

VILLAGE OF WINNEBAGO
Winnebago, Illinois

Annual Financial Report

December 31, 2024

(With Independent Auditor's Report Thereon)

VILLAGE OF WINNEBAGO

Annual Financial Report
December 31, 2024

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BENNING GROUP, LLC

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Independent Auditor's Report

The Honorable President and
Members of the Board of Trustees
Village of Winnebago
Winnebago, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnebago, Illinois (the Village) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnebago, Illinois, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining and individual nonmajor fund financial statements and schedules and also the supplemental schedules as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

A handwritten signature in black ink that reads "Penning Group, LLC". The signature is written in a cursive, flowing style.

Freeport, Illinois
August 27, 2025

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

December 31, 2024 (Unaudited)

This section of the Village of Winnebago's Annual Financial Report presents our discussion and analysis of the Village's financial activities for the year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

- Net position and performance in total – The Village's total net position on December 31, 2024 was \$9,483,422.
- Government activity summary – Net position for governmental activities increased by \$224,789 during fiscal 2024.
- Business-type activity summary – Net position for business-type activities increased by \$877,461 during fiscal 2024 to \$1,762,586 from \$885,125 in 2023.
- General Fund summary – The Village's General Fund reported an increase of \$200,791 in fund balance for the period.
- Budget vs. actual – The Village's actual total revenues for the General Fund were \$25,296 less than the budgeted revenues. The actual expenditures were \$400,087 less than total budgeted expenditures and the transfers out were \$174,000 more than budgeted for the General Fund.

OVERVIEW OF THE 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.

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 operation 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 that 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 the combining statements to provide detail on non-major funds and additional supplementary information.

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

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

GOVERNMENT-WIDE STATEMENTS		FUND STATEMENTS	
		Governmental Funds	Proprietary Funds
Scope	Entire Village government	Activities of the Village that are not proprietary such as public safety	Activities of the Village that operate similar to private business such as the water department
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of net position -Statement of revenues, expenses, and changes in net position -Statement of cash flows
Accounting basis	Accrual	Modified accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources
Type of assets & liability information	All assets and liabilities; 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; both financial and capital, short and long-term
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 or 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

Government-Wide Statements

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

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

The governmental activities reflect the Village's basic services, including administration, financial services, police, and public works. Property taxes, telecommunications taxes, and shared state tax distributions finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation.

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.

Proprietary funds account for services that are generally fully supported by user fees charged to customers. Proprietary funds are presented on a total economic resource basis. Proprietary fund statements, like government-wide statements, provide both short and long term financial information.

While the total column on the business-type fund financial statements is the same as the business-type column on the government-wide financial statement, the governmental funds column requires 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 government activities column in the government-wide statements.

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 Statement No. 34 required 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

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

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.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

In accordance with GASB Statement No. 34, a comparative analysis of government-wide information is presented.

Statement of Net Position

The following table reflects the condensed Statement of Net Position on a comparative basis:

Table 1
Statement of Net Position
As of December 31, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Government	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current and other assets	\$ 3,792,955	4,169,758	3,059,988	2,349,428	6,852,943	6,519,186
Capital assets	4,751,697	4,507,758	5,059,434	5,303,798	9,811,131	9,811,556
Total assets	8,544,652	8,677,516	8,119,422	7,653,226	16,664,074	16,330,742
Deferred outflows of resources	352,235	336,768	142,883	137,413	495,118	474,181
Total assets and deferred outflows of resources	8,896,887	9,014,284	8,262,305	7,790,639	17,159,192	16,804,923
Liabilities	321,521	552,532	506,869	529,877	828,390	1,082,409
Liabilities - non-current	192,154	204,280	5,945,051	6,359,275	6,137,205	6,563,555
Deferred inflows of resources	662,376	761,425	47,799	16,362	710,175	777,787
Total liabilities and deferred inflows of resources	1,176,051	1,518,237	6,499,719	6,905,514	7,675,770	8,423,751
Net investment in capital assets	4,751,697	4,507,758	4,135,766	4,301,791	8,887,463	8,809,549
Restricted	329,869	1,002,905	-	-	329,869	1,002,905
Unrestricted	2,639,270	1,985,384	(2,373,180)	(3,416,666)	266,090	(1,431,282)
Total net position	\$ 7,720,836	7,496,047	1,762,586	885,125	9,483,422	8,381,172

For more detailed information see the Statement of Net Position.

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 position.

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

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 capital assets and an increase in related net debt will not change the net investment in capital assets

Spending of Non-borrowed Current Assets on New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net position and increases net investment in capital assets.

