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|------------------|-----------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Construction in Progress | \$ 136,245 | — | — | 136,245 |
| Depreciable Capital Assets | | | | |
| Vehicles | 42,018 | — | — | 42,018 |
| Streets | 66,551 | — | — | 66,551 |
| Water/Sewer Utility System | 8,148,871 | — | — | 8,148,871 |
| Village Water System | 13,308,325 | — | — | 13,308,325 |
| | <u>21,565,765</u> | — | — | <u>21,565,765</u> |
| Less Accumulated Depreciation | | | | |
| Vehicles | 31,018 | 3,667 | — | 34,685 |
| Street | 29,117 | 1,664 | — | 30,781 |
| Water/Sewer Utility System | 6,387,573 | 288,159 | — | 6,675,732 |
| Village Water System | 5,650,389 | 390,621 | — | 6,041,010 |
| | <u>12,098,097</u> | <u>684,111</u> | — | <u>12,782,208</u> |
| Total Net Depreciable Capital Assets | <u>9,467,668</u> | <u>(684,111)</u> | — | <u>8,783,557</u> |
| Total Net Capital Assets | <u>9,603,913</u> | <u>(684,111)</u> | — | <u>8,919,802</u> |

Depreciation expense was charged to business-type activities as follows:

| | |
|-------------------------|-------------------|
| Waterworks and Sewerage | <u>\$ 684,111</u> |
|-------------------------|-------------------|

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Refunding/Alternate Revenue Source Bonds

The Village issues bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds provide for the collection, segregation and distribution of certain income taxes received by the Village for the payment of principal and interest on the alternate revenue source bonds. Alternate revenue source bonds outstanding are as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-------------------------------|-----------------------|-----------|----------------|--------------------|
| \$210,000 General Obligation Refunding Alternate Revenue Source Bonds of 2012A - Due in annual installments of \$10,000 to \$30,000 plus interest at 2.25% to 3.70% through May 1, 2023. | Waterworks and Sewerage | \$ 30,000 | — | 30,000 | — |
| \$1,955,000 Waterworks and Sewerage Revenue Refunding Bonds of 2012B - Due in annual installments of \$95,000 to \$160,000 plus interest at 2.50% to 3.25% through May 1, 2027. | Waterworks and Sewerage | 760,000 | — | 145,000 | 615,000 |
| \$4,285,000 Waterworks and Sewerage Revenue Refunding Bonds of 2015A - Due in annual installments of \$290,000 to \$435,000 plus interest at 1.00% to 3.50% through May 1, 2027. | Waterworks and Sewerage | 1,985,000 | — | 360,000 | 1,625,000 |
| \$1,805,000 General Obligation Refunding Alternate Revenue Source Bonds of 2015B - Due in annual installments of \$150,000 to \$205,000 plus interest at 1.00% to 4.00% through December 1, 2025. | Debt Service | 600,000 | — | 195,000 | 405,000 |
| | | <u>3,375,000</u> | <u>—</u> | <u>730,000</u> | <u>2,645,000</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Installment Contracts

The Village has established installment contracts payable as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|----------------------|--------------------|-----------|---------------|-----------------|
| \$165,265 (Street Sweeper) Installment Contract of 2019 - Due in monthly installments of \$2,252 including interest at 3.90% through April 20, 2026. | General | \$ 76,436 | — | 24,482 | 51,954 |
| \$66,899 (Ram Truck) Installment Contract of 2022 - Due in monthly installments of \$2,001 including interest at 4.70% through June 20, 2025. | General | 49,331 | — | 22,135 | 27,196 |
| | | <u>125,767</u> | <u>—</u> | <u>46,617</u> | <u>79,150</u> |

Promissory Notes Payable

The Village entered into a promissory note payable for the purpose of financing the construction of a new public works building, in an amount not to exceed \$1,500,000. Promissory notes payable have been issued for the governmental activities. Promissory notes payable are direct obligations and pledge the full faith and credit of the Village. Final repayment schedule for the promissory note payable of 2020 is not available as draws are made as needed and interest is paid on amounts drawn.

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|----------------------|--------------------|------------------|----------------|------------------|
| \$1,460,460 Promissory Note Payable of 2020 - Due in monthly installments of \$13,870 plus interest at 1.75% to 2.10% through May 1, 2030. | General | \$ — | 1,460,460 | 123,104 | 1,337,356 |
| \$500,000 Promissory Note Payable of 2024 - Due in monthly installments of \$5,621 plus interest at 6.19% through January 17, 2034. | General | — | 500,000 | 9,088 | 490,912 |
| | | <u>—</u> | <u>1,960,460</u> | <u>132,192</u> | <u>1,828,268</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--------------------------------------|-----------------------|------------------|----------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 20,496 | 462 | 231 | 20,727 | 4,145 |
| Net Pension Liability - IMRF | 45,274 | 6,179 | — | 51,453 | — |
| General Obligation Refunding/ | | | | | |
| Alternate Revenue Source Bonds | 600,000 | — | 195,000 | 405,000 | 200,000 |
| Plus: Unamortized Premium | 18,469 | — | 6,157 | 12,312 | 6,157 |
| Installment Contracts Payable | 125,767 | — | 46,617 | 79,150 | 48,683 |
| Promissory Notes Payable | — | 1,960,460 | 132,192 | 1,828,268 | 37,715 |
| | <u>810,006</u> | <u>1,967,101</u> | <u>380,197</u> | <u>2,396,910</u> | <u>296,700</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | 9,088 | 42 | 84 | 9,046 | 1,809 |
| Net Pension Liability - IMRF | 17,727 | 3,226 | — | 20,953 | — |
| General Obligation Refunding/ | | | | | |
| Alternate Revenue Source Bonds | 2,775,000 | — | 535,000 | 2,240,000 | 555,000 |
| Plus: Unamortized Premium | 58,050 | — | 19,350 | 38,700 | 19,350 |
| Asset Retirement Obligation | 325,000 | — | — | 325,000 | — |
| | <u>3,184,865</u> | <u>3,268</u> | <u>554,434</u> | <u>2,633,699</u> | <u>576,159</u> |

