

# **VILLAGE OF ROSCOE, ILLINOIS**

Financial Statements

Together with Independent  
Auditor's Report

For The Year Ended December 31, 2023

Prepared by:

Village of Roscoe Treasurer's office

# TABLE OF CONTENTS

	Page
<b>INDEPENDENT AUDITOR’S REPORT</b>	1-3
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)</b>	4-14
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	17
Reconciliation of Fund Balances of Governmental Funds to the Governmental	
Activities in the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures	
and Changes in Fund Balances to the Governmental Activities in the Statement	
of Activities	20
Fiduciary Fund	
Statement of Fiduciary Net Position - Police Pension Fund	21
Statement of Changes in Fiduciary Net Position - Police Pension Fund	22
<b>NOTES TO FINANCIAL STATEMENTS</b>	23-54
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule 1 – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual -	55
General Fund	
Schedule 2 – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual -	56
Motor Fuel Fund	
Schedule 3 – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual -	57
Capital Project Fund	
<b>Illinois Municipal Retirement Fund</b>	
Schedule 4 - Schedule of Changes in Net Pension Liability and Related Ratios - Regular Plan	58
Schedule 5 - Schedule of Employer Contributions - Regular Plan	59
Schedule 6 - Schedule of Changes in Net Pension Liability and Related Ratios - SLEP	60
Schedule 7 - Schedule of Employer Contributions – SLEP	61
<b>Police Pension Fund</b>	
Schedule 8 - Schedule of Changes in Net Pension Liability and Related Ratios	62
Schedule 9 - Schedule of Employer Contributions	63-64
Notes to Required Supplementary Information	65-66

# TABLE OF CONTENTS

Page

## **SUPPLEMENTARY FINANCIAL INFORMATION**

Nonmajor Governmental Funds:

Schedule 10 - Combining Balance Sheet – Nonmajor Funds 67-68

Schedule 11 - Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances - Nonmajor Funds 69-70

Schedule 12 - Schedule of Governmental Revenues, Expenditures and Changes in Fund Balance - Budget  
and Actual - Street & Bridge Fund 71

Schedule 13 - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -  
Debt Service Fund 72

Schedule 14 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -  
General Fund 73

Schedule 15 - Schedule of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual -  
General Fund 74-75

Schedule 16 - Assessed Valuations and Property Tax Rates Extensions and Collections 76

Schedule 17 - Schedule of Legal Debt Margin 77

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

78

## **Independent Auditors' Report**

To the Village Board of  
Village of Roscoe, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Roscoe, Illinois (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

#### ***Emphasis of Matter***

As discussed in Note 1, the Village adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective January 1, 2023. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 required supplementary information, 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 GAAS, 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's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
November 1, 2024

VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

The management of the Village of Roscoe, Illinois (“Village”) presents this narrative overview and analysis to facilitate both short and long-term analysis of the financial activities of the Village for the fiscal year ended December 31, 2023. This Management Discussion and Analysis (MDA) is based on currently known facts, decisions, and conditions which existed as of the date of the independent auditor’s report. Additional information outside the scope of this analysis can be found in the Letter of transmittal. We encourage readers to consider the information presented here in conjunction with the Village’s financial statements, which follow this section.

<b>FINANCIAL HIGHLIGHTS</b>
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-Net asset position and performance in total – With total assets and deferred outflows of \$32,980,558 and liabilities and deferred inflows of \$11,030,060 the Village’s total Net Position at December 31, 2023 was \$21,950,498 an increase of \$2,421,431 during 2023. Of this amount \$16,389,112 represents net investment in capital assets, \$2,915,248 represents net position restricted for specific activities and \$2,646,138 represents unrestricted net position.

-Governmental activity summary – Program revenues of the government activities decreased by \$125,799 or 15% and general revenues increased by \$91,638 or 1% from the amount reported in 2022. During the same period expenses for governmental activities increased by \$235,582 or 4 percent.

-Governmental Funds - The Village’s governmental funds reported a combined ending fund balance of \$8,821,131 as of December 31, 2023, compared to \$8,819,719 as of December 31, 2022, which represents an increase of \$1,412 less than 1%. At year end \$2,671,996 of the ending fund balance is restricted for highway and streets, public safety, capital projects and debt service and \$361,211 is committed by board resolution for special purposes. The Village Board has adopted a fund balance policy to maintain one third of the general fund budget as assigned for the subsequent years budget, that amount is \$3,039,127 leaving \$2,567,426 as unassigned and available for spending at the Village’s discretion.

-At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,700,966 or approximately 23% of the 2024 general fund expenditures budget. This is in addition to the Village’s fund balance policy of 33% of the next years adopted general fund expenditures budget.

-Long-Term Obligations – Long term liabilities (including alternate revenue bonds, leases and subscriptions, compensated absences, and police pension liability) totaled \$6,026,948 at the end of 2023 compared to \$6,417,563 at the end of 2022 which represents a decrease of \$390,615 or 6%.

This discussion and analysis are intended to serve as an introduction to the Village’s basic financial statements. The basic financial statements include two kinds of statements which present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements other required supplementary information in addition to the basic financial statements.

VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Government-wide financial statements provide both short and long-term information about the Village's overall financial status.

Fund financial statements focus on individual parts of the Village government, reporting Village operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section which further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, the Village has provided sections for combining statements to provide detail on non-major funds and additional supplementary information.

The following table summarizes the major features of the Village's financial statements.

GOVERNMENT-WIDE STATEMENTS		FUND STATEMENTS	
		Governmental Funds	Fiduciary Fund
Scope	Entire Village government (except Fiduciary funds)	Activities of the Village that are not fiduciary such as public safety	Activities in which the Village is trustee or agent of another's resources such as pension plans
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of fiduciary net position -Statement of changes in fiduciary net position
Accounting basis	Accrual	Modified accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources
Type of assets & liability information	All assets, deferred outflows of resources, and liabilities and deferred inflows of resources; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities. Does not contain capital assets or long-term liabilities.
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid. Does not include deferred inflows/outflows



VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

**GOVERNMENT-WIDE STATEMENTS**

The government-wide financial statements are designed to be corporate-like in that all governmental activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to disclose bottom line results for the Village and its governmental activities.

This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities, which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services. The governmental activities reflect the Village's basic services including administration, financial services, police, and public works. Property taxes, telecommunication taxes, and shared state tax distributions finance the majority of these services.

**FUND FINANCIAL STATEMENTS**

Traditional users of governmental financial statements will find the fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

Governmental Funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental Funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Fiduciary Funds are presented for certain activities when the Village's role is that of trustee (i.e. Police Pension) or agent. While Fiduciary Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

The Governmental Funds statements require reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual) which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds, proceeds from sales of capital asset disposals, and interfund transfers as other financial sources as well as capital outlay expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-Wide Statements.

VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

**INFRASTRUCTURE ASSETS**

Historically, a government’s largest group of assets (infrastructure – streets, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. GASB-34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity.

If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its costs of maintenance in lieu of depreciation. The Village has elected to depreciate assets over their useful life. If a project is considered maintenance - a recurring cost that does not extend the asset’s original useful life or expand its capacity - the cost of the project will be expensed. An “overlay” of a street will be considered maintenance whereas a “rebuild” of a street will be capitalized.

VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

<b>FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE</b>
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In accordance with GASB Statement No. 34, a comparative analysis of government-wide information is presented.

**NET POSITION**

**STATEMENT OF NET POSITION**

The following table reflects the condensed Statement of Net Position:

**Table 1**  
**Statement of Net Position**  
**As of December 31, 2023 and 2022**

<b>Governmental Activities</b>		
	2023	2022
Current and other assets	\$ 13,402,999	\$ 13,476,725
Capital assets	17,596,777	15,457,726
Right-of-use asset, net of accumulated amortization	627,120	642,754
Subscription asset, net of accumulated amortization	87,369	-
Deferred outflows - pension asset	1,266,293	1,694,732
<b>Total assets and deferred outflows</b>	<b>32,980,558</b>	<b>31,271,937</b>
Current liabilities	2,257,312	2,460,299
Noncurrent liabilities	6,026,948	6,417,563
Deferred inflows of resources	2,745,800	2,865,008
<b>Total liabilities and deferred inflows</b>	<b>11,030,060</b>	<b>11,742,870</b>
Net assets:		
Invested in capital assets		
net of related debt	16,389,112	13,895,645
Restricted	2,915,248	2,542,174
Unrestricted	2,646,138	3,091,248
<b>Total net position</b>	<b>\$ 21,950,498</b>	<b>\$ 19,529,067</b>

VILLAGE OF ROSCOE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2023  
(Unaudited)

**NORMAL IMPACTS-NET POSITION**

There are six common (basic) types of transactions that will generally affect the comparability of the Statements of Net Position summary presentation.

*Net Results Of Activities* – Impacts (increases/decreases) current assets and unrestricted net assets.

*Borrowing For Capital* – Increases current assets and long-term debt.

*Spending Borrowed Proceeds On New Capital* – Reduces current assets and increases capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.

*Spending Of Non-borrowed Current Assets On New Capital* – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

*Principal Payment On Debt* – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

*Reduction Of Capital Assets Through Depreciation* – Reduces capital assets and invested in capital assets, net of debt.

**CURRENT YEAR IMPACTS-NET POSITION**

Net position may serve over time as a useful indicator of a government's financial position. The Village's assets and deferred outflows exceeded liabilities and deferred inflows by \$21,950,498 at the close of the fiscal year ended December 31, 2023.

The Village's net position includes assets invested in capital net of related debt, restricted net position, and unrestricted net position. At the end of 2023, \$16,389,112 or 75% was invested in capital assets net of related debt. These assets reflect the Village's investment in capital assets (land, buildings, equipment, improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Assets restricted or committed for special purposes; capital projects, maintenance of roads and bridges, and debt service make up 13% or \$2,915,248 of the Village's net position and the remaining 12% or \$2,646,138 is available for any purpose.

VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

The Village's total net position at December 31, 2023 increased by \$2,421,431 from the 2022 ending amount of \$19,529,067. This change in net position was due to higher than anticipated general revenues of approximately \$800,000, long-term obligations decreased by almost \$400,000 and capital assets net of depreciation increased by over 2 million. Total assets and deferred outflows of resources increased from \$31,271,937 to \$32,980,558, an increase of \$1,708,621 or 5%. Total liabilities and deferred inflows of resources decreased \$712,810 or 6%.

**CHANGES IN NET POSITION**

The following table reflects the condensed Statement of Activities:

<b>Table 2</b>			
<b>Changes in Net Position</b>			
<b>For the Years Ended December 31, 2023 and 2022</b>			
<b>Governmental Activities</b>			
		<b>2023</b>	<b>2022</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$	328,044	\$ 272,256
Operating grants & contributions		496,492	441,154
Capital grants & contributions		-	236,925
General revenues:			
Property taxes		1,648,176	1,575,879
Other taxes		5,490,147	5,829,252
Interest		514,182	165,078
Miscellaneous		87,788	78,446
<b>Total revenues</b>		<b>8,564,829</b>	<b>8,598,990</b>
<b>Expenses</b>			
Government activities:			
General government		1,364,558	1,217,459
Public safety		2,883,234	3,060,568
Highway and streets		1,598,390	1,450,949
Parks and recreation		269,084	143,289
Interest on long-term debt		28,132	35,551
<b>Total expenses</b>		<b>6,143,398</b>	<b>5,907,816</b>
<b>Change in net position</b>		<b>2,421,431</b>	<b>2,691,174</b>
<b>Net position, beginning</b>		<b>19,529,067</b>	<b>16,837,893</b>
<b>Net position, ending</b>	<b>\$</b>	<b>21,950,498</b>	<b>\$ 19,529,067</b>

VILLAGE OF ROSCOE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2023  
(Unaudited)

For more detailed information, see the Statement of Activities.

**NORMAL IMPACT-CHANGES IN NET POSITION**

Reflected below are eight common (basic) impacts on revenues and expense.