Principal Payment on Debt – (a) Reduces current assets and reduces long-term debt; and (b) reduces unrestricted net position and increases net investment in capital assets.

Reduction of Capital Assets Through Depreciation – Reduces capital assets and net investment in capital assets.

Current Year Impacts – Net Position

The Village's combined net position at December 31, 2024 was \$9,483,422 for all funds. The increase was \$1,102,250. Total assets increased from \$16,330,742 to \$16,664,074, an increase of \$333,332. Current assets increased by \$333,757. The capital assets (net) decreased by \$425. Total deferred outflows of resources increased by \$20,937.

The total liabilities and deferred inflows of resources decreased by \$747,981. The deferred inflow of resources decreased by \$67,612.

The net position of business-type activities increased by \$877,461 during the period and ended at \$1,762,586. Unrestricted net position, available to finance the continuing operation of its business-type activities, was (\$2,373,180). The operating cost of the Village's business-type activities for the year ended December 31, 2024, was \$1,354,532.

The total net position at December 31, 2024 was \$9,483,422, of which \$8,887,463 is in investment in capital assets, another \$329,869 is restricted for capital improvements and highways and streets. The remaining is a net position of \$266,090, which is an increase of \$1,697,372 from the unrestricted net position of (\$1,431,282) at December 31, 2023.

Statement of Changes in Net Position

The following chart reflects the condensed Statement of Changes in Net Position. For more detailed information see the Statement of Activities.

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

Table 2
Changes in Net Position
As of December 31, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Government	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
REVENUES						
Program revenues:						
Charges for services	\$ 193,685	\$ 199,008	\$ 1,221,259	\$ 1,194,564	\$ 1,414,944	\$ 1,393,572
Grants and contributions:						
Operating	4,441	1,068	-	-	4,441	1,068
General revenues:						
Property taxes	521,331	497,788	-	-	521,331	497,788
Other taxes	1,504,772	1,386,722	434,053	439,047	1,938,825	1,825,769
Intergovernmental	20,429	127,190	91,454	68,573	111,883	195,763
Investment income	156,244	151,504	117,006	84,136	273,250	235,640
Miscellaneous	156,667	48,452	30,780	73,052	187,447	121,504
Total revenues received	2,557,569	2,411,732	1,894,552	1,859,372	4,452,121	4,271,104
EXPENSES						
General government	505,773	543,364	-	-	505,773	543,364
Public safety	906,970	871,345	-	-	906,970	871,345
Highways and streets	461,948	349,012	-	-	461,948	349,012
Culture and recreation	120,648	98,488	-	-	120,648	98,488
Water and sewer	-	-	1,354,532	1,114,956	1,354,532	1,114,956
Total expenses disbursed	1,995,339	1,862,209	1,354,532	1,114,956	3,349,871	2,977,165
Excess of revenues						
over (under) expenses	562,230	549,523	540,020	744,416	1,102,250	1,293,939
Transfers	(337,441)	(156,988)	337,441	156,988	-	-
Changes in net position	224,789	392,535	877,461	901,404	1,102,250	1,293,939
Beginning net position	7,496,047	7,103,512	885,125	(16,279)	8,381,172	7,087,233
Ending net position	\$ 7,720,836	\$ 7,496,047	\$ 1,762,586	\$ 885,125	\$ 9,483,422	\$ 8,381,172

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.

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

Increase / Decrease in Village Approval Rates – While statutes set certain tax rates, 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 or 5%.

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 principally has cash and cash equivalents. There were no investments at December 31, 2024.

Expenses:

Changes in Programs – Within the functional expense categories (General Government, Public Safety, Highway and Streets, 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 or decrease authorized staffing.

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

Inflation – While overall inflation appears to be decreasing (the CPI was approximately 2.9% at December 31, 2024), the Village is a major consumer of certain commodities and services, which typically experience inflation at a rate that can be significantly different from CPI. Examples of such items include health insurance, fuel, electricity and operating supplies.

Current Year Impacts – Changes in Net Position

Governmental Activities

Revenues:

Revenues from governmental activities total \$2,557,569. The largest source of revenue was from sales and use tax of \$685,514. Property tax was the next highest with revenue for the period of \$521,331. Income tax ranked third with \$506,106. The next highest source of income was motor fuel of \$130,570 then utility tax of \$110,027. The revenues from these five sources represent 76% of the governmental activity revenues. The Village also recognized \$193,685 in charges for services or 8% and \$156,244 in investment income or 6% of total revenue.