For governmental activities, the compensated absences, the net pension liability, installment contracts payable, and the promissory notes payable are being liquidated by the General Fund. The Debt Service Fund makes payments on the general obligation refunding/alternate revenue source bonds.

For business-type activities, the Waterworks and Sewerage Fund makes payments on the compensated absences, the net pension liability, the general obligation refunding/alternate revenue source bonds, and the asset retirement obligation.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

| Fiscal Year | Governmental Activities | | | | | | Business-Type | |
|----------------|-------------------------|----------|------------------|----------|--------------|----------|---------------------|----------|
| | General Obligation | | Installment | | Promissory | | General Obligation | |
| | Refunding/ARS Bonds | | Contract Payable | | Note Payable | | Refunding/ARS Bonds | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 200,000 | 16,200 | 48,683 | 3,149 | 37,715 | 29,742 | 555,000 | 67,000 |
| 2026 | 205,000 | 8,200 | 30,467 | 582 | 40,150 | 27,307 | 570,000 | 47,950 |
| 2027 | — | — | — | — | 42,745 | 24,712 | 590,000 | 28,106 |
| 2028 | — | — | — | — | 45,447 | 22,010 | 525,000 | 8,987 |
| 2029 | — | — | — | — | 48,443 | 19,014 | — | — |
| 2030 | — | — | — | — | 51,569 | 15,888 | — | — |
| 2031 | — | — | — | — | 54,902 | 12,555 | — | — |
| 2032 | — | — | — | — | 58,427 | 9,030 | — | — |
| 2033 | — | — | — | — | 62,222 | 5,235 | — | — |
| 2034 | — | — | — | — | 49,292 | 1,302 | — | — |
| Totals | 405,000 | 24,400 | 79,150 | 3,731 | 490,912 | 166,795 | 2,240,000 | 152,043 |

Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives 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 remaining useful lives of the water wells range from 17 - 62 years.

Legal Debt Margin

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin - Continued

| | |
|---|--------------------------|
| Assessed Valuation - 2023 | \$ 122,662,460 |
| Legal Debt Limit - 8.625% of Assessed Value | 10,579,637 |
| Amount of Debt Applicable to Limit | <u>490,912</u> |
| Legal Debt Margin | <u><u>10,088,725</u></u> |

Pledged Future Revenues

The following table provides the pledged future revenue information for the bonds for which a revenue pledge exists:

| | Revenue Bond 2012B | Revenue Bond 2015A | GO Bond 2015B |
|--|---------------------------|---------------------------|-------------------------|
| Commitment Date | 5/1/2027 | 5/1/2027 | 12/1/2025 |
| Pledge Remaining | \$ 655,131 | \$ 1,736,912 | \$ 429,400 |
| Pledge Revenue Collected | \$ 1,969,306 | \$ 1,969,306 | \$ 1,315,926 |
| Coverage of Pledged Revenue | 5.04 | 1.85 | N/A |
| Pledged Revenue Source | Revenues of the System | Revenues of the System | Income and Sales Tax |
| Current Year Principal and Interest Paid | \$ 167,212 | \$ 454,788 | \$ 216,200 |

FUND BALANCE CLASSIFICATIONS

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

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

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

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level a

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

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village policy manual states that the General Fund should maintain a minimum fund balance equal to 25% to 75% of operating expenditures.

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

| | General | Special Revenue Motor Fuel Tax | Debt Service | Capital Projects Capital Replacement | Totals |
|---------------------|-----------|---|-----------------|---|-----------|
| Fund Balances | | | | | |
| Nonspendable | | | | | |
| Prepays | \$ 11,354 | — | — | 215,333 | 226,687 |
| Restricted | | | | | |
| Streets | — | 568,829 | — | — | 568,829 |
| Debt Service | — | — | 32,693 | — | 32,693 |
| | — | 568,829 | 32,693 | — | 601,522 |
| Assigned | | | | | |
| Capital Projects | — | — | — | 1,363,614 | 1,363,614 |
| Unassigned | 2,322,911 | — | — | — | 2,322,911 |
| Total Fund Balances | 2,334,265 | 568,829 | 32,693 | 1,578,947 | 4,514,734 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2024:

| | |
|--|-------------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 7,867,428 |
| Plus: Unamortized Loss on Refunding | 5,445 |
| Less Capital Related Debt: | |
| General Obligation Refunding ARS Bonds of 2015B | (405,000) |
| Installment Contract Payable - Sweeper | (51,954) |
| Installment Contract Payable - Ram Truck | (27,196) |
| Promissory Notes Payable | (1,828,268) |
| Unamortized Premium | <u>(12,312)</u> |
| Net Investment in Capital Assets | <u><u>5,548,143</u></u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 8,919,802 |
| Plus: Unamortized Loss on Refunding | 22,151 |
| Less Capital Related Debt: | |
| General Obligation Revenue Refunding Bonds of 20012B | (615,000) |
| General Obligation Revenue Refunding Bonds of 2015 | (1,625,000) |
| Unamortized Premium | <u>(38,700)</u> |
| Net Investment in Capital Assets | <u><u>6,663,253</u></u> |

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in a claim relating to matters arising in the ordinary course of business. Part of the claim may be insured but subject to varying deductibles and some of the claim may be uninsured. The amount of liability, if any, from the claim cannot be determined with certainty; however, management is of the opinion that the outcome of the claim will not have a material adverse impact on the financial position. Due to uncertainties in the settlement process, it is at least reasonably possible that management's estimate of the outcome will change within the next year.