**Revenues:**

*Economic Condition* – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

*Increase/Decrease In Village Approval Rates* – While certain tax rates are set by statutes, the Village Board has authority to impose and periodically increase/decrease rates (building permit fees, etc.). The Village's property taxes are subject to tax caps, which generally limit Village increases to the lesser of the change in the Consumer Price Index for the period December 2019 to December 2020 or 5.0%, whichever is lower.

*Changing Patterns In Intergovernmental And Grant Revenue (both recurring and non-recurring)* – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

*Market Impacts On Investment Income* – The Village's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

**Expenses:**

*Changes In Programs* – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted, or expanded to meet changing community needs

*Changes In Authorized Personnel* – Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

*Salary Increases (annual adjustments and step increases)* – The Village strives to maintain a competitive salary range position in the marketplace.

*Inflation* – Annual inflation rose at the highest rate since January 1982 (the CPI was 7.5% for the year ended January 31, 2022), the Village is a major consumer of certain commodities and services, which typically experience inflation at a rate that can be significantly different from the CPI. Examples of such items include health insurance, fuel, electricity and operating supplies.

VILLAGE OF ROSCOE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2023  
(Unaudited)

**CURRENT YEAR IMPACTS-CHANGES IN NET POSITION**

**GOVERNMENTAL ACTIVITIES**

**Revenues:**

Revenues from governmental activities totaled \$8,564,829 for 2023, a decrease of \$34,161 from 2022. Local taxes received from the State were the largest source of revenues for the year at \$5,490,147, a decrease of \$330,105 or 5.8%. The next highest source of revenue was property tax at \$1,648,176 up 4.6%. The revenues from these two sources represent 83% of the governmental activity revenues.

**Expenses:**

The Village's total governmental activity expenses were \$6,143,398. The four major functional areas were general government \$1,364,558 or 22% of the total; public safety \$2,883,234 or 47% of the total; public works \$1,598,390 or 26% of the total and parks and recreation \$269,084 or 4% of the total. These four functional areas account for 99% of the total expenses of the Village.

<b>FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS</b>
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As discussed earlier the Village's governmental funds reported a combined ending fund balance of \$8,821,131 as of December 31, 2023, compared to \$8,819,719 as of December 31, 2022, which represents an increase of \$1,412 less than one tenth of a percent.

The General Fund balance decreased \$327,284, primarily the result of tax revenue shared with the State ending the year 6% less than the previous year. Total General Fund revenues were \$7,874,828 in fiscal year 2023 a decrease of \$288,099 or 4% from the prior year. Total General Fund expenditures were \$5,724,012 in fiscal year 2023, under budget by \$1,991,156 or 24%. This positive variance was due primarily to capital expenditures that were not made by the end of the fiscal year. Transfers to other funds increased from \$753,539 in 2022 to \$2,478,100 in 2023, an increase of \$1,724,561. Transfers of \$2,215,000 were made for infrastructure projects and \$263,100 was transferred at the end of the current fiscal to the debt service fund for principal and interest payments to be made in 2024.

The fund balances in the Street & Bridge Fund and Motor Fuel Fund increased to \$298,500 and \$1,504,666 respectively. The Capital Project Fund balance increased to \$492,918 in 2023 up from \$418,811 in 2022. These balances have accumulated over the last few years and will be spent down over the next few years for planned capital infrastructure projects.

For more detailed information, see the Governmental Funds Statements.

VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

<b>General Fund Budgetary Highlights</b>				
		Original Budget	Final Budget	Actual
<b>Revenues</b>				
Taxes	\$	3,697,101	\$ 3,697,101	\$ 3,810,093
Intergovernmental		2,723,000	2,723,000	3,034,840
Licenses & permits		188,900	188,900	201,363
Fines & fees		311,010	311,010	269,560
Reimbursements		2,500	2,500	14,929
Interest		80,000	80,000	450,645
Miscellaneous		54,500	54,500	93,399
<b>Total</b>		<b>7,057,011</b>	<b>7,057,011</b>	<b>7,874,828</b>
<b>Expenditures</b>				
Expenditures and transfers out		10,193,268	10,193,268	8,202,112
<b>Change in Fund Balance</b>	<b>\$</b>	<b>(3,136,257)</b>	<b>\$ (3,136,257)</b>	<b>\$ (327,284)</b>

<b>CAPITAL ASSET AND DEBT ADMINISTRATION</b>
--

**CAPITAL ASSETS**

At December 31, 2023, the Village's Governmental Funds had invested \$17,596,777 net of depreciation (see Notes to Financial Statements # 7) in a variety of capital assets, as reflected in the following schedule.

<b>Governmental Funds</b>				
<b>Change in Net Capital Assets</b>				
		Beginning Balance	Net Additions/ Deletions	Ending Balance
<b>Non-depreciable assets</b>				
Land	\$	1,145,300	\$ 391,950	\$ 1,537,250
Construction in progress		1,840,242	(363,941)	1,476,301
<b>Depreciable capital assets</b>				
Land improvements		1,199,368	780,710	1,980,078
Infrastructure		9,669,708	1,894,073	11,563,781
Building & building improvements		4,757,941	139,042	4,896,983
Equipment & vehicles		2,140,816	57,565	2,198,381
		20,753,375	2,899,399	23,652,774
<b>Accumulated depreciation on capital assets</b>		<b>(5,295,649)</b>	<b>(760,348)</b>	<b>(6,055,997)</b>
<b>Total</b>	<b>\$</b>	<b>15,457,726</b>	<b>\$ 2,139,051</b>	<b>\$ 17,596,777</b>



VILLAGE OF ROSCOE, ILLINOIS  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
December 31, 2023  
(Unaudited)

As allowed by GASB-34, the Village has elected to capitalize its infrastructure assets prospectively. During the current year, the Village expended \$2,899,399 of Village funds on infrastructure projects, land and land improvements, buildings and building improvements and miscellaneous equipment for the public works department and parks.

**Long-term Debt**

At December 31, 2023 the Village owed \$6,026,948 in long-term debt. This debt consists of \$1,207,685 in general obligation alternate revenue bonds net of related premium, \$366,300 in compensated absences, \$3,738,494 for the Police Pension liability, and \$714,489 for leases and subscription liability. The current portion expected to come due in 2024 is \$752,652.

State statutes limit the amount of general obligation debt the Village may issue up to 8.625% of its total assessed valuation. The current debt limitation based upon the 2023 assessed valuation is \$265,414,376 leaving a debt margin of \$22,891,990.

See Notes to Financial Statements for more details

<b>CONTACTING THE VILLAGE’S FINANCIAL MANAGEMENT</b>
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This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village’s finances and to demonstrate the Village’s accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Mark D. Olson CPA, Treasurer, Village of Roscoe, P.O. Box 283, Roscoe, Illinois, 61073-0283.

**VILLAGE OF ROSCOE, ILLINOIS**  
Statement of Net Position  
As of December 31, 2023

	<u>2023</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 10,217,841
Receivables net	
Taxes	1,694,163
Other	63,062
Due from other governments	1,003,311
Prepaid expenses	181,370
Net pension asset - IMRF	243,252
Capital assets:	
Right- of-use, net of accumulated amortization	627,120
Subscriptions, net of accumulated amortization	87,369
Non-depreciable	3,013,551
Depreciable, net of accumulated depreciation	14,583,226
Total assets	<u>31,714,265</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflows - pension liability	<u>1,266,293</u>
Total assets and deferred outflows of resources	<u>32,980,558</u>
<b><u>LIABILITIES</u></b>	
Accounts payable	661,517
Accrued payroll	105,882
Accrued interest	1,374
Deposits payable	58,290
Unearned revenue	1,430,249
Noncurrent liabilities:	
Due within one year	752,652
Due in more than one year	5,274,296
Total liabilities	<u>8,284,260</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred inflows - pension liability	905,962
Unearned taxes	1,694,163
Unearned license fees	145,675
Total deferred inflows	<u>2,745,800</u>
Total liabilities and deferred inflows of resources	<u>11,030,060</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	16,389,112
Restricted for:	
Capital projects	492,918
Net pension asset - IMRF	243,252
Debt service	375,912
Maintenance of road and bridges	1,803,166
Unrestricted	<u>2,646,138</u>
Total Net Position	<u>\$ 21,950,498</u>

**VILLAGE OF ROSCOE, ILLINOIS**  
Statement of Activities  
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Operating Grants & Contributions	Capital Grants & Contributions	
<b>Governmental activities:</b>					
General government	\$ 1,364,558	\$ 202,118	\$ -	\$ -	\$ (1,162,440)
Public safety	2,883,234	92,337	7,281	-	(2,783,616)
Public works	1,598,390	14,929	489,211	-	(1,094,250)
Parks & recreation	269,084	18,660	-	-	(250,424)
Interest and fiscal charges	28,132	-	-	-	(28,132)
<b>Total</b>	<b>\$ 6,143,398</b>	<b>\$ 328,044</b>	<b>\$ 496,492</b>	<b>\$ -</b>	<b>(5,318,862)</b>
General revenues:					
Property taxes					1,648,176
Sales tax					2,203,863
Income tax					1,765,910
Local use tax					427,514
Telecommunications tax					113,700
Personal property replacement tax					288,118
Franchise taxes					157,807
Video game tax					516,604
Cannabis use tax					16,631
Interest					514,182
Miscellaneous					87,788
Total general revenues					7,740,293
<b>Change in net position</b>					2,421,431
Net position - Beginning					19,529,067
<b>Net position - end of year</b>					<b>\$ 21,950,498</b>

# VILLAGE OF ROSCOE, ILLINOIS

Balance Sheet  
Governmental Funds  
As of December 31, 2023

	General Fund	Special Revenue Motor Fuel Tax Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and investments	\$ 5,593,073	\$ 1,682,487	\$ 2,260,486	\$ 681,795	\$ 10,217,841
Receivables					
Property taxes	1,694,163	-	-	-	1,694,163
Other	63,062	-	-	-	63,062
Due from other funds	88,140	-	-	-	88,140
Due from other governmental units	960,444	42,867	-	-	1,003,311
Prepaid expenses	181,370	-	-	-	181,370
<b>TOTAL ASSETS</b>	<b>\$ 8,580,252</b>	<b>\$ 1,725,354</b>	<b>\$ 2,260,486</b>	<b>\$ 681,795</b>	<b>\$ 13,247,887</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>					
Liabilities					
Accounts payable	\$ 191,650	\$ 132,548	\$ 337,319	-	\$ 661,517
Accrued wages	105,882	-	-	-	105,882
Other payables	58,290	-	-	-	58,290
Due to other funds	-	88,140	-	-	88,140
Total liabilities	355,822	220,688	1,767,568	-	2,344,078
Deferred Inflows of Resources					
Property taxes levied for next period	1,694,163	-	-	-	1,694,163
Unavailable revenue	242,840	-	-	-	242,840
Unearned revenue	145,675	-	-	-	145,675
Total deferred inflows of resources	2,082,678	-	-	-	2,082,678
Total liabilities and deferred inflows of resources	2,438,500	220,688	1,767,568	-	4,426,756
<b><u>FUND BALANCES</u></b>					
Nonspendable					
Prepaid insurance	181,370	-	-	-	181,370
Restricted					
Highways, streets & bridges	-	1,504,666	-	298,500	1,803,166
Capital projects	-	-	492,918	-	492,918
Debt service	-	-	-	375,912	375,912
Committed - Franchise and right of way agreemen	361,211	-	-	-	361,211
Assigned - subsequent year budget	3,429,318	-	-	-	3,429,318
Unassigned (deficit)	2,169,853	-	-	7,383	2,177,236
Total fund balances	6,141,752	1,504,666	492,918	681,795	8,821,131
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 8,580,252</b>	<b>\$ 1,725,354</b>	<b>\$ 2,260,486</b>	<b>\$ 681,795</b>	<b>\$ 13,247,887</b>

**VILLAGE OF ROSCOE, ILLINOIS**  
Reconciliation of Fund Balances of Governmental Funds to the  
Governmental Activities in the Statement of Net Position  
As of December 31, 2023