Expenses:

The Village's total governmental activity expenses were \$1,995,339. The four major functional areas were general government \$505,773 or 25% of the total; highway and streets \$461,948

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

or 23% of the total; public safety of \$906,970 or 45% of the total; and culture and recreation \$120,648 or 6% of the total expenses of the Village.

Business-type Activities

Revenues:

Operating revenues from business-type activities total \$1,221,259. The largest source of revenue was \$509,947 or 42% from charges for water. Capital charges was the next highest with revenue for the year of \$479,273 or 39%. Garbage charges was next at \$232,495 or 19%. Intergovernmental income ranked fourth with \$91,454 or 7%.

Expenses:

The Village's total business-type activity operating expenses were \$1,354,532. The five major areas of operating expenses were wages and benefit expenses of \$331,720 (excluding IMRF-GASB 68 of \$29,628) or 24% of the total; garbage expenses of \$227,966 or 17% of the total; operating supplies of \$66,334 or 5% of the total; water sewer upgrades of \$81,290 or 6%; interest expense on loans was \$98,279 or 7% of the total; and depreciation of \$301,446 or 22% of the total.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

At December 31, 2024, the governmental funds reported a combined fund balance of \$2,997,684, a decrease of \$154,655 from the prior period. The General Fund balance increased by \$200,791. All other funds netted a decrease of \$355,446.

The Village's cash and equivalents increased by \$333,757 for all governmental funds during the year ended December 31, 2024.

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

General Fund Budgetary Highlights

General Fund	FY 24	FY 24	FY 24
	Original	Final	
	Budget	Budget	Actual
Revenues:			
Taxes	\$ 1,914,746	1,914,746	1,890,174
Fines and other fees	25,700	25,700	18,719
Other	229,019	229,019	235,276
Total revenues	2,169,465	2,169,465	2,144,169
Expenditures:			
General government	467,569	467,569	401,432
Highways and streets	646,209	646,209	433,432
Public safety	1,065,687	1,065,687	923,444
Capital outlay	21,000	21,000	42,070
Total expenditures	2,200,465	2,200,465	1,800,378
Excess of revenues			
over (under) expenditures	(31,000)	(31,000)	343,791
Other financing sources (uses):			
Transfers in (out)	31,000	31,000	(143,000)
Total other financing sources	31,000	31,000	(143,000)
Net change in fund balance	\$ -	-	200,791

CAPITAL ASSETS

As allowed by GASB Statement No. 34, the Village has elected to capitalize its infrastructure assets prospectively. See Note 5 to the financial statements for more details.

Entity Wide Change in Net Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Land	\$ 88,625	88,625	68,264	68,264	156,889	156,889
Buildings and improvements	526,614	359,604	15,000	15,000	541,614	374,604
Equipment and vehicles	832,258	833,638	1,091,100	1,058,950	1,923,358	1,892,588
Software	21,564	21,564	10,782	10,782	32,346	32,346
Infrastructure	6,293,876	6,010,611	6,447,460	6,447,464	12,741,336	12,458,075
Construction in progress	-	6,993	55,188	30,257	55,188	37,250
Subtotals	7,762,937	7,321,035	7,687,794	7,630,717	15,450,731	14,951,752
Accumulated depreciation	(3,011,240)	(2,813,277)	(2,628,360)	(2,326,919)	(5,639,600)	(5,140,196)
Totals	\$ 4,751,697	4,507,758	5,059,434	5,303,798	9,811,131	9,811,556

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

ECONOMIC FACTORS

In 2024, the Village of Winnebago continued its long-standing practice to budget revenues conservatively, while assuming 100% of the expense budget will be spent. This practice has led to a healthy Fund Balance in the General Fund, staying in compliance with the Village's fund balance policy.

The project to replace original water meters with cellular-read meters has been completed, eliminating the need for an errant water policy.

On November 6, 2018, 87% of the voters voting at the General Election voted "No" to continue to prohibit the selling and consumption at retail of alcoholic liquor in the Village of Winnebago, after a citizen referendum. The entire Village is now "wet", as opposed to just the area north of McNair Road, previously only property annexed in from Winnebago County. The Village held 7 licenses in 2024, which in addition to license fees, increases sales tax for the Village. The total license fees total \$20,750 for the year.

On March 11, 2019 the Village approved Video Gaming. The receipts have increased year over year and in 2024 were higher than predicted, coming in at \$96,323.

In 2024, The Village completed the road resurfacing project for Sheldon & Heeren Streets using funds from IDOT. The Village also began the Westfield Drainage Study project anticipated work to begin in 2025.