Grants

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

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

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

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

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

Plan Membership. As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 3 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 11 |
| Active Plan Members | <u>9</u> |
| Total | <u><u>23</u></u> |

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2024, the Village's contribution was 6.15% of covered payroll.

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

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

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

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

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 24.50% | 4.75% |
| Domestic Equities | 34.50% | 5.00% |
| International Equities | 18.00% | 6.35% |
| Real Estate | 10.50% | 6.30% |
| Blended | 11.50% | 6.05% - 8.65% |
| Cash and Cash Equivalents | 1.00% | 3.80% |

Discount Rate

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

Discount Rate Sensitivity

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

| | 1% Decrease (6.25%) | Current Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|----------------------------|------------------------|
| Net Pension Liability/(Asset) | \$ 237,155 | 72,406 | (41,761) |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2022 | \$ 746,063 | 683,062 | 63,001 |
| Changes for the Year: | | | |
| Service Cost | 34,481 | — | 34,481 |
| Interest on the Total Pension Liability | 54,679 | — | 54,679 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 71,580 | — | 71,580 |
| Changes of Assumptions | (8,815) | — | (8,815) |
| Contributions - Employer | — | 31,506 | (31,506) |
| Contributions - Employees | — | 20,459 | (20,459) |
| Net Investment Income | — | 70,542 | (70,542) |
| Benefit Payments, Including Refunds of Employee Contributions | (18,219) | (18,219) | — |
| Other (Net Transfer) | — | 20,013 | (20,013) |
| Net Changes | 133,706 | 124,301 | 9,405 |
| Balances at December 31, 2023 | 879,769 | 807,363 | 72,406 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended April 30, 2024, the Village recognized pension expense of \$978. At April 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|--|--------------------------------------|-------------------------------------|----------|
| Difference Between Expected and Actual Experience | \$ 69,193 | (45,048) | 24,145 |
| Change in Assumptions | — | (13,170) | (13,170) |
| Net Difference Between Projected and Actual | | | |
| Earnings on Pension Plan Investments | 32,109 | — | 32,109 |
| Total Pension Expense to be Recognized in Future Periods | 101,302 | (58,218) | 43,084 |
| Pension Contributions Made | | | |
| Subsequent to the Measurement Date | 6,574 | — | 6,574 |
| Total Deferred Amounts Related to IMRF | 107,876 | (58,218) | 49,658 |

\$6,574 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2025 | \$ 6,873 |
| 2026 | 8,852 |
| 2027 | 16,513 |
| 2028 | 6,201 |
| 2029 | 4,645 |
| Thereafter | — |
| Totals | 43,084 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule Employer Contributions
 Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
 Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
 General Fund
 Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF POPLAR GROVE, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
April 30, 2024**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2016 | \$ 29,418 | \$ 29,418 | \$ — | \$ 283,963 | 10.36% |
| 2017 | 32,892 | 45,034 | 12,142 | 331,904 | 13.57% |
| 2018 | 31,010 | 31,010 | — | 363,893 | 8.52% |
| 2019 | 24,680 | 24,680 | — | 375,829 | 6.57% |
| 2020 | 19,811 | 19,811 | — | 346,751 | 5.71% |
| 2021 | 22,264 | 22,264 | — | 348,522 | 6.39% |
| 2022 | 27,181 | 27,181 | — | 369,815 | 7.35% |
| 2023 | 28,902 | 28,902 | — | 420,349 | 6.88% |
| 2024 | 28,548 | 28,548 | — | 464,465 | 6.15% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Aggregate Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 20 Years |
| Asset Valuation Method | 5-Year Smoothed Fair Value |
| Inflation | 2.25% |
| Salary Increases | 2.75% to 13.75%, Including Inflation |
| Investment Rate of Return | 7.25% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019. |
| Mortality | For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. |

Note:

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

VILLAGE OF POPLAR GROVE, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2024**

| | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|---|------------|------------|------------|
| Total Pension Liability | | | |
| Service Cost | \$ 21,616 | 29,198 | 30,277 |
| Interest | 22,729 | 30,493 | 32,423 |
| Differences Between Expected and Actual Experience | 56,276 | (33,759) | (19,065) |
| Change of Assumptions | 781 | (1,660) | (18,444) |
| Benefit Payments, Including Refunds of Member Contributions | (1,960) | — | (341) |
| Net Change in Total Pension Liability | 99,442 | 24,272 | 24,850 |
| Total Pension Liability - Beginning | 293,626 | 393,068 | 417,340 |
| Total Pension Liability - Ending | 393,068 | 417,340 | 442,190 |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | 29,418 | 45,034 | 32,189 |
| Contributions - Members | 14,198 | 14,936 | 16,188 |
| Net Investment Income | 1,240 | 19,016 | 46,093 |
| Benefit Payments, Including Refunds of Member Contributions | (1,960) | — | (341) |
| Other (Net Transfer) | (6,768) | (3,595) | (4,460) |
| Net Change in Plan Fiduciary Net Position | 36,128 | 75,391 | 89,669 |
| Plan Net Position - Beginning | 227,115 | 263,243 | 338,634 |
| Plan Net Position - Ending | 263,243 | 338,634 | 428,303 |
| Employer's Net Pension Liability | 129,825 | 78,706 | 13,887 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 66.97% | 81.14% | 96.86% |
| Covered Payroll | 283,963 | 331,904 | 345,010 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 45.72% | 23.71% | 4.03% |