<b>Fund Balance of Governmental Funds</b>		\$ 8,821,131
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net pension asset does not require current financial resources therefore not recorded in the governmental funds		243,252
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets, including net right of use and subscription assets	\$ 24,367,263	
Accumulated depreciation	<u>(6,055,997)</u>	
		18,311,266
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds		242,840
Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due.		
All liabilities, both current and long-term, are reported on the Statement of Net Position.		(1,374)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Alternate revenue bonds, net of unamortized bond premium	(1,207,665)	
Lease liability	(627,120)	
Subscription liability	(87,369)	
Compensated absences	<u>(366,300)</u>	
		(2,288,454)
Net pension liability for the Police Pension Trust Fund is shown as a noncurrent liability on the statement of net position.		(3,738,494)
Net differences between expected and actual experiences, assumption changes, between projected and actual earnings for the Police Pension Trust Fund are recognized as deferred outflows (inflows) of resources on the statement of net position.		199,392
Net differences between expected and actual experiences, assumption changes, between projected and actual earnings for the IMRF Pension Fund are recognized as deferred outflows (inflows) of resources on the statement of net position.		<u>160,939</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 21,950,498</u></u>

**VILLAGE OF ROSCOE, ILLINOIS**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2023

	General Fund	Special Revenue Motor Fuel Tax Fund	Capital Projects Fund	(Nonmajor) Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 3,810,093	\$ -	\$ -	\$ 165,447	\$ 3,975,540
Intergovernmental	3,034,840	489,211	-	-	3,524,051
Licenses and permits	201,362	-	-	-	201,362
Fines & fees	269,560	-	-	-	269,560
Reimbursements	14,929	-	-	-	14,929
Investment income	450,645	63,537	-	-	514,182
Miscellaneous	93,399	-	-	-	93,399
Total revenues	7,874,828	552,748	-	165,447	8,593,023
<b>EXPENDITURES</b>					
Current:					
General government	1,355,850	-	-	359	1,356,209
Public works	871,609	112,258	34,679	-	1,018,546
Police/public safety	2,710,348	-	-	-	2,710,348
Lease right-of-use asset	229,261	-	-	-	229,261
Subscription asset	97,474	-	-	-	97,474
Capital outlay	561,952	231,233	2,106,214	-	2,899,399
Debt service					
Principal	-	-	-	350,000	350,000
Interest and fiscal charges	-	-	-	32,856	32,856
Total expenditures	6,050,747	343,491	2,140,893	383,215	8,918,346
Excess (Deficiency) of revenues over (under) Expenditures	1,824,081	209,257	(2,140,893)	(217,768)	(325,323)
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Lease financing	229,261	-	-	-	229,261
Subscription financing	97,474	-	-	-	97,474
Transfers in and uses	-	-	2,215,000	263,100	2,478,100
Transfers (out)	(2,478,100)	-	-	-	(2,478,100)
Total other financing sources, net	(2,151,365)	-	2,215,000	263,100	326,735
<b>Net change in fund balance</b>	(327,284)	209,257	74,107	45,332	1,412
<b>FUND BALANCES - beginning of year</b>	6,469,036	1,295,409	418,811	636,463	8,819,719
<b>FUND BALANCES - end of year</b>	\$ 6,141,752	\$ 1,504,666	\$ 492,918	\$ 681,795	\$ 8,821,131

**VILLAGE OF ROSCOE, ILLINOIS**  
Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances to the  
Governmental Activities in the Statement of Activities  
For the Year Ended December 31, 2023

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>1,412</b>
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, only certain items  
according to policy are capitalized and depreciated in the Statement of Activities:

Capital asset purchases capitalized	\$ 2,899,397	
Right of use asset	229,261	
Subscription asset	97,474	
Depreciation expense	<u>(760,346)</u>	
		2,465,786

Bond proceeds are reported as other financing sources in the governmental funds and contribute  
to the change in fund balance. In the statement of net assets, however, issuing debt increases  
increases long-term liabilities and does not affect the statement of activities.

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the Statement of Activities.	350,000
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Revenues in the statement of activities that do not provide current financial resources are deferred in the funds	(28,194)
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The change in net pension asset for the Illinois Municipal Retirement Fund is reported only in the statement of activities.	62,702
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The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund (IMRF) is reported only in the statement of activities.	(9,872)
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The change in net pension liability for the Police Pension Trust Fund is reported only in the statement of activities.	133,804
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The change in deferred inflows and outflows of resources for the Police Pension Trust Fund is reported only in the statement of activities.	(206,326)
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Leases issued	(229,261)
Subscriptions issued	(97,474)

Some expenses in the Statement of Activities do not require  
the use of current financial resources and, therefore,  
are not reported as expenditures in governmental funds.

Net change in interest expense	308	
Net change in bond premiums	4,416	
Net change in compensated absences	<u>(25,870)</u>	
		<u>(21,146)</u>

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,421,431</u></b>
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**VILLAGE OF ROSCOE, ILLINOIS**  
Statement of Fiduciary Net Position  
Police Pension Fund  
As of December 31, 2023

	<u>Pension Trust</u>
<b><u>ASSETS</u></b>	
Cash & equivalents	\$ 102,756
Investments - retirement plans Pooled/Common/Commingled Funds	6,582,019
Receivables Contributions receivable from Village	51,069
Total Assets	<u>6,735,844</u>
<b><u>LIABILITIES</u></b>	
Refund due to members	<u>22,206</u>
Total liabilities	<u>22,206</u>
<b><u>NET POSITION</u></b>	
Net position restricted for police pension benefits	<u>\$ 6,713,638</u>



**VILLAGE OF ROSCOE, ILLINOIS**  
Statement of Changes in Fiduciary Net Position  
Police Pension Fund  
For the Year Ended December 31, 2023

	Pension Trust
<b>Additions:</b>	
Contributions	
Plan members	\$ 123,510
Employer	443,611
Total contributions	<u>567,121</u>
Investment income	
Net appreciation in fair value of investments	777,853
Interest and dividend income	4,331
Total investment income	<u>782,184</u>
Less investment expense	<u>(14,906)</u>
Net investment income	<u>767,278</u>
Total additions	<u>1,334,399</u>
<b>Deductions:</b>	
Pension benefits	253,447
Refund of contributions	<u>157,009</u>
Total distributions	410,456
Administration expense	<u>20,815</u>
Total deductions	<u>431,271</u>
Change in fiduciary net position	903,128
<b>Net Position:</b>	
Beginning of year	<u>5,810,510</u>
<b>End of year</b>	<u><u>\$ 6,713,638</u></u>

**VILLAGE OF ROSCOE, ILLINOIS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. INCORPORATION**

The Village was incorporated in 1965. The Village operates under a President-Trustee form of government and provides the following services as authorized by statute: public safety (police), streets, public improvements, planning and zoning, financial, and general administrative services.

**B. FINANCIAL REPORTING ENTITY**

GAAP requires that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Village is a municipal corporation governed by a Board of Trustees, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The Village has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, the Village is considered a primary government. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with the standards established by GASB.

**POLICE PENSION EMPLOYEES RETIREMENT SYSTEM**

The Village's sworn police employees participate in the Police Pension Fund ("PPF"). The PPF functions for the benefit of these employees and is governed by a five-member pension board. Funding for the PPF comes from the following sources: participant contributions as required by state statute, PPF investment returns, and contributions from the Village as determined by an independent actuarial study. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, the PPF is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn police employees. The PPF is reported as a pension trust fund considered a primary government. The Village has not identified any component units that are required to be included in the basic financial statements in accordance with the standards established by GASB.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. FUND ACCOUNTING**

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Village functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental and fiduciary. Each category, in turn, is divided into separate funds.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets, the servicing of long-term debt and the management of funds held in trust that can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

**D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements Statement of Net Position and the Statement of Activities report information on all of the activities of the Village and is 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 effect of material inter-fund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

- 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

**VILLAGE OF ROSCOE, ILLINOIS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate financial statements are provided for governmental funds and fiduciary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

**THE VILLAGE REPORTS THE FOLLOWING MAJOR GOVERNMENTAL FUNDS:**

The General Fund accounts for the resources devoted to finance the services traditionally associated with local government. Included in these services are general administration of the Village, financial management, police, inspection services, streets, public works, and building maintenance. Any other activity for which a special fund has not been created is accounted for in the General Fund.

The Motor Fuel Tax Special Revenue fund accounts for revenue allocations from the State for the Villages portion of tax collections on fuel sales. Funds are spent on various products, services, and capital projects in compliance with the Illinois Department of Transportation.

The Capital Projects Fund accounts for the major capital expenditures financed through transfers from the general fund, the issuance of bonds or the receipt of grants.

**THE VILLAGE REPORTS THE FOLLOWING NON- MAJOR GOVERNMENTAL FUNDS:**

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than major capital projects).

Street & Bridge  
Tax Increment Financing

Debt Service Fund – Bond & Interest – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for payment of general long-term debt principal, interest and related costs.

**IN ADDITION, THE VILLAGE REPORTS THE FOLLOWING FUND TYPE:**

Fiduciary Fund – used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Police Pension

**VILLAGE OF ROSCOE, ILLINOIS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

**MEASUREMENT FOCUS**

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**BASIS OF ACCOUNTING**

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

Those revenues susceptible to accrual are property taxes, income taxes, franchise taxes, utility taxes, licenses, interest revenue and charges for services. Sales tax and telecommunication tax owed to the state at year-end on behalf of the Village are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines.

Monies that are virtually unrestricted as to purpose of expenditure, and which are usually revocable only for failure to comply with prescribed compliance requirements are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The Village reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" or "earned" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has a legal claim to them as when grant monies are received prior to the incurrences of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. GASB 96 IMPLEMENTATION PARAGRAPH**

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement establishes accounting and financial reporting requirements related to subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard was implemented January 1, 2023.

**G. CASH AND CASH EQUIVALENTS**

The Village considers all cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

The Illinois Funds, a money-market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer, is reported at a \$1 per share value, which equals the Village's fair value in the pool.

**H. INVESTMENTS**

Investments with a maturity of one year or less and all non-negotiable certificates of deposits are recorded at cost or amortized cost, which approximates fair value. All other investments and all investments of the pension trust funds are recorded at fair value. Fair value is determined based primarily on the basis of quoted market prices or cost plus accumulated interest.

**I. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond the date of this year-end are recorded as prepaid items.

**J. PROPERTY TAXES**

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by the Village Board. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance operations or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year end. Revenue from those taxes which are not considered available is unearned.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The property tax calendar for the 2023 tax levy to finance 2023 operations was as follows:

Lien Date	January 1, 2023
Levy Date	December 15, 2022
First Installment Due	June 1, 2023
Second Installment Due	September 1, 2023

Tax bills were mailed at least 30 days prior to the first installment due date. Property taxes are billed and collected by the County Treasurer of Winnebago County, Illinois.

**J. PROPERTY TAXES**

The Village's 2023 tax rates per \$100 of assessed valuation together with the related maximum tax rates are as follows:

Type of Levy	Rates Per \$100 of Assessed Valuation	
	2023 Rate	Legal Maximum
Village:		
Corporate	0.2214	0.4375
Police Protection	0.1590	0.6000
Police Pension	0.1592	None
Social Security	0.0037	None
Liability Insurance	0.0287	None
Total Village	0.5720	

The 2023 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has been recorded as a receivable and as a deferred revenue as of December 31, 2023 as the tax had been levied by the Village but would not be extended or collected until calendar year 2024.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental activities columns in the Government-Wide Financial Statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. As a result, certain capital outlay disbursements may not be recorded as a capital asset on the Statement of Net Position (e.g., water mains and sewer mains are considered capital assets but are capitalized by the respective special district and not by the Village). Capital assets are recorded at historical cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of exhaustible capital assets is recorded as an allocated expense in the statements of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Assets:	Years
Buildings	50
Improvements	10-45
Equipment & Vehicles	3-15
Infrastructure	4-40
Right-of-use	5-7
Subscriptions	3-6

Infrastructure assets normally can be preserved for a significantly greater number of years than other capital assets because they normally (a) can be maintained in a condition that will allow them to be used longer than most other capital assets and (b) are stationary in nature. The Village elected to capitalize its infrastructure assets prospectively as provided by GASB criteria.