In February 2024 the Village created a new Village Administrator position and hired Joey Dienberg. Mr. Dienberg has worked closely with Northern Illinois University to develop a Strategic Planning Program with use of funding from the Strategic Reserve Fund created in late 2023.

The Village also began the Water Looping Project near Clayton Court. The project is estimated to be completed in 2025.

The Village completed the renovation of Memorial Park with new equipment and landscaping which opened in Spring of 2024.

The Village received a Police Camera Grant of \$19,559 with an additional \$870 in grants to help cover the costs of bullet proof vests.

Long-Term Debt

Sullivan's Tax Rebate Agreement began in 2012 and was paid in full in October 2024.

In December of 2011, the Village signed an inter-governmental agreement (IGA) with the Rock River Water Reclamation District, now called Four Rivers Sanitation Authority, transferring the Village's sewage collection and processing system and its operation to the District. This agreement became effective on December 21, 2011. Since December of 2021, all cash payments have been made, with remaining amortized debt payments totaling approximately \$421,000. per year, to be paid through 2039.

VILLAGE OF WINNEBAGO, ILLINOIS

Management's Discussion and Analysis

In 2014 the Village obtained funding from the Illinois Environmental Protection Agency to build a new water tower, well house #3 and supporting SCADA system. The loan was secured at \$2.265 million with an APR of 1.995% for 20 years. The Village received loan forgiveness from the IEPA for \$650,000 of the loan. This reduced the annual payments to \$98,938 through 2035.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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 Dana Novinson, Treasurer, Village of Winnebago, 108 West Main Street, Winnebago, Illinois, 61088.

VILLAGE OF WINNEBAGO

Statement of Net Position

December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,913,636	2,827,171	5,740,807
Receivables:			
Property taxes	528,237	-	528,237
Intergovernmental – State of Illinois	252,321	122,427	374,748
Other	23,864	-	23,864
Customers – utility users	-	88,932	88,932
Prepaid items	74,897	16,456	91,353
Due from other funds	-	5,002	5,002
Total current assets	<u>3,792,955</u>	<u>3,059,988</u>	<u>6,852,943</u>
Capital assets not being depreciated	88,625	2,447,948	2,536,573
Capital assets (net of accumulated depreciation)	<u>4,663,072</u>	<u>2,611,486</u>	<u>7,274,558</u>
Total assets	<u>8,544,652</u>	<u>8,119,422</u>	<u>16,664,074</u>
Deferred outflows of resources –			
Pension	<u>352,235</u>	<u>142,883</u>	<u>495,118</u>
Total deferred outflows of resources	<u>352,235</u>	<u>142,883</u>	<u>495,118</u>
Total assets and deferred outflows of resources	<u>8,896,887</u>	<u>8,262,305</u>	<u>17,159,192</u>
Liabilities and deferred inflows			
Accounts payable	99,718	49,990	149,708
Accrued payroll	25,623	7,039	32,662
Due to other funds	5,002	-	5,002
Equipment sinking funds	78,200	-	78,200
Current portion of long-term debt	<u>112,978</u>	<u>449,840</u>	<u>562,818</u>
Total current liabilities	<u>321,521</u>	<u>506,869</u>	<u>828,390</u>
Long-term liabilities –			
Net pension liability	173,475	68,573	242,048
Long-term debt, net of current maturities	<u>18,679</u>	<u>5,876,478</u>	<u>5,895,157</u>
Total long-term liabilities	<u>192,154</u>	<u>5,945,051</u>	<u>6,137,205</u>
Deferred inflows of resources			
Property taxes	527,225	-	527,225
Pension	<u>135,151</u>	<u>47,799</u>	<u>182,950</u>
Total deferred inflows of resources	<u>662,376</u>	<u>47,799</u>	<u>710,175</u>
Total liabilities and deferred inflows of resources	<u>1,176,051</u>	<u>6,499,719</u>	<u>7,675,770</u>
Net position			
Net investment in capital assets, net of related debt	4,751,697	4,135,766	8,887,463
Restricted for:			
Highways and streets	329,869	-	329,869
Unrestricted	<u>2,639,270</u>	<u>(2,373,180)</u>	<u>266,090</u>
Total net position (deficit)	<u>\$ 7,720,836</u>	<u>1,762,586</u>	<u>9,483,422</u>

VILLAGE OF WINNEBAGO
Statement of Activities
For the Year Ended December 31, 2024