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2021. Changes in assumptions related to the demographics were made in 2017.

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

| 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 | 12/31/2023 |
|------------|------------|------------|------------|------------|------------|
| 28,092 | 34,123 | 31,096 | 31,922 | 31,927 | 34,481 |
| 33,910 | 39,777 | 45,457 | 51,179 | 55,760 | 54,679 |
| 18,410 | 18,471 | 38,043 | 5,262 | (74,008) | 71,580 |
| 24,856 | — | (26,803) | — | — | (8,815) |
| (8,201) | (15,349) | (9,671) | (8,880) | (41,500) | (18,219) |
| 97,067 | 77,022 | 78,122 | 79,483 | (27,821) | 133,706 |
| 442,190 | 539,257 | 616,279 | 694,401 | 773,884 | 746,063 |
| 539,257 | 616,279 | 694,401 | 773,884 | 746,063 | 879,769 |
| 28,106 | 18,789 | 21,542 | 27,182 | 27,829 | 31,506 |
| 17,640 | 15,485 | 16,293 | 16,642 | 18,282 | 20,459 |
| (3,210) | 65,523 | 62,725 | 91,860 | (61,295) | 70,542 |
| (8,201) | (15,349) | (9,671) | (8,880) | (41,500) | (18,219) |
| (2,223) | (5,248) | 10,092 | (5,224) | (22,430) | 20,013 |
| 32,112 | 79,200 | 100,981 | 121,580 | (79,114) | 124,301 |
| 428,303 | 460,415 | 539,615 | 640,596 | 762,176 | 683,062 |
| 460,415 | 539,615 | 640,596 | 762,176 | 683,062 | 807,363 |
| 78,842 | 76,664 | 53,805 | 11,708 | 63,001 | 72,406 |
| 85.38% | 87.56% | 92.25% | 98.49% | 91.56% | 91.77% |
| 391,997 | 344,119 | 362,059 | 369,815 | 406,256 | 454,637 |
| 20.11% | 22.28% | 14.86% | 3.17% | 15.51% | 15.93% |

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|--|--------------------|--------------------|-------------------------|
| Revenues | | | |
| Taxes | \$ 826,427 | 826,427 | 828,421 |
| Intergovernmental | 1,455,964 | 1,455,964 | 2,219,085 |
| Charges for Services | 2,000 | 2,000 | 7,545 |
| Licenses and Permits | 125,800 | 125,800 | 100,819 |
| Investment Income | 75,000 | 115,312 | 221,326 |
| Miscellaneous | 1,999,800 | 2,065,588 | 119,672 |
| Total Revenues | <u>4,484,991</u> | <u>4,591,091</u> | <u>3,496,868</u> |
| Expenditures | | | |
| General Government | 1,091,847 | 1,091,847 | 830,899 |
| Public Safety | 10,000 | 10,000 | — |
| Culture and Recreation | 143,195 | 143,195 | 121,701 |
| Transportation and Public Works | 412,446 | 412,446 | 328,022 |
| Capital Outlay | 120,500 | 120,500 | 124,580 |
| Debt Service | | | |
| Interest and Fiscal Charges | 178,809 | 178,809 | 178,809 |
| Principal Retirement | 107,631 | 130,131 | 54,313 |
| Total Expenditures | <u>2,064,428</u> | <u>2,086,928</u> | <u>1,638,324</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>2,420,563</u> | <u>2,504,163</u> | <u>1,858,544</u> |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | — | — | 1,960,460 |
| Transfers Out | (2,420,563) | (2,920,563) | (3,615,629) |
| | <u>(2,420,563)</u> | <u>(2,920,563)</u> | <u>(1,655,169)</u> |
| Net Change in Fund Balance | <u>—</u> | <u>(416,400)</u> | 203,375 |
| Fund Balance - Beginning | | | <u>2,130,890</u> |
| Fund Balance - Ending | | | <u><u>2,334,265</u></u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|---------------------------------|--------------------|------------------|-----------------------|
| Revenues | | | |
| Intergovernmental | | | |
| Motor Fuel Tax Allotments | \$ 213,000 | 213,000 | 227,277 |
| Investment Income | 10,000 | 10,000 | 27,614 |
| Total Revenues | <u>223,000</u> | <u>223,000</u> | <u>254,891</u> |
| Expenditures | | | |
| Transportation and Public Works | <u>618,000</u> | <u>618,000</u> | <u>465,971</u> |
| Net Change in Fund Balance | <u>(395,000)</u> | <u>(395,000)</u> | (211,080) |
| Fund Balance - Beginning | | | <u>779,909</u> |
| Fund Balance - Ending | | | <u><u>568,829</u></u> |

OTHER SUPPLEMENTARY INFORMATION

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

Such schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Budgetary Comparison Schedule - Major Enterprise Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUND

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

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the receipts of the Village's share of state gasoline taxes. These funds are then expended for the maintenance of roads and bridges. State of Illinois law requires separate accounting for such revenues and expenditures.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Replacement Fund

The Capital Replacement Fund is used to account for the financial resources to be used for the acquisition or construction of major facilities including replacement of existing assets (other than those financed by business-type/proprietary funds).

ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund is used to account for the costs related to the operation of the Village's water and sewer system. Funding is provided by user fees.

VILLAGE OF POPLAR GROVE, ILLINOIS

**General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2024**

| | Original Budget | Final Budget | Actual |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| Taxes | | | |
| Property Taxes | \$ 316,927 | 316,927 | 316,465 |
| Road and Bridge Tax | 86,000 | 86,000 | 88,049 |
| Telecommunication Tax | 45,000 | 45,000 | 41,605 |
| Electric Utility Tax | 135,000 | 135,000 | 129,074 |
| Video Gaming Tax | 120,000 | 120,000 | 118,346 |
| MediaCom Tax | 38,500 | 38,500 | 38,102 |
| Nicor Utility Taxes | 85,000 | 85,000 | 96,780 |
| | <u>826,427</u> | <u>826,427</u> | <u>828,421</u> |
| Intergovernmental | | | |
| State Income Tax | 782,596 | 782,596 | 826,595 |
| Sales Tax | 450,000 | 450,000 | 489,331 |
| Personal Property Replacement Tax | 12,000 | 12,000 | 9,885 |
| State Use Tax | 202,768 | 202,768 | 190,709 |
| Cannabis Use Tax | 8,600 | 8,600 | 7,989 |
| Federal Grant | — | — | 694,576 |
| | <u>1,455,964</u> | <u>1,455,964</u> | <u>2,219,085</u> |
| Charges for Services | | | |
| Filing Fees | 2,000 | 2,000 | 7,545 |
| License and Permits | | | |
| Liquor Licenses | 22,000 | 22,000 | 23,305 |
| Other Licenses | 2,800 | 2,800 | 2,920 |
| Truck Permits | 1,000 | 1,000 | — |
| Building Permits | 100,000 | 100,000 | 74,594 |
| | <u>125,800</u> | <u>125,800</u> | <u>100,819</u> |
| Investment Income | 75,000 | 115,312 | 221,326 |
| Miscellaneous | | | |
| Rental Income | 22,800 | 22,800 | 4,230 |
| Other | 1,977,000 | 2,042,788 | 115,442 |
| | <u>1,999,800</u> | <u>2,065,588</u> | <u>119,672</u> |
| Total Revenues | <u><u>4,484,991</u></u> | <u><u>4,591,091</u></u> | <u><u>3,496,868</u></u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|------------------------------|--------------------|-----------------|----------------|
| General Government | | | |
| Personnel Services | | | |
| Salaries | \$ 351,334 | 351,334 | 277,490 |
| IMRF | 17,937 | 17,937 | 12,037 |
| Social Security/Medicare | 26,878 | 26,878 | 20,055 |
| Workers Compensation | 8,000 | 8,000 | 1,169 |
| Unemployment Compensation | 1,095 | 1,095 | 1,059 |
| Life Insurance - Employer | 960 | 960 | 704 |
| | <u>406,204</u> | <u>406,204</u> | <u>312,514</u> |
| Contractual Services | | | |
| General Insurance | 40,000 | 40,000 | 35,859 |
| Telephone | 10,200 | 10,200 | 9,471 |
| Health Insurance | 97,486 | 97,486 | 75,585 |
| Web Site Maintenance | 7,907 | 7,907 | 2,224 |
| Bond Agent Fees | 500 | 500 | 500 |
| Travel | 15,000 | 15,000 | 9,189 |
| Security System | 2,500 | 2,500 | 2,585 |
| Training | 10,000 | 10,000 | 6,562 |
| Postage | 1,800 | 1,800 | 1,902 |
| Publication Costs | 5,400 | 5,400 | 2,942 |
| Accounting Services | 17,000 | 17,000 | 18,250 |
| Engineering Services | 60,000 | 60,000 | 35,306 |
| Legal | 147,000 | 147,000 | 120,654 |
| Codification | 6,000 | 6,000 | — |
| Office System Support | 28,000 | 28,000 | 32,533 |
| Contract Inspection Services | 100,000 | 100,000 | 68,621 |
| Contract Code Enforcement | 23,000 | 23,000 | 10,627 |
| Dues | 4,150 | 4,150 | 2,170 |
| Custodial Services | 7,200 | 7,200 | 7,133 |
| IT Services | 10,000 | 10,000 | 10,996 |
| Planning Services | 25,000 | 25,000 | 18,250 |
| Professional Services | 36,000 | 36,000 | 25,774 |
| Rental Property Repairs | 2,500 | 2,500 | — |
| | <u>656,643</u> | <u>656,643</u> | <u>497,133</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------|----------------------|--------------------|
| General Government - Continued | | | |
| Commodities | | | |
| Office Supplies | \$ 5,500 | 5,500 | 6,501 |
| Operating Supplies | 21,500 | 21,500 | 14,286 |
| Miscellaneous | 2,000 | 2,000 | 465 |
| | <u>29,000</u> | <u>29,000</u> | <u>21,252</u> |
| Total General Government | <u>1,091,847</u> | <u>1,091,847</u> | <u>830,899</u> |
| Public Safety | | | |
| Contractual Services | | | |
| Other Contractual Services | 10,000 | 10,000 | — |
| | <u>10,000</u> | <u>10,000</u> | <u>—</u> |
| Culture and Recreation | | | |
| Personnel Services | | | |
| Salaries | 86,000 | 86,000 | 72,052 |
| IMRF | 4,401 | 4,401 | 4,135 |
| Social Security/Medicare | 6,579 | 6,579 | 5,147 |
| Workers Compensation | 2,000 | 2,000 | 3,262 |
| Unemployment Compensation | 275 | 275 | 442 |
| Life Insurance - Employer | 240 | 240 | 232 |
| | <u>99,495</u> | <u>99,495</u> | <u>85,270</u> |
| Contractual Services | | | |
| Health Insurance | 25,000 | 25,000 | 21,893 |
| Professional Services | — | — | 390 |
| | <u>25,000</u> | <u>25,000</u> | <u>22,283</u> |
| Park Maintenance Equipment | | | |
| Park Maintenance Supplies | 10,700 | 10,700 | 5,726 |
| Park Landscaping, Mowing, Tree | 8,000 | 8,000 | 8,422 |
| | <u>18,700</u> | <u>18,700</u> | <u>14,148</u> |
| Total Culture and Recreation | <u>143,195</u> | <u>143,195</u> | <u>121,701</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|---------------------------------------|--------------------|-----------------|---------|
| Transportation and Public Works | | | |
| Personnel Services | | | |
| Salaries | \$ 76,000 | 76,000 | 68,589 |
| IMRF | 5,267 | 5,267 | 4,134 |
| Social Security/Medicare | 5,814 | 5,814 | 4,881 |
| Workers Compensation | 2,000 | 2,000 | 3,262 |
| Unemployment Compensation | 275 | 275 | 385 |
| Life Insurance - Employer | 240 | 240 | 232 |
| Uniform Allowance | 2,500 | 2,500 | 3,567 |
| | 92,096 | 92,096 | 85,050 |
| Contractual Services | | | |
| Professional Services | 25,000 | 25,000 | 4,083 |
| Engineering Services | 3,000 | 3,000 | — |
| Contracted Snow Plowing | 20,000 | 20,000 | — |
| Maintenance Services - Vehicle | 20,000 | 20,000 | 15,166 |
| Maintenance Services - Equipment | 20,000 | 20,000 | 24,518 |
| Maintenance Services - Plowing | 15,000 | 15,000 | 4,108 |
| Street Lighting | 47,000 | 47,000 | 45,455 |
| Telephone | 2,650 | 2,650 | 2,570 |
| Health Insurance | 25,000 | 25,000 | 21,923 |
| Uniform Cleaning Services | 2,000 | 2,000 | 1,515 |
| Training | 2,000 | 2,000 | 330 |
| Shop Building Heat | 3,000 | 3,000 | 3,559 |
| Travel | 500 | 500 | 66 |
| Utilities | — | — | 2,443 |
| | 185,150 | 185,150 | 125,736 |
| Commodities | | | |
| Gasoline - Oil | 30,000 | 30,000 | 25,776 |
| Salt | 55,000 | 55,000 | 44,967 |
| JULIE Locates | 1,200 | 1,200 | 920 |
| Miscellaneous | 1,000 | 1,000 | 3,639 |
| Maintenance Supplies | 33,000 | 33,000 | 18,269 |
| Operating Supplies | 15,000 | 15,000 | 23,665 |
| | 135,200 | 135,200 | 117,236 |
| Total Transportation and Public Works | 412,446 | 412,446 | 328,022 |