**L. COMPENSATED ABSENCES**

The Village employees are allowed to accumulate earned but not used vacation, sick and compensatory time benefits, subject to cap limits. All unused vacation, sick and compensatory time leave is accrued when incurred in the Government-Wide Financial Statements. A liability for these amounts is reported in the governmental funds only if it has matured (for example, as a result of employee resignation or retirement).



**VILLAGE OF ROSCOE, ILLINOIS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. SHORT-TERM INTER-FUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet and are eliminated in the Government-Wide Financial Statements.

**N. LONG-TERM OBLIGATIONS**

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities financial statements. Bond premiums are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are expensed in the year of issuance.

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

**O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period (s) and so will not be recognized as an inflow of resource (revenue) until that time.

**P. LEASES**

The Village is a lessee because it leases capital assets from other entities. As a lessee, the Village reports a lease liability and an intangible right-to-use capital assets (known as the lease assets) on the government-wide financial statements. In the governmental fund financial statements, the Village recognizes lease proceeds and capital outlay at initiation of the lease and the outflow of resources for lease liability as a debt service payment. The Village does not have a policy in place for the recognition of leases as a lease liability and intangible capital asset.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Village reports a subscription liability and an intangible right-to-use capital asset (known as the subscription asset) on the government-wide financial statements. In the governmental fund financial statements, the System recognizes subscription proceeds and capital outlay at initiation of the subscription, and the outflow of resources for the subscription liability as a debt service payment.

**R. FUND EQUITY/NET POSITION**

In the fund financial statements GASB Statement No. 54 defined and requires the fund balance amounts to be reported within one of the following fund balance categories:

1. **Non-spendable** – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
2. **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.
3. **Committed** – amounts that can be used only for specified purposes determined by a formal action of the Village Board. The Village Board is the highest level of decision-making authority for the Village. Commitments may be modified, or rescinded only through the same type of action it employed to previously commit those amounts.
4. **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Village's adopted policy, the Village Board may assign amounts for specific purposes.
5. **Unassigned** – all other spendable amounts.

In the Government-Wide Financial Statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt" are classified as unrestricted net assets.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**LEGAL COMPLIANCE AND ACCOUNTABILITY**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General Fund and Special Revenue – Street & Bridge, Motor Fuel, Debt Service and Capital Projects Funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

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

- A. The Village Finance Committee submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to January 1, the budget is legally enacted by Village Board action. This is the amount reported as original budget.
- D. The Village Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by the Village Board as a supplemental appropriation ordinance.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for General Fund, Special Revenue Funds – Street & Bridge, Motor Fuel, Debt Service Fund and Capital Projects Fund.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that “expenditures be made in conformity with appropriations/ budget”. As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

**3. DEPOSITS AND INVESTMENTS**

Permitted Deposits and Investments - Statutes authorize the Village to make deposits in commercial banks and savings and loan institutions and to invest in obligations of the U.S.

Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans and life insurance company contracts, and in certain instances mutual funds and equity securities.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**3. DEPOSITS AND INVESTMENTS (Continued)**

Illinois Funds is an investment pool, managed by the State of Illinois, Office of the Treasurer, 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price, which approximate 100% of deposits held. The Illinois Funds are rated AAA by Fitch Rating Inc.

The following is a summary of deposits and investments:

	Book	Bank
Primary Government:		
Cash and cash Equivalents	\$ 419,376	\$ 624,731
Cash & demand deposits Illinois Funds	9,548,465	9,548,465
Total cash primary government	<u>\$ 9,967,841</u>	<u>\$ 10,173,196</u>
Investments:		
Time deposits	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Fiduciary (Police Pension Fund):		
Cash and cash equivalents	\$ 102,756	\$ 102,756
Cash & demand deposits Illinois Funds	—	—
Total cash fiduciary	<u>\$ 102,756</u>	<u>\$ 102,756</u>
Investments:		
Equity	\$ 6,582,019	\$ 6,582,019
Fixed incomes	—	—
Total investments fiduciary	<u>\$ 6,582,019</u>	<u>\$ 6,582,019</u>

**CUSTODIAL CREDIT RISK**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Village's deposits may not be returned. The Village's policy requires that funds on deposit in excess of FDIC insurance must be secured by 110% of the fair value of the net amount of funds secured.

The Village maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities in the amount of \$735,810 to secure the village's deposits. The remaining balance is insured through the FDIC.

**INTEREST RATE RISK**

The Police Pension Fund's investment policy does not specifically address interest rate risks. At December 31, 2023 the Police Pension Fund had the following investments and maturities:

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**3. DEPOSITS AND INVESTMENTS (Continued)**

	Fair value	2024 Less than 1 year	2025-2029 1-5 years	2030-2034 6-10 years	Over 10 years
<b>Police Pension</b>					
Investment in IPOPIF	\$ 6,582,019	\$ 6,582,019	\$ -	\$ -	\$ -
<b>Total investments</b>	\$ 6,582,019	\$ 6,582,019	\$ -	\$ -	\$ -

**CONCENTRATION OF CREDIT RISK**

The Government's Police Pension Fund's investment policy was developed by the Illinois Police Officers' Investment Fund and does not specifically address concentration of credit risk.

**CREDIT RISK**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of December 31, 2023, The Village's investments held in the Illinois Funds were not rated.

**FAIR MARKET VALUE MEASUREMENT**

The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the 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.

The valuation method for recurring fair value measurements of investments is the quoted market prices approach. The Village's Police Pension Fund Investments are categorized as follows:

		Fair Value Measurement Using		
	12/31/2023	Level 1	Level 2	Level 3
Investments by fair value level				
Investment in IPOPIF	\$ 6,582,019	\$ -	\$ -	\$ 6,582,019
Total securities	\$ 6,582,019	\$ -	\$ -	\$ 6,582,019

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**4. DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable – General Fund	\$           –	\$ 1,694,163
Unearned revenue- Capital Projects Fund	–	1,430,249
Other governmental units- General Fund	<u>242,840</u>	<u>145,675</u>
Total unearned/unavailable revenue	\$ <u>242,840</u>	\$ <u>3,270,087</u>
Unearned revenue included in liabilities		\$ 1,430,249
Unearned revenue included in deferred outflows		<u>1,839,838</u>
Total unearned revenue		<u>\$ 3,270,087</u>

**5. INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Transfers between funds for the year ended December 31, 2023 are as follows:

		<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	*	\$           –	\$ 2,478,100
Special Revenue Funds:			
Debt Service Fund		263,100	–
Capital projects	*	<u>2,215,000</u>	<u>–</u>
		<u>\$ 2,478,100</u>	<u>\$ 2,478,100</u>

\* Denotes major fund

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the Debt Service Fund as debt service payments become due.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**5. INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)**

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable	Payable	Purpose	Amount
General	Motor Fuel Fund	Interfund cash advance	<u>\$ 88,140</u>

**6. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 1,145,300	\$ 391,950	\$ -	\$ 1,537,250
Construction in progress	1,840,242	322,191	(686,132)	1,476,301
	<u>2,985,542</u>	<u>714,141</u>	<u>(686,132)</u>	<u>3,013,551</u>
Capital assets being depreciated				
Land improvements	1,199,368	780,710	-	1,980,078
Infrastructure	9,669,708	1,894,073	-	11,563,781
Building and improvements	4,757,941	139,042	-	4,896,983
Equipment and vehicles	2,140,816	57,565	-	2,198,381
Total capital assets being depreciated	<u>17,767,833</u>	<u>2,871,390</u>	<u>-</u>	<u>20,639,223</u>
Less: Accumulated depreciation for				
Land improvements	(413,044)	(39,743)	-	(452,787)
Infrastructure	(2,408,910)	(468,326)	-	(2,877,236)
Building and improvements	(1,002,798)	(104,216)	-	(1,107,014)
Equipment and vehicles	(1,470,897)	(148,061)	-	(1,618,958)
Accumulated depreciation	<u>(5,295,649)</u>	<u>(760,346)</u>	<u>-</u>	<u>(6,055,995)</u>
Total capital assets being depreciated, net	<u>12,472,184</u>	<u>2,111,044</u>	<u>-</u>	<u>14,583,228</u>
Total Governmental activities capital assets, net of depreciation	<u>\$ 15,457,726</u>	<u>\$ 2,825,185</u>	<u>\$ (686,132)</u>	<u>\$ 17,596,779</u>

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**6. CAPITAL ASSETS (Continued)**

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

Governmental activities:

General government	\$ 38,071
Public safety	76,599
Highway and streets	597,006
Parks & recreation	48,671
	<hr/>
Total governmental activities, depreciation expense	<u>\$ 760,346</u>

**7. RIGHT-OF-USE-ASSETS**

The Lease right-of-use asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Lease assets being amortized				
Equipment	\$ 146,862	\$ -	\$ -	\$ 146,862
Vehicles	676,105	229,261	-	905,366
	<hr/>			
	822,967	229,261	-	1,052,228
	<hr/>			
Accumulated amortization				
Equipment	28,445	28,738	-	57,183
Vehicles	151,768	216,157	-	367,925
	<hr/>			
	180,213	244,895	\$ -	\$ 425,108
	<hr/>			
Total governmental activities lease assets net of accumulated amortization	<u>\$ 642,754</u>	<u>\$ (15,634)</u>	<u>\$ -</u>	<u>\$ 627,120</u>



VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**8. SUBSCRIPTION ASSETS**

The Subscription asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Governmental activities:</b>				
Subscription Asset being Amortized				
Equipment	\$ -	\$ 97,474	\$ -	\$97,474
Less: Accumulated amortizaiton for				
Equipment	-	(10,105)	-	(10,105)
Net book value of				
subscription asset	<u>\$ -</u>	<u>\$ 87,369</u>	<u>\$ -</u>	<u>\$87,369</u>

**9. LONG-TERM OBLIGATIONS**

The outstanding obligations as of December 31, 2023 consist of the following:

	Balance December 31, 2023	Current Portion
	<u>          </u>	<u>          </u>
\$1,100,000 General Obligation Alternative Revenue Bonds, Series 2017 (Sales Tax Alternate Revenue Source). Annual principal payments ranging from \$115,000 to \$135,000 due through 2026. Interest rate is 2.125% due June 15 and December 15.	\$ 395,000	\$ 130,000
 \$2,095,000 General Obligation Alternative Revenue Refunding Bonds, Series 2018 (Telecommunication Tax Alternative Revenue Source). Annual principal payments ranging from \$205,000 to \$240,000 due through 2027. Interest rate is 2.15% due June 15 and December 15.	 795,000	 230,000
Bond premium, related to debt	17,665	4,416
Compensated absences	366,300	122,100
Police pension liability	3,738,494	-
	<u>\$ 5,312,459</u>	<u>\$ 486,516</u>

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**9. LONG-TERM OBLIGATIONS (Continued)**

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

Year ending December 31:	Principal	Interest	Total Payment
2024	\$ 360,000	\$ 25,486	\$ 385,486
2025	365,000	17,779	382,779
2026	375,000	9,964	384,964
2027	90,000	1,935	91,935
Total	\$ 1,190,000	\$ 55,164	\$ 1,245,164

**LEASE LIABILITIES**

The outstanding lease obligations as of December 31, 2023 consist of the following:

Lessee-Lease Liabilities  
**Governmental Activities**

Lease Liability Description	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance December 31, 2023
Vehicle	12/1/2020	1/1/2026	1.37%	\$ 90,816	\$ 35,716
Vehicle	12/1/2020	1/1/2026	1.37%	90,816	35,716
Vehicle	9/1/2021	1/1/2025	1.37%	41,587	10,321
Vehicle	3/1/2021	1/1/2025	1.37%	41,049	10,217
Vehicle	3/1/2020	1/1/2024	1.37%	27,852	-
Vehicle	6/1/2021	1/1/2025	1.37%	35,762	8,826
Vehicle	3/1/2020	1/1/2024	1.37%	28,952	-
Vehicle	12/1/2020	1/1/2026	1.37%	114,036	44,541
Vehicle	12/1/2020	1/1/2026	1.37%	114,036	44,541
Vehicle	12/1/2020	1/1/2026	1.37%	114,036	44,541
Vehicles	4/1/2022	4/1/2024	4.27%	31,413	1,650
Vehicles	11/1/2022	11/1/2026	4.27%	51,226	41,104
Vehicles	11/1/2022	11/1/2026	4.27%	43,890	35,282
Vehicles	11/1/2022	11/1/2026	4.27%	35,071	28,281
Body Cameras	2/1/2022	2/1/2027	1.63%	153,710	89,679
Vehicles	2/1/2023	2/1/2027	7.72%	19,395	15,595
Vehicles	4/1/2023	4/1/2028	7.72%	55,513	48,378
Vehicles	2/1/2023	2/1/2028	7.40%	130,183	111,127
Vehicles	7/1/2023	7/1/2027	7.82%	24,170	21,605
Total governmental activities lease liabilities					<u>\$ 627,120</u>

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**9. LONG-TERM OBLIGATIONS (Continued)**

The annual lease amortization requirements to maturity, including principal and interest, are as follows:

Year ending December 31:	Principal	Interest	Total Payment
2024	\$ 246,605	\$ 27,580	\$ 274,185
2025	217,647	18,958	236,605
2026	115,184	10,063	125,247
2027	47,684	4,101	51,785
Total	<u>\$ 627,120</u>	<u>\$ 60,702</u>	<u>\$ 687,822</u>

The annual subscription amortization requirements to maturity, including principal and interest, are as follows:

Year ending December 31:	Principal	Interest	Total Payment
2024	\$ 19,531	\$ 8,791	\$ 28,322
2025	21,333	6,989	28,322
2026	13,492	4,618	18,110
2027	15,031	3,078	18,109
2028	17,982	128	18,110
	<u>\$ 87,369</u>	<u>\$ 23,604</u>	<u>\$ 110,973</u>

The bonds payable, loan payable, unamortized loan payable discounts, compensated absences, and post-employment benefits are paid from General Fund revenues. Alternate revenue bonds are paid from the telecommunications taxes.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**9. LONG-TERM OBLIGATIONS (Continued)**

Long-term liability activity for the year ended December 31, 2023, was as follows:

Governmental	Beginning Balance	New Increases	Decreases	Ending Balance	Amount due within one year
General Fund:					
Alternative Revenue Bonds	\$ 1,540,000	\$ -	\$ 350,000	\$ 1,190,000	\$ 360,000
Bond premium, related to debt	22,081	-	4,416	17,665	4,416
Compensated absences	340,430	366,300	340,430	366,300	122,100
Police Pension liability	3,872,298		133,804	3,738,494	-
Lease liability	642,754	229,261	244,895	627,120	246,605
Subscription liability	-	97,474	10,105	87,369	19,531
Total	\$ 6,417,563	\$ 693,035	\$ 1,083,650	\$ 6,026,948	\$ 752,652

**LEGAL DEBT MARGIN**

The Village's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 8.625% of its equalized assessed value. At December 31, 2022, the statutory limit of the Village was \$22,891,990.

**10. CONTINGENT LIABILITIES**

**A. LITIGATION**

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

**B. GRANTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state 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.

**VILLAGE OF ROSCOE, ILLINOIS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**11. EMPLOYEE RETIREMENT SYSTEMS**

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the two plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained at [www.imrf.org](http://www.imrf.org).

**A. ILLINOIS MUNICIPAL RETIREMENT FUND**

**PLAN DESCRIPTION**

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

**BENEFITS PROVIDED**

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

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

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**A. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

**BENEFITS PROVIDED (CONTINUED)**

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

Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

**EMPLOYEES COVERED BY BENEFIT TERMS**

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

	IMRF Regular
Retirees and beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members receiving benefits	13
Active plan member temporary disability	-
Total	31

**CONTRIBUTIONS**

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2023 was 1.07%. For the fiscal year ended December 31, 2023, the Village contributed \$7,925 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**VILLAGE OF ROSCOE, ILLINOIS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**A. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

**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.

**ACTUARIAL ASSUMPTIONS**

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

- The Actuarial Cost Method used was Aggregate Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 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.

**LONG-TERM EXPECTED REAL RATE OF RETURN**

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

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**A. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return one year
Domestic Equity	34.5%	6.35%
International Equity	18.0%	8.00
Fixed Income	24.5%	4.85
Real Estate	10.5%	7.20
Alternative Investments	11.5%	7.20 - 12.35
Cash Equivalents	1.0%	3.80
Total	100%	

**DISCOUNT RATE**

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent, the municipal bond rate is 3.77 percent and the single discount rate is 7.25 percent.



VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**A. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

**CHANGES IN THE NET PENSION LIABILITY**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Net Pension Liability (Asset) at December 31, 2022	\$ 1,686,182	\$ 1,866,732	\$ (180,550)
Changes for the year:			
Service cost	60,678	-	60,678
Interest on the total pension liability	121,682	-	121,682
Differences between expected and actual experience of the total pension liability	58,546	-	58,546
Changes of assumptions	(14,279)	-	(14,279)
Contributions – employer	-	7,925	(7,925)
Contributions – employees	-	33,642	(33,642)
Net investment income	-	205,759	(205,759)
Benefit payments, including refunds of employee contributions	(76,289)	(76,289)	-
Other (net transfer)	-	42,003	(42,003)
Net changes	150,338	213,040	(62,702)
Net Pension Liability (Asset) at December 31, 2023	\$ 1,836,520	\$ 2,079,772	\$ (243,252)

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

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

	Single Discount Rate Assumption		
	1% Decrease 6.25%	Current 7.25%	1% Increase 8.25%
Total pension liability	\$ 2,037,852	\$ 1,836,520	\$ 1,679,951
Plan fiduciary net position	2,079,772	2,079,772	2,079,772
Net pension liability (Asset)	\$ (41,920)	\$ (243,252)	\$ (399,821)

Total Net Pension Asset for the IMRF plan is \$243,252 at December 31, 2023.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended December 31, 2023 the Village recognized pension income of \$44,905. At December 31, 2023, 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)/ Resources	Total
Deferred amounts to be recognized in pension expense in future periods:			
Differences between expected and actual experience	\$ 79,852	\$ 11,129	\$ 68,723
Changes of assumptions	-	10,677	(10,677)
Net difference between projected and actual earnings on pension plan investments	262,963	160,070	102,893
Total deferred amounts to be recognized in pension expense in future periods	\$ 342,815	\$ 181,876	\$ 160,939

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

Year Ending December 31	Regular Plan Net Deferred Outflows of Resources
2024	\$ 33,699
2025	59,373
2026	81,900
2027	(14,033)
	\$ 160,939

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police Pension Plan**

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILC 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a Pension Trust Fund. At January 1, 2023, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	14
	<hr/>
Total	26
	<hr/>

**BENEFITS PROVIDED**

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2012) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2012) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800 as of 2011, plus the lesser of 50% of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., .5% of each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 50% of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police Pension Plan (Continued)**

**CONTRIBUTIONS**

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. The Village made a contribution of \$443,611 for the year ended December 31, 2022, which was approximately 27.18% of covered payroll.

**NET PENSION LIABILITY**

The Village's net pension liability was measured at December 31, 2023. The measurement period for pension expense was January 1, 2023 to December 31, 2023. The reporting period is January 1, 2023 to December 31, 2023. The Sponsor's Net Pension Liability was measured as of December 31, 2023. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

**ACTUARIAL ASSUMPTIONS**

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

Inflation	2.50%
Salary Increases	Service based
Discount Rate	6.50%
Investment Rate of Return	6.50%

**Mortality Rate:** PubS-2010 Active Lives, Inactive Lives, Beneficiaries, and Disabled Lives, projected five years pasty the valuation date with Scale MP-2021.

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

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 expenses 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 by the target asset allocation percentage and by adding expected inflation.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police Pension Plan (Continued)**

**ACTUARIAL ASSUMPTIONS (Continued)**

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Growth	58%	65.00%
Income	16%	14.00%
Inflation protection	9%	11.00%
Risk mitigation	17%	10.00%
Total	100%	

**Concentrations:** The Plan does not provide information on individual holdings, so the Village is not aware of any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

**Discount Rate:** The Discount Rate used to measure the Total Pension Liability was 6.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.50 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For purpose of this valuation, the expected rate of return on pension plan investments is 6.50 percent; the municipal bond rate is 4.00 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 6.50 percent.

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police Pension Plan (Continued)**

**ACTUARIAL ASSUMPTIONS (Continued)**

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 9,682,808	\$ 5,810,410	\$ 3,587,819
Changes for the year:			
Service cost	316,129	—	316,129
Interest on the total pension liability	636,591	—	636,591
Differences between expected and actual experience of the total pension liability	227,060	—	227,060
Changes of assumptions	-	—	—
Contributions – employer	-	443,611	(443,611)
Contributions – employees	-	123,510	(123,510)
Net investment income	-	767,378	(767,378)
Benefit payments, including refunds of employee contributions	(410,456)	(410,456)	—
Administrative expenses	-	(20,815)	20,815
Net changes	769,324	903,228	(133,904)
Balances at December 31, 2023	\$ 10,452,132	\$ 6,713,638	\$ 3,738,494

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police Pension Plan (Continued)**

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the plan's net pension liability calculated using the Single Discount Rate of 6.00% as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Single Discount Rate Assumption		
	1% Decrease 5.50%	Current 6.50%	1% Increase 7.50%
Sponsor's Net Pension Liability	\$ 5,589,865	\$ 3,738,494	\$ 2,262,735

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended December 31, 2023, the Village will recognize a Pension Expense of \$516,133. On December 31, 2023, the Sponsor 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	Net Deferred Outflows of Resources
Deferred amounts to be recognized in pension expense in future periods:			
Differences between expected and actual experience	\$ 344,320	\$ 215,056	\$ 129,264
Changes of assumptions	271,013	509,030	(238,017)
Net difference between projected and actual earnings on pension plan investments	308,145	-	308,145
Total deferred amounts to be recognized in pension expense in future periods	\$ 923,478	\$ 724,086	\$ 199,392

VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**11. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police Pension Plan (Continued)**

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year Ending December 31	Regular Plan Net Deferred Outflows of Resources
2024	\$ 110,504
2025	149,477
2026	160,454
2027	(154,831)
2028	(98,649)
Thereafter	32,437
	<u>\$ 199,392</u>

**12. PLEDGED TAXES**

The Village pledged the revenue from its telecommunications tax for the payment of the bond principal and interest on the \$2,095,000 general obligation alternate revenue refunding bonds series 2018 that were issued to fund the expansion and renovation of Village Hall and various water and sewer projects. During 2023, the Village reported \$113,700 in revenue from the telecommunications tax and \$127,489 in transfers from other general fund sources. Funds for payment of the 2023 principal of \$230,000 and interest of \$17,091 have been deposited in the debt service fund prior to the end of the 2023 fiscal year. The expected payments from this revenue source are approximately \$247,000 per year or approximately 190% of the expected revenue from this source through 2026. The remaining amounts due will be covered by other general fund sources.

The Village pledged the revenue from its sales tax for the payment of the bond principal and interest on the \$1,100,000 general obligation alternate revenue bonds series 2017 that were issued to fund the expansion and renovation of Village Hall/Police Department. At the end of 2023, the Village Transferred \$138,394 of sales tax revenue for principal and interest payments due in fiscal year 2023. The expected payments from this source of revenue are approximately \$137,000 per year or approximately 6% of the expected revenue from sales tax.



VILLAGE OF ROSCOE, ILLINOIS  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**13. RISK MANAGEMENT**

**LIABILITY INSURANCE**

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. The Village has purchased commercial insurance to provide for any expenses that may result from claims related to the aforementioned risks of loss.

The amounts of settlements have not exceeded insurance coverage in each of the past three years.