VILLAGE OF POPLAR GROVE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|---------------------------------|--------------------|------------------|------------------|
| Capital Outlay | | | |
| Culture and Recreation | | | |
| Park Improvements | \$ 7,500 | 7,500 | — |
| Parks Equipment | 7,500 | 7,500 | — |
| Village Hall Equipment | 7,500 | 7,500 | 3,312 |
| | <u>22,500</u> | <u>22,500</u> | <u>3,312</u> |
| Transportation and Public Works | | | |
| Storm Sewer Construction | 10,000 | 10,000 | — |
| Road Construction | 88,000 | 88,000 | 121,268 |
| | <u>98,000</u> | <u>98,000</u> | <u>121,268</u> |
| Total Capital Outlay | <u>120,500</u> | <u>120,500</u> | <u>124,580</u> |
| Debt Service | | | |
| Principal Retirement | 178,809 | 178,809 | 178,809 |
| Interest and Fiscal Charges | 107,631 | 130,131 | 54,313 |
| Total Debt Service | <u>286,440</u> | <u>308,940</u> | <u>233,122</u> |
| Total Expenditures | <u>2,064,428</u> | <u>2,086,928</u> | <u>1,638,324</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|--|--------------------|-----------------|-----------|
| Revenues | | | |
| Investment Income | \$ — | — | 2,543 |
| Expenditures | | | |
| Debt Service | | | |
| Interest and Fiscal Charges | 195,000 | 195,000 | 195,000 |
| Principal Retirement | 21,563 | 21,563 | 21,563 |
| Total Expenditures | 216,563 | 216,563 | 216,563 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (216,563) | (216,563) | (214,020) |
| Other Financing Sources | | | |
| Transfers In | 216,563 | 216,563 | 216,563 |
| Net Change in Fund Balance | — | — | 2,543 |
| Fund Balance - Beginning | | | 30,150 |
| Fund Balance - Ending | | | 32,693 |

VILLAGE OF POPLAR GROVE, ILLINOIS

Capital Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|--|--------------------|------------------|-------------------------|
| Revenues | | | |
| Intergovernmental | | | |
| State Grant | \$ 200,000 | 200,000 | 200,000 |
| Investment Income | — | — | 7,207 |
| Total Revenues | <u>200,000</u> | <u>200,000</u> | <u>207,207</u> |
| Expenditures | | | |
| Capital Outlay | <u>3,120,000</u> | <u>3,203,600</u> | <u>3,360,301</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,920,000) | (3,003,600) | (3,153,094) |
| Other Financing Sources | | | |
| Transfers In | <u>2,204,000</u> | <u>2,704,000</u> | <u>3,399,066</u> |
| Net Change in Fund Balance | <u>(716,000)</u> | <u>(299,600)</u> | 245,972 |
| Fund Balance - Beginning | | | <u>1,332,975</u> |
| Fund Balance - Ending | | | <u><u>1,578,947</u></u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2024

| | Original Budget | Final Budget | Actual |
|----------------------------------|-----------------------|-----------------------|-------------------------|
| Operating Revenues | | | |
| Charges for Services | | | |
| Water and Sewer Sales | \$ 1,886,000 | 1,886,000 | 1,853,506 |
| Tap on Fees | 60,500 | 60,500 | 15,061 |
| Turn On/Off Water Fees | 10,000 | 10,000 | 7,925 |
| Penalties | 20,000 | 20,000 | 24,004 |
| Total Operating Revenues | <u>1,976,500</u> | <u>1,976,500</u> | <u>1,900,496</u> |
| Operating Expenses | | | |
| Operations | | | |
| Personal Services | 229,192 | 229,192 | 199,127 |
| Contractual Services | 606,894 | 606,894 | 680,929 |
| Commodities | 187,550 | 187,550 | 155,231 |
| Capital Outlay | 220,000 | 220,000 | 22,766 |
| Depreciation and Amortization | — | — | 683,410 |
| Total Operating Expenses | <u>1,243,636</u> | <u>1,243,636</u> | <u>1,741,463</u> |
| Operating Income | <u>732,864</u> | <u>732,864</u> | <u>159,033</u> |
| Nonoperating Revenues (Expenses) | | | |
| Investment Income | 20,000 | 20,000 | 57,193 |
| Miscellaneous Revenue | — | — | 11,617 |
| Principal Retirement | (535,000) | (535,000) | — |
| Interest Expense | (85,367) | (85,367) | (76,338) |
| | <u>(600,367)</u> | <u>(600,367)</u> | <u>(7,528)</u> |
| Change in Net Position | <u><u>132,497</u></u> | <u><u>132,497</u></u> | 151,505 |
| Net Position - Beginning | | | <u>8,197,309</u> |
| Net Position - Ending | | | <u><u>8,348,814</u></u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Consolidated Year-End Financial Report

April 30, 2024

| CSFA # | Program Name | State | Federal | Other | Total |
|-------------|-------------------------------------|------------|---------|-------|---------|
| 420-00-0505 | Grants Management Program | \$ 200,000 | — | — | 200,000 |
| | Other Grant Programs and Activities | | 694,576 | — | 694,576 |
| | Totals | 200,000 | 694,576 | — | 894,576 |

SUPPLEMENTAL SCHEDULES

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

Waterworks and Sewerage Revenue Refunding Bonds of 2012B

April 30, 2024

| | |
|-------------------------|--------------------------------|
| Date of Issue | January 9, 2012 |
| Date of Maturity | April 30, 2027 |
| Authorized Issue | \$1,955,000 |
| Interest Rates | 2.50% to 3.25% |
| Interest Dates | May 1 and November 1 |
| Principal Maturity Date | November 1 |
| Payable at | Heartland Bank & Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|----------------|---------------|----------------|
| 2025 | \$ 150,000 | 17,212 | 167,212 |
| 2026 | 150,000 | 12,600 | 162,600 |
| 2027 | 155,000 | 7,719 | 162,719 |
| 2028 | 160,000 | 2,600 | 162,600 |
| | <u>615,000</u> | <u>40,131</u> | <u>655,131</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

Waterworks and Sewerage Revenue Refunding Bonds of 2015A

April 30, 2024

| | |
|-------------------------|--------------------------------|
| Date of Issue | February 2, 2015 |
| Date of Maturity | April 30, 2027 |
| Authorized Issue | \$4,285,000 |
| Interest Rates | 1.00% to 3.50% |
| Interest Dates | May 1 and November 1 |
| Principal Maturity Date | November 1 |
| Payable at | Heartland Bank & Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|------------------|----------------|------------------|
| 2025 | \$ 405,000 | 49,788 | 454,788 |
| 2026 | 420,000 | 35,350 | 455,350 |
| 2027 | 435,000 | 20,387 | 455,387 |
| 2028 | 365,000 | 6,387 | 371,387 |
| | <u>1,625,000</u> | <u>111,912</u> | <u>1,736,912</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Alternate Revenue Source Bonds of 2015B