**14. AGREEMENTS**

The Village has approved an agreement for Trunk Sewer Extension Cost Sharing and Reimbursement of McCurry Road Trunk Sewer Phase 3. The agreement would provide that the Village would be obligated for 1/3 of the total project costs estimated not to exceed \$960,000. The Village contributed \$320,000 during 2009; however, this project is currently on hold with no scheduled construction commencement date. After completion of the project, the Village expects to recover its costs through future connection fees. The Rock River Water Reclamation District is expected to be the owner of the sewer system upon completion of the project.

The Village has entered into an agreement with another developer where the Village, in exchange for the developer completing improvements that would enhance future economic growth in the area, the Village would rebate 75% of the Municipal Retailer's Occupation Tax for a period of 7 years commencing with sales made in December of 2018 and thereafter. The Village has rebated \$233,760 to date under this agreement. Rebates are expected to be about \$80,000 per year for the remaining three years of the agreement.

**15. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

When they become effective, application of these standards may restate portions of these financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF ROSCOE, ILLINOIS**

## Required Supplementary Information

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

## General Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Under/ Over
<b>Revenues</b>				
Taxes	\$ 3,697,101	\$ 3,697,101	\$ 3,810,093	\$ 112,992
Intergovernmental	2,723,000	2,723,000	3,034,840	311,840
Licenses & permits	188,900	188,900	201,362	12,462
Fines & fees	311,010	311,010	269,560	(41,450)
Reimbursements	2,500	2,500	14,929	12,429
Interest	80,000	80,000	450,645	370,645
Other	54,500	54,500	93,399	38,899
Total revenues	<u>7,057,011</u>	<u>7,057,011</u>	<u>7,874,828</u>	<u>817,817</u>
<b>Expenditures</b>				
Current:				
General government	1,559,163	1,559,163	1,355,850	203,313
Public works	984,562	984,562	871,609	112,953
Police/public safety	2,684,678	2,684,678	2,710,348	(25,670)
Lease right-of-use asset	-	-	229,261	(229,261)
Subscription asset	-	-	97,474	(97,474)
Parks & recreation	254,059	254,059	224,253	29,806
Capital outlay	<u>2,232,706</u>	<u>2,232,706</u>	<u>561,952</u>	<u>1,670,754</u>
Total expenditures	<u>7,715,168</u>	<u>7,715,168</u>	<u>6,050,747</u>	<u>1,664,421</u>
Excess of revenues over expenditures	<u>(658,157)</u>	<u>(658,157)</u>	<u>1,824,081</u>	<u>2,482,238</u>
<b>Other financing sources (uses):</b>				
Lease financing	-	-	229,261	229,261
Subscription financing	-	-	97,474	97,474
Transfers out	<u>(2,478,100)</u>	<u>(2,478,100)</u>	<u>(2,478,100)</u>	<u>-</u>
Total other financing sources	<u>(2,478,100)</u>	<u>(2,478,100)</u>	<u>(2,151,365)</u>	<u>326,735</u>
<b>Net change in fund balance</b>	<u>\$ (3,136,257)</u>	<u>\$ (3,136,257)</u>	<u>(327,284)</u>	<u>\$ 2,808,973</u>
<b>FUND BALANCE - beginning of Year</b>			<u>6,469,036</u>	
<b>FUND BALANCE - end of year</b>			<u>\$ 6,141,752</u>	

**VILLAGE OF ROSCOE, ILLINOIS**

Required Supplementary Information  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Special Revenue - Motor Fuel Tax Fund  
For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Under/ Over</b>
<b>Revenues:</b>				
Motor fuel allocations	\$ 426,000	\$ 426,000	\$ 489,211	\$ 63,211
Intergovernmental	-	-	-	-
Interest	5,000	5,000	63,537	58,537
Total revenues	<u>431,000</u>	<u>431,000</u>	<u>552,748</u>	<u>121,748</u>
<b>Expenditures:</b>				
Public works				
Salt & sand	185,000	185,000	112,258	72,742
Total expenditures	<u>185,000</u>	<u>185,000</u>	<u>112,258</u>	<u>72,742</u>
Capital outlay				
Public works	-	-	231,233	(231,233)
<b>Net change in fund balance</b>	<u>\$ 246,000</u>	<u>\$ 246,000</u>	209,257	<u>\$ (36,743)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>1,295,409</u>	
<b>FUND BALANCE - End of Year</b>			<u>\$ 1,504,666</u>	

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Capital Projects Fund  
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/ Over</u>
<b>Revenues</b>				
Intergovernmental - Grant	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Public works	89,000	89,000	34,679	54,321
Police Department	-	-	-	-
Capital outlay				
General Government	-	-	-	-
Police Department	-	-	-	-
Parks and recreation	-	-	-	-
Other infrastructure projects	3,876,000	3,876,000	2,106,214	1,769,786
Total expenditures	<u>3,965,000</u>	<u>3,965,000</u>	<u>2,140,893</u>	<u>1,824,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,965,000)</u>	<u>(3,965,000)</u>	<u>(2,140,893)</u>	<u>1,824,107</u>
<b>Other financing sources (uses)</b>				
Sale of land	-	-	-	-
Transfers in	3,876,000	3,876,000	2,215,000	(1,661,000)
Total other financing sources	<u>3,876,000</u>	<u>3,876,000</u>	<u>2,215,000</u>	<u>(1,661,000)</u>
<b>Net change in fund balance</b>	<u>\$ (89,000)</u>	<u>\$ (89,000)</u>	74,107	<u>\$ 163,107</u>
<b>FUND BALANCES - beginning of year</b>			<u>418,811</u>	
<b>FUND BALANCES - end of year</b>			<u>\$ 492,918</u>	

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Changes in Net Pension  
Liability and Related Ratio  
Illinois Municipal Retirement Fund - Regular Plan  
As of December 31, 2023  
Last 10 Calendar Years

Calendar year ending December 31	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 60,678	\$ 60,165	\$ 59,032	\$ 51,695	\$ 63,839	\$ 54,279	\$ 59,727	\$ 65,303	\$ 60,724	\$ 50,580
Interest on the total pension liability	121,682	108,845	103,532	104,496	102,455	109,338	102,806	95,079	87,364	75,226
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	58,546	82,425	(17,696)	(85,479)	(33,064)	(165,195)	49,926	6,722	1,973	29,600
Assumption changes	(14,279)	-	-	(4,828)	-	37,979	(52,939)	-	-	50,357
Benefit payments and refunds	(76,289)	(72,954)	(71,367)	(94,322)	(103,702)	(67,981)	(71,430)	(51,157)	(47,803)	(50,190)
Net change in total pension liability	150,338	178,481	73,501	(28,438)	29,528	(31,580)	88,090	115,947	102,258	155,573
Total Pension Liability - Beginning	1,686,182	1,507,701	1,434,200	1,462,638	1,433,110	1,464,690	1,376,600	1,260,653	1,158,395	1,002,822
Total Pension Liability - Ending (a)	<u>\$ 1,836,520</u>	<u>\$ 1,686,182</u>	<u>\$ 1,507,701</u>	<u>\$ 1,434,200</u>	<u>\$ 1,462,638</u>	<u>\$ 1,433,110</u>	<u>\$ 1,464,690</u>	<u>\$ 1,376,600</u>	<u>\$ 1,260,653</u>	<u>\$ 1,158,395</u>
<b>Plan Fiduciary Net Position</b>										
Employer contribution:	\$ 7,925	\$ 15,106	\$ 20,956	\$ 28,540	\$ 17,545	\$ 28,299	\$ 32,900	\$ 31,695	\$ 31,816	\$ 25,029
Employee contribution:	33,642	28,442	28,664	26,264	25,306	26,203	23,389	24,762	25,340	20,006
Pension plan net investment income	205,759	(281,539)	325,998	260,061	274,917	(104,811)	279,639	93,262	7,172	81,762
Benefit payments and refunds	(76,289)	(72,954)	(71,367)	(94,322)	(103,702)	(67,981)	(71,430)	(51,157)	(47,803)	(50,190)
Other	42,003	2,298	(8,591)	(85,880)	22,701	(163,532)	(32,120)	92,815	(79,867)	10,147
Net change in plan fiduciary net position	213,040	(308,647)	295,660	134,663	236,767	(281,822)	232,378	191,377	(63,342)	86,754
Plan Fiduciary Net Position - Beginning	1,866,732	2,175,379	1,879,719	1,745,056	1,508,289	1,790,111	1,557,733	1,366,356	1,429,698	1,342,944
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,079,772</u>	<u>\$ 1,866,732</u>	<u>\$ 2,175,379</u>	<u>\$ 1,879,719</u>	<u>\$ 1,745,056</u>	<u>\$ 1,508,289</u>	<u>\$ 1,790,111</u>	<u>\$ 1,557,733</u>	<u>\$ 1,366,356</u>	<u>\$ 1,429,698</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (243,252)</u>	<u>\$ (180,550)</u>	<u>\$ (667,678)</u>	<u>\$ (445,519)</u>	<u>\$ (282,418)</u>	<u>\$ (75,179)</u>	<u>\$ (325,421)</u>	<u>\$ (181,133)</u>	<u>\$ (105,703)</u>	<u>\$ (271,303)</u>
Plan fiduciary net position as a percentage of total pension liability	113.25%	110.70%	144.28%	131.06%	119.31%	105.25%	122.22%	113.16%	108.38%	123.42%
Covered valuation payroll	\$ 747,597	\$ 632,040	\$ 636,970	\$ 583,650	\$ 562,347	\$ 582,282	\$ 519,753	\$ 550,266	\$ 563,120	\$ 524,230
Net pension liability as a percentage of covered valuation payroll	32.54%	-28.57%	-104.82%	-73.33%	-50.22%	-12.91%	-62.61%	-32.92%	-18.77%	-51.75%

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Employer Contributions  
Illinois Municipal Retirement Fund - Regular Plan  
As of December 31, 2023  
Last 10 Calendar Years\*

<b>Calendar Year Ended December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a Percentage of Covered Valuation Payroll</b>
2014	\$ 29,514	\$ 25,029	\$ 4,485	\$ 524,230	4.77 %
2015	31,816	31,816	-	563,120	5.65
2016	31,695	31,695	-	550,266	5.76
2017	32,900	32,900	-	519,753	6.33
2018	28,299	28,299	-	582,282	4.86
2019	17,545	17,545	-	562,347	3.12
2020	28,540	28,540	-	583,650	4.89
2021	20,956	20,956	-	636,970	3.29
2022	15,106	15,106	-	632,040	2.39
2023	7,925	7,925	-	747,597	1.06

**Notes to Schedule:****Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate.****Valuation Date:**

## Notes

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

**Methods and Assumptions Used to Determine 2023 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	20-year closed period.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price 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.
Mortality:	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Other Information:****Notes:**

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2021, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is not presented for those years for which information is available.

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Changes in Net Pension  
Liability and Related Ratios  
Illinois Municipal Retirement Fund - SLEP  
As of December 31, 2023  
Last 10 Calendar Years\*

Calendar year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	-	-	-	-	-	-	-	5,653	6,474	6,291
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	-	-	(81,023)	(17,430)	(5,844)
Assumption changes	-	-	-	-	-	-	-	-	-	1,995
Benefit payments and refunds	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	-	-	-	-	-	-	-	(75,370)	(10,956)	2,442
Total Pension Liability - Beginning	-	-	-	-	-	-	-	75,370	86,326	83,884
Total Pension Liability - Ending (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,370</u>	<u>\$ 86,326</u>
Plan Fiduciary Net Position										
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee contributions	-	-	-	-	-	-	-	-	-	-
Pension plan net investment income	-	-	-	-	-	-	-	5,653	419	5,117
Benefit payments and refunds	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	(81,035)	(8,745)	(5,293)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	(75,382)	(8,326)	(176)
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	75,382	83,708	83,884
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,382</u>	<u>\$ 83,708</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ 2,618</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.02%	96.97%
Covered valuation payroll	-	-	-	-	-	-	-	-	-	-
Net pension liability as a percentage of covered valuation payroll	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%

Note: Covered valuation payroll is zero because employee covered under SLEP is inactive.



**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Employer Contributions  
Illinois Municipal Retirement Fund - SLEP  
As of December 31, 2023  
Last 10 Calendar Years\*

<b>Calendar Year Ended December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a Percentage of Covered Valuation Payroll</b>
2014	\$ -	\$ -	\$ -	\$ -	0.00 %
2015	-	-	-	-	0.00
2016	-	-	-	-	0.00
2017	-	-	-	-	0.00
2018	-	-	-	-	0.00
2019	-	-	-	-	0.00
2020	-	-	-	-	0.00
2021	-	-	-	-	0.00
2022	-	-	-	-	0.00
2023	-	-	-	-	0.00

\* - Fiscal year 2015 was the first year of GASB 68 implementation for the Village, however three years of data was available and have been included for additional analysis.

**Notes to Schedule:**

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate\***

**Valuation Date:**

Notes Employee covered under SLEP is not active, therefore, there are no payroll costs.

**Methods and Assumptions Used to Determine 2021 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	21-year closed period.
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.

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

**Other Information:**

Notes: There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2020, actuarial valuation.

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

See independent auditors' report

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Changes in Net Pension  
Liability and Related Ratios  
Police Pension Fund  
As of December 31, 2023  
Last 10 Calendar Years\*

Calendar year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	\$ 316,129	\$ 349,403	\$ 271,086	\$ 278,474	\$ 276,363	\$ 231,759	\$ 224,283	\$ 224,625	\$ 199,079
Interest on the total pension liability	636,591	609,001	566,093	527,111	479,724	420,832	411,129	372,564	347,949
Benefit changes	-	-	-	-	48,627	-	-	-	-
Difference between expected and actual experience	227,060	(255,835)	9,657	54,547	187,874	24,213	(145,420)	196,092	-
Assumption changes	-	(712,645)	-	-	-	742,833	105,305	-	-
Contributions - Buy back	-	-	-	-	-	-	-	-	3,045
Benefit payments and refunds	(410,456)	(215,459)	(204,573)	(201,511)	(208,347)	(195,928)	(193,142)	(206,097)	(187,770)
Net change in total pension liability	769,324	(225,535)	642,263	658,621	784,241	1,223,709	402,155	587,184	362,303
Total Pension Liability - Beginning	9,682,808	9,908,343	9,266,080	8,607,459	7,823,218	6,599,509	6,197,354	5,610,170	5,247,867
Total Pension Liability - Ending (a)	<u>\$ 10,452,132</u>	<u>\$ 9,682,808</u>	<u>\$ 9,908,343</u>	<u>\$ 9,266,080</u>	<u>\$ 8,607,459</u>	<u>\$ 7,823,218</u>	<u>\$ 6,599,509</u>	<u>\$ 6,197,354</u>	<u>\$ 5,610,170</u>
<b>Plan Fiduciary Net Position</b>									
Employer contributions	\$ 443,611	\$ 355,232	\$ 493,334	\$ 446,817	\$ 374,117	\$ 309,890	\$ 260,286	\$ 234,355	\$ 233,182
Employee contributions	123,510	129,508	106,466	103,709	98,611	99,150	97,946	75,226	88,743
Contributions - Buy back	-	-	-	-	-	-	-	-	3,045
Pension plan net investment income	767,378	(763,453)	377,654	591,535	548,751	(60,710)	349,835	183,154	62,882
Benefit payments and refunds	(410,456)	(215,459)	(204,573)	(201,511)	(208,347)	(195,928)	(193,142)	(206,097)	(187,770)
Other - administrative expense	(20,815)	(15,842)	(11,304)	(5,258)	(5,616)	(5,912)	(8,268)	(7,008)	(5,581)
Net change in plan fiduciary net position	903,228	(510,014)	761,577	935,292	807,516	146,490	506,657	279,630	194,501
Plan Fiduciary Net Position - Beginning	5,810,510	6,320,524	5,558,947	4,623,655	3,816,139	3,669,649	3,162,992	2,883,362	2,688,861
Adjustment to beginning of year	(100)								
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,713,638</u>	<u>\$ 5,810,510</u>	<u>\$ 6,320,524</u>	<u>\$ 5,558,947</u>	<u>\$ 4,623,655</u>	<u>\$ 3,816,139</u>	<u>\$ 3,669,649</u>	<u>\$ 3,162,992</u>	<u>\$ 2,883,362</u>
Net Pension Liability - Ending (a) - (b)	<u>3,738,494</u>	<u>3,872,298</u>	<u>3,587,819</u>	<u>3,707,133</u>	<u>3,983,804</u>	<u>4,007,079</u>	<u>2,929,860</u>	<u>3,034,362</u>	<u>\$ 2,726,808</u>
Plan fiduciary net position as a percentage of total pension liability	64.23%	60.01%	63.79%	59.99%	53.72%	48.78%	55.60%	51.04%	51.40%
Covered valuation payroll	\$ 1,246,317	\$ 1,306,842	\$ 1,074,329	\$ 1,046,509	\$ 995,066	\$ 100,505	\$ 988,355	\$ 759,092	\$ 895,489
Net pension liability as a percentage of covered valuation payroll	299.96%	296.31%	333.96%	354.24%	400.36%	400.51%	296.44%	399.74%	304.50%

**Other Information:**

## Notes:

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Employer Contributions  
Police Pension Fund  
As of December 31, 2023  
Last 10 Calendar Years\*

<b>Calendar Year Ended December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a Percentage of Covered Valuation Payroll</b>
2015	\$ 276,837	\$ 233,182	\$ 43,655	\$ 895,489	26.04 %
2016	276,837	234,355	42,482	759,092	30.87
2017	312,450	260,286	52,164	988,355	26.34
2018	377,230	309,890	67,340	1,000,505	30.97
2019	412,688	374,117	38,571	995,066	37.60
2020	452,415	446,817	5,598	1,046,509	42.70
2021	354,963	493,334	(138,371)	1,074,329	45.92
2022	444,734	355,232	89,502	1,306,842	27.18
2023	404,288	443,611	(39,323)	1,246,317	35.59

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**Notes to Schedule:**

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

**Valuation Date:** 1/1/2023

**Notes**

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the year in which contributions are reported.

**Methods and Assumptions Used to Determine 2023 Contribution Rates:**

Funding Method: Projected Unit Credit

Amortization Method: Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.

Mortality Rate:

**Healthy Lives:**

RP-2014 Healthy Annuitant with Blue Collar Adjustment, males and females.

**Disabled Lives:**

115% of RP-2014 Healthy Annuitant with-Blue Collar Adjustment, males and females.

Interest Rate:

6.80%

Retirement Age:

Age	Rate	Age	Rate
<=49	0%	<=49	0%
50-51	15%	50-54	5%
52-54	20%	55	40%
55-64	25%	56-64	25%
65-69	40%	65-69	40%
70+	100%	70+	100%

Termination Rate:

Age	Rate
20	14.00%
25	10.40%
30	5.60%
35	3.10%
40	1.90%
45	1.50%
50	1.50%
56+	0.00%

See independent auditors' report.

**VILLAGE OF ROSCOE, ILLINOIS**  
Required Supplementary Information  
Schedule of Employer Contributions  
Police Pension Fund  
As of December 31, 2023  
Last 10 Calendar Years\*

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

Disability Rate:  
60% percent of disabilities are assumed  
to be in the line of duty.

Age	Rate
20	0.00%
25	0.03%
30	0.14%
35	0.26%
40	0.42%
45	0.59%
50	0.71%
55	0.90%
60	1.15%

Salary Increases:

Rates vary by service from 0 to 32 years.

Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8-16	4.00%
17-32	3.75%
32+	3.50%

Payroll Growth:

4.50%

Inflation:

2.5% per year.

Cost-of-Living Adjustments:

Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive and increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

Marital Status:

80% of officers are assumed to be married.

Spouse's Age:

Males are assumed to be three years older than females.

Actuarial Asset Method:

Investment gains and losses are smoothed over a 9-year period.

**VILLAGE OF ROSCOE, ILLINOIS**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2023

Legal Compliance and Accountability

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General Fund and Special Revenue - Street & Bridge, Motor Fuel, Debt Service and Capital Projects Funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

- A. The Village Finance Committee submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to January 1st, the budget is legally enacted by Village Board action. This is the amount reported as original budget.
- D. The Village Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by Village Board as a supplemental appropriation ordinance.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for General Fund, Special Revenue Funds - Street & Bridge, Motor Fuel, Debt Service Fund and Capital Projects Fund.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.

**VILLAGE OF ROSCOE, ILLINOIS**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2023

Legal Compliance and Accountability (Continued)

- H. State law requires that "expenditures be made in conformity with appropriations/ budget". As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

## **SUPPLEMENTARY INFORMATION**

**VILLAGE OF ROSCOE, ILLINOIS**

Combining Balance Sheet  
Nonmajor Governmental Funds  
As of December 31, 2023

		<b>Special Revenue</b>		
		<b>Street &amp; Bridge Fund</b>	<b>Tax Increment Financing Fund</b>	<b>Total</b>
<b><u>ASSETS</u></b>				
Cash and investments		\$ 298,500	\$ 7,383	\$ 305,883
Total assets		<u>\$ 298,500</u>	<u>\$ 7,383</u>	<u>\$ 305,883</u>
<b><u>LIABILITIES</u></b>				
Accounts payable		\$ -	\$ -	\$ -
Due to other funds		-	-	-
Total liabilities		<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES (DEFICITS)</u></b>				
Restricted:				
Highways, streets & bridges		298,500	-	298,500
Debt service		-	-	-
Unrestricted (deficit)		-	7,383	7,383
Total fund balances (deficit)		<u>298,500</u>	<u>7,383</u>	<u>305,883</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>		<u>\$ 298,500</u>	<u>\$ 7,383</u>	<u>\$ 305,883</u>



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<b>Debt Service</b>	
<b>Bond &amp; Interest</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 375,912	\$ 681,795
\$ 375,912	\$ 681,795
<hr/>	
\$ -	\$ -
-	-
<hr/>	
-	-
<hr/>	
-	298,500
375,912	375,912
-	7,383
<hr/>	
375,912	681,795
<hr/>	
\$ 375,912	\$ 681,795
<hr/>	

**VILLAGE OF ROSCOE, ILLINOIS**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2023

	<b>Special Revenue</b>		
	<b>Street &amp; Bridge Fund</b>	<b>Tax Increment Financing Fund</b>	<b>Total</b>
<b>Revenues</b>			
Taxes			
Property taxes	\$ 31,801	\$ 18,683	\$ 50,484
Telecommunications	-	-	-
Total revenues	<u>31,801</u>	<u>18,683</u>	<u>50,484</u>
<b>Expenditures</b>			
Current			
General government	-	359	359
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>359</u>	<u>359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,801</u>	<u>18,324</u>	<u>50,125</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>31,801</u>	<u>18,324</u>	<u>50,125</u>
<b>FUND BALANCE (Deficit) - beginning of year</b>	<u>266,699</u>	<u>(10,941)</u>	<u>255,758</u>
<b>FUND BALANCE (Deficit) - end of year</b>	<u>\$ 298,500</u>	<u>\$ 7,383</u>	<u>\$ 305,883</u>

<b>Debt Service</b>	
<b>Bond &amp; Interest</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 50,484
114,963	114,963
114,963	165,447
-	359
350,000	350,000
32,856	32,856
382,856	383,215
(267,893)	(217,768)
263,100	263,100
263,100	263,100
(4,793)	45,332
380,705	636,463
\$ 375,912	\$ 681,795

**VILLAGE OF ROSCOE, ILLINOIS**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Special Revenue Street & Bridge Fund  
 For the Year Ended December 31, 2023

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Under/ Over</b>
<b>Revenues:</b>				
Property taxes	\$ 30,000	\$ 30,000	\$ 31,801	\$ 1,801
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>31,801</u>	<u>1,801</u>
<b>Expenditures:</b>				
Capital outlay				
Public works	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>Net change in fund balance</b>	<u>\$ (70,000)</u>	<u>\$ (70,000)</u>	<u>31,801</u>	<u>\$ 101,801</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>266,699</u>	
<b>FUND BALANCE - End of Year</b>			<u>\$ 298,500</u>	