April 30, 2024

| | |
|-------------------------|--------------------------------|
| Date of Issue | September 10, 2015 |
| Date of Maturity | December 1, 2025 |
| Authorized Issue | \$1,805,000 |
| Interest Rates | 1.00% to 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Heartland Bank & Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|----------------|---------------|----------------|
| 2025 | \$ 200,000 | 16,200 | 216,200 |
| 2026 | 205,000 | 8,200 | 213,200 |
| | <u>405,000</u> | <u>24,400</u> | <u>429,400</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2019 - Street Sweeper

April 30, 2024

| | |
|-------------------------|----------------------|
| Date of Issue | April 17, 2019 |
| Date of Maturity | April 20, 2026 |
| Authorized Issue | \$165,265 |
| Interest Rate | 3.90% |
| Principal Maturity Date | April 20 |
| Payable at | BB Community Leasing |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|---------------|--------------|---------------|
| 2025 | \$ 25,465 | 1,560 | 27,025 |
| 2026 | 26,489 | 536 | 27,025 |
| | <u>51,954</u> | <u>2,096</u> | <u>54,050</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2022 - Ram Truck

April 30, 2024

| | |
|-------------------------|----------------|
| Date of Issue | June 9, 2022 |
| Date of Maturity | June 20, 2025 |
| Authorized Issue | \$66,899 |
| Interest Rate | 4.70% |
| Principal Maturity Date | June 20 |
| Payable at | Solutions Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|---------------|------------|---------------|
| 2025 | \$ 23,218 | 794 | 24,012 |
| 2026 | 3,978 | 23 | 4,001 |
| | <u>27,196</u> | <u>817</u> | <u>28,013</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Long-Term Debt Requirements

Promissory Note of 2024

April 30, 2024

| | |
|--------------------------|------------------|
| Date of Issue | January 17, 2024 |
| Date of Maturity | January 17, 2034 |
| Authorized Issue | \$500,000 |
| Interest Rate | 6.19% |
| Interest Dates | Monthly on 17th |
| Principal Maturity Dates | Monthly on 17th |
| Payable at | Solutions Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|----------------|----------------|----------------|
| 2025 | \$ 37,715 | 29,742 | 67,457 |
| 2026 | 40,150 | 27,307 | 67,457 |
| 2027 | 42,745 | 24,712 | 67,457 |
| 2028 | 45,447 | 22,010 | 67,457 |
| 2029 | 48,443 | 19,014 | 67,457 |
| 2030 | 51,569 | 15,888 | 67,457 |
| 2031 | 54,902 | 12,555 | 67,457 |
| 2032 | 58,427 | 9,030 | 67,457 |
| 2033 | 62,222 | 5,235 | 67,457 |
| 2034 | 49,292 | 1,302 | 50,594 |
| | <u>490,912</u> | <u>166,795</u> | <u>657,707</u> |

VILLAGE OF POPLAR GROVE, ILLINOIS

Assessed Valuations, Tax Levies, Rates and Extensions - Last Ten Tax Levy Years

April 30, 2024

See Following Page

VILLAGE OF POPLAR GROVE, ILLINOIS

**Assessed Valuations, Tax Levies, Rates and Extensions - Last Ten Tax Levy Years
April 30, 2024**

| Tax Year | 2014 | 2015 | 2016 |
|--------------------------|----------------------|-------------------|-------------------|
| Total Assessed Valuation | <u>\$ 81,628,623</u> | <u>79,742,615</u> | <u>83,398,398</u> |
| Tax Rates | | | |
| Corporate | 0.2434 | 0.2495 | 0.2444 |
| Social Security | 0.0221 | 0.0248 | 0.0232 |
| Audit | 0.0187 | 0.0186 | 0.0174 |
| Insurance | 0.0245 | 0.0261 | 0.0243 |
| Total Tax Rates | <u>0.3087</u> | <u>0.3190</u> | <u>0.3093</u> |
| Tax Extensions | | | |
| Corporate | 198,652 | 198,918 | 203,801 |
| Social Security | 18,007 | 19,800 | 19,323 |
| Audit | 15,305 | 14,856 | 14,495 |
| Insurance | 20,007 | 20,789 | 20,291 |
| Total Tax Extensions | <u>251,971</u> | <u>254,363</u> | <u>257,910</u> |

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------|------------|------------|------------|-------------|-------------|-------------|
| 88,007,396 | 90,083,008 | 95,069,455 | 99,394,175 | 103,669,761 | 112,005,198 | 122,662,460 |
| 0.2404 | 0.2616 | 0.2349 | 0.2347 | 0.2324 | 0.2335 | 0.2290 |
| 0.0214 | 0.0222 | 0.0210 | 0.0202 | 0.0193 | 0.0179 | 0.0163 |
| 0.0161 | 0.0167 | 0.0158 | 0.0151 | 0.0145 | 0.0134 | 0.0123 |
| 0.0225 | 0.0233 | 0.0221 | 0.0211 | 0.0203 | 0.0188 | 0.0172 |
| 0.3004 | 0.3238 | 0.2938 | 0.2911 | 0.2865 | 0.2836 | 0.2748 |
| 211,525 | 235,621 | 223,370 | 231,792 | 240,456 | 261,532 | 280,450 |
| 18,860 | 20,008 | 20,000 | 20,000 | 20,000 | 20,049 | 20,003 |
| 14,152 | 15,008 | 15,000 | 15,000 | 15,000 | 15,042 | 15,006 |
| 19,810 | 21,007 | 21,000 | 21,000 | 21,000 | 21,057 | 21,008 |
| 264,347 | 291,644 | 279,370 | 287,792 | 296,456 | 317,680 | 336,467 |