**VILLAGE OF ROSCOE, ILLINOIS**

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

## Debt Service Fund

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Under/ Over</b>
<b>Revenues:</b>				
Telecommunications tax	\$ 120,000	\$ 120,000	\$ 114,963	\$ (5,037)
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>114,963</u>	<u>(5,037)</u>
<b>Expenditures:</b>				
Debt service:				
Principal	350,000	350,000	350,000	-
Interest	<u>33,100</u>	<u>33,100</u>	<u>32,856</u>	<u>244</u>
Total expenditures	<u>383,100</u>	<u>383,100</u>	<u>382,856</u>	<u>244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,100)</u>	<u>(263,100)</u>	<u>(267,893)</u>	<u>(4,793)</u>
<b>Other financing sources:</b>				
Transfers in	263,539	263,539	263,100	(439)
Total other financing sources	<u>263,539</u>	<u>263,539</u>	<u>263,100</u>	<u>(439)</u>
<b>Net change in fund balance</b>	<u>\$ 439</u>	<u>\$ 439</u>	(4,793)	<u>\$ (5,232)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>380,705</u>	
<b>FUND BALANCE - End of Year</b>			<u>\$ 375,912</u>	

**VILLAGE OF ROSCOE, ILLINOIS**

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

## General Fund

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Under/ Over</b>
<b>Taxes:</b>				
Property	\$ 1,597,101	\$ 1,597,101	\$ 1,597,692	\$ 591
Sales	2,100,000	2,100,000	2,212,401	112,401
Total taxes	3,697,101	3,697,101	3,810,093	112,992
<b>Intergovernmental:</b>				
State income tax	1,592,000	1,592,000	1,765,910	173,910
Local use tax	415,000	415,000	440,296	25,296
Video game tax	420,000	420,000	516,604	96,604
Personal property replacement	270,000	270,000	288,118	18,118
Cannabis use tax	18,000	18,000	16,631	(1,369)
Grants	8,000	8,000	7,281	(719)
Total intergovernmental	2,723,000	2,723,000	3,034,840	311,840
<b>Licenses &amp; Permits:</b>				
Liquor licenses	142,300	142,300	142,450	150
Employee registration liquor	7,000	7,000	6,600	(400)
Vending licenses	4,100	4,100	4,750	650
Permits	35,500	35,500	45,012	9,512
Other	-	-	2,550	2,550
Total licenses & permits	188,900	188,900	201,362	12,462
<b>Fines &amp; Fees:</b>				
Cable franchise fees	50,000	50,000	41,641	(8,359)
Gas franchise fees	105,000	105,000	116,166	11,166
Design review fees	1,000	1,000	-	(1,000)
Traffic fines	80,000	80,000	57,284	(22,716)
DUI fines	5,000	5,000	2,336	(2,664)
Parking citations	2,000	2,000	710	(1,290)
Drug fines	100	100	277	177
Police agency vehicles	410	410	40	(370)
Notice of violations	6,500	6,500	2,080	(4,420)
Administrative tow fees	40,000	40,000	29,610	(10,390)
Credit card fees	1,000	1,000	756	(244)
Rent	20,000	20,000	18,660	(1,340)
Total fines & fees	311,010	311,010	269,560	(41,450)
<b>Reimbursements:</b>				
Shared sidewalk repairs	2,500	2,500	167	(2,333)
Other reimbursements	-	-	14,762	14,762
Total reimbursements	2,500	2,500	14,929	12,429
<b>Interest</b>	80,000	80,000	450,645	370,645
<b>Other:</b>				
Sale of assets	22,000	22,000	-	(22,000)
Miscellaneous	32,500	32,500	93,399	60,899
Total other	54,500	54,500	93,399	38,899
<b>Total Revenues</b>	<b>\$ 7,057,011</b>	<b>\$ 7,057,011</b>	<b>\$ 7,874,828</b>	<b>\$ 817,817</b>

**VILLAGE OF ROSCOE, ILLINOIS**

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

For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/ Over</u>
<b><u>Expenditures</u></b>				
Current				
General Government				
Village Hall administration				
Salaries and benefits	\$ 214,558	\$ 214,558	\$ 191,174	\$ 23,384
Supplies and contractual services	592,605	592,605	574,829	17,776
Total Village Hall administration	807,163	807,163	766,003	41,160
Village Clerk:				
Salaries and benefits	24,377	24,377	19,279	5,098
Supplies and contractual services	4,950	4,950	6,159	(1,209)
Total village clerk department	29,327	29,327	25,438	3,889
Code Enforcement Department				
Salaries and benefits	100,744	100,744	97,643	3,101
Supplies and contractual services	13,000	13,000	22,961	(9,961)
Total code enforcement department	113,744	113,744	120,604	(6,860)
Village Treasurer:				
Supplies and contractual services	69,300	69,300	69,300	-
Total treasurer department	69,300	69,300	69,300	-
Liability Insurance				
Supplies and contractual services	222,603	222,603	222,603	-
Total liability Insurance	222,603	222,603	222,603	-
Planning/Zoning department:				
Supplies and contractual services	160,200	160,200	4,999	155,201
Total planning/zoning department	160,200	160,200	4,999	155,201
Human Resource Department:				
Salaries and benefits	92,793	92,793	94,167	(1,374)
Supplies and contractual services	1,200	1,200	244	956
Total human resource department	93,993	93,993	94,411	(418)
Village Board				
Salaries and benefits	60,333	60,333	49,692	10,641
Supplies and contractual services	2,500	2,500	2,800	(300)
Total village board	62,833	62,833	52,492	10,341
Total general government	1,559,163	1,559,163	1,355,850	203,313

**VILLAGE OF ROSCOE, ILLINOIS**

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

## General Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Under/ Over
<b><u>Expenditures - Continued</u></b>				
Current - Continued				
Highway & Streets				
Public Works department				
Salaries and benefits	\$ 576,712	\$ 576,712	\$ 406,292	\$ 170,420
Supplies and contractual services	407,850	407,850	465,317	(57,467)
Total Highway & Streets	984,562	984,562	871,609	112,953
Public Safety				
Police Department:				
Salaries and benefits	2,323,349	2,323,349	2,261,940	61,409
Lease right-of-use asset	-	-	229,261	(229,261)
Subscription asset	-	-	97,474	(97,474)
Supplies and contractual services	361,329	361,329	448,408	(87,079)
Total Public Safety	2,684,678	2,684,678	3,037,083	(352,405)
Parks & Recreation				
Parks Department				
Salaries and benefits	172,959	172,959	146,731	26,228
Supplies and contractual services	81,100	81,100	77,522	3,578
Total Parks and Recreation	254,059	254,059	224,253	29,806
Total Current	5,482,462	5,482,462	5,488,795	(6,333)
Capital Outlay				
General Government				
Village Hall	277,212	277,212	241,593	35,619
Highway & Streets				
Public Works department	723,722	723,722	132,622	591,100
Public Safety				
Police Department	187,472	187,472	-	187,472
Culture & Recreation				
Parks Department	1,044,300	1,044,300	187,737	856,563
Total capital outlay	2,232,706	2,232,706	561,952	1,670,754
Total expenditures	7,715,168	7,715,168	6,050,747	1,664,421
Excess of revenues over expenditures	(658,157)	(658,157)	1,824,081	2,482,238
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(2,478,100)	(2,478,100)	(2,478,100)	-
Lease financing	-	-	229,261	229,261
Subscription financing	-	-	97,474	97,474
Total other financing uses	(2,478,100)	(2,478,100)	(2,151,365)	-
Net change in fund balance	\$ (3,136,257)	\$ (3,136,257)	(327,284)	\$ 2,808,973
			6,469,036	
			<u>\$ 6,141,752</u>	



**VILLAGE OF ROSCOE, ILLINOIS**  
Assessed Valuations and Property Tax Rates  
Extensions and Collections

	Tax Years											
	2022		2021		2020		2019		2018		2017	
Assessed Valuations	\$	265,414,376	\$	248,371,275	\$	237,000,304	\$	226,409,586	\$	212,979,894	\$	203,793,782
Property tax rates (per \$100 of assessed valuation):	Maximum	Actual	Maximum	Actual	Maximum	Actual	Maximum	Actual	Maximum	Actual	Maximum	Actual
Corporate	0.4375	0.2330	0.4375	0.2521	0.4375	0.2431	0.4375	0.2544	0.4375	0.2670	0.4375	0.2874
Police Pension		0.1673		0.1430		0.1909		0.1823		0.1772		0.1534
Social Security		0.0038		0.0041		0.0043		0.0045		0.0047		0.0050
Police Protection	0.6000	0.1673	0.6000	0.1812	0.6000	0.1710	0.6000	0.1789	0.6000	0.1879	0.6000	0.1963
Liability Insurance		0.0302		0.0323		0.0211		0.0221		0.0235		0.0246
Total Tax Rate		0.6016		0.6127		0.6304		0.6422		0.6603		0.6667
Property tax extensions:												
Corporate	\$	618,867	\$	626,086	\$	576,147	\$	575,986	\$	568,403	\$	585,884
Police Pension		445,159		354,963		452,434		412,745		377,232		312,716
Social Security		10,093		10,000		10,191		10,188		10,006		10,193
Police Protection		444,362		450,000		405,271		405,047		400,011		400,171
Liability Insurance		80,214		80,000		50,007		50,028		50,028		50,148
Total Taxes Extended	\$	1,598,695	\$	1,521,049	\$	1,494,050	\$	1,453,994	\$	1,405,680	\$	1,359,112
Property tax collections:												
Corporate	\$	620,590	\$	625,819	\$	575,947	\$	571,544	\$	564,432	\$	580,591
Police Pension		443,920		354,986		452,277		409,562		374,598		309,890
Social Security		10,065		10,177		10,187		10,110		9,936		10,101
Police Protection		443,126		449,814		405,129		401,924		397,218		396,554
Liability Insurance		79,990		80,183		49,990		49,651		49,679		49,696
Total Levied Taxes Collected	\$	1,597,691	\$	1,520,979	\$	1,493,530	\$	1,442,789	\$	1,395,863	\$	1,346,832
Percentage of Extensions Collected:		99.94		100.00		99.97		99.23 %		99.30 %		99.10
Amounts Transferred From Other Taxing Districts	\$		\$		\$	44,278	\$	41,431	\$	39,711	\$	36,845
Total Taxes Collected	\$		\$		\$	1,537,808	\$	1,484,220	\$	1,435,574	\$	1,383,677

**VILLAGE of ROSCOE, ILLINOIS**  
Schedule of Legal Debt Margin  
December 31, 2023

	December 31,					
	2023	2022	2021	2020	2019	2018
<b>Assessed Valuations*</b>	<u>\$ 265,414,376</u>	<u>\$ 248,371,273</u>	<u>\$ 237,000,304</u>	<u>\$ 226,409,586</u>	<u>\$ 212,979,894</u>	<u>\$ 203,793,782</u>
Statutory Debt Limitation (8 5/8 % of Assessed Valuation)	<u>\$ 22,891,990</u>	<u>\$ 21,422,022</u>	<u>\$ 20,441,276</u>	<u>\$ 19,527,827</u>	<u>\$ 18,369,516</u>	<u>\$ 17,577,214</u>
Bonds payable	-	-	-	-	-	-
Loan payable (includes unamortized loan payable discount)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total payable						
<b>Legal Debt Margin</b>	<u>\$ 22,891,990</u>	<u>\$ 21,422,022</u>	<u>\$ 20,441,276</u>	<u>\$ 19,527,827</u>	<u>\$ 18,369,516</u>	<u>\$ 17,577,214</u>

\* Assessed values are for the tax year one year earlier. For example, the assessed value for the year ended December 31, 2023 is the assessed value of tax year 2022.

**Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
With *Government Auditing Standards***

**Independent Auditors' Report**

To the Board of Trustees of  
Village of Roscoe

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, each major fund and the aggregate remaining fund information of the Village of Roscoe (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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*.

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

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
November 1, 2024