Functions / Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Govern-mental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 505,773	193,685	-	-	(312,088)	-	(312,088)
Public safety	906,970	-	-	-	(906,970)	-	(906,970)
Highway and streets	461,948	-	-	-	(461,948)	-	(461,948)
Culture and recreation	120,648	-	4,441	-	(116,207)	-	(116,207)
Total governmental activities	1,995,339	193,685	4,441	-	(1,797,213)	-	(1,797,213)
Business-type activities							
Water and sewer	1,354,532	1,221,259	-	-	-	(133,273)	(133,273)
Total business-type activities	1,354,532	1,221,259	-	-	-	(133,273)	(133,273)
Total	\$ 3,349,871	1,414,944	4,441	-	(1,797,213)	(133,273)	(1,930,486)
General revenues							
Property taxes					\$ 521,331	-	521,331
Sales and use tax					685,514	434,053	1,119,567
Income tax					506,106	-	506,106
Telecommunications tax					31,322	-	31,322
Personal property replacement tax					36,496	-	36,496
Cannabis tax					4,737	-	4,737
Utility tax					110,027	-	110,027
Motor fuel tax					130,570	-	130,570
Intergovernmental revenue					20,429	91,454	111,883
Unrestricted investment earnings					156,244	117,006	273,250
Miscellaneous					156,667	30,780	187,447
Total general revenues					2,359,443	673,293	3,032,736
Operating transfers					(337,441)	337,441	-
Change in net position					224,789	877,461	1,102,250
Net position (deficit)							
Beginning					7,496,047	885,125	8,381,172
Ending					\$ 7,720,836	1,762,586	9,483,422

VILLAGE OF WINNEBAGO

Balance Sheet

Governmental Funds

December 31, 2024

	General Fund	Motor Fuel Tax Fund	Community Development Fund	Non-major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,888,400	339,240	309,343	376,653	2,913,636
Receivables:					
Property taxes	528,237	-	-	-	528,237
Intergovernmental –					
State of Illinois	243,305	11,040	9,016	-	263,361
Other	9,333	-	3,491	-	12,824
Prepaid items	74,897	-	-	-	74,897
Total assets	<u>\$ 2,744,172</u>	<u>350,280</u>	<u>321,850</u>	<u>376,653</u>	<u>3,792,955</u>
Liabilities – current					
Accounts payable	\$ 60,806	20,411	18,501	-	99,718
Accrued payroll	25,623	-	-	-	25,623
Due to other funds	5,002	-	-	-	5,002
Equipment sinking funds	66,200	-	12,000	-	78,200
Deferred revenue	54,343	-	5,160	-	59,503
Total current liabilities	<u>211,974</u>	<u>20,411</u>	<u>35,661</u>	<u>-</u>	<u>268,046</u>
Deferred inflows of resources					
Property taxes	527,225	-	-	-	527,225
Total liabilities and deferred inflows of resources	<u>739,199</u>	<u>20,411</u>	<u>35,661</u>	<u>-</u>	<u>795,271</u>
Fund balances					
Nonspendable – prepaid items	74,897	-	-	-	74,897
Restricted for highways and streets	-	329,869	-	-	329,869
Committed to community development	-	-	286,189	-	286,189
Committed to Fourth of July	-	-	-	12,990	12,990
Assigned	-	-	-	363,663	363,663
Unassigned	1,930,076	-	-	-	1,930,076
Total fund balances	<u>2,004,973</u>	<u>329,869</u>	<u>286,189</u>	<u>376,653</u>	<u>2,997,684</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,744,172</u>	<u>350,280</u>	<u>321,850</u>	<u>376,653</u>	<u>3,792,955</u>

VILLAGE OF WINNEBAGO
Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position
December 31, 2024

Fund balances of governmental funds	\$ 2,997,684
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Amounts reported for governmental activities in the statement of
net assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the
governmental funds:

Capital assets	7,762,937
Accumulated depreciation	(3,011,240)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in
the governmental funds:

Compensated absences	(41,509)
Pension liability	(398,774)

Other long-term assets are not available to pay current period
expenditures and, therefore, are deferred in the funds:

Pension asset	352,235
Telecommunication taxes	54,753
Advance license sales	<u>4,750</u>

Net position of governmental activities	<u>\$ 7,720,836</u>
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VILLAGE OF WINNEBAGO
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Motor Fuel Tax Fund	Community Development Fund	Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 1,890,174	-	-	-	-	1,890,174
Intergovernmental	-	-	5,355	-	-	5,355
Licenses, fees and permits	18,719	-	176,466	-	-	195,185
Motor Fuel Tax allotment	-	130,570	-	-	-	130,570
Grants	20,429	-	-	-	-	20,429
Interest	98,485	23,651	14,742	-	19,365	156,243
Other	116,361	-	40,308	-	4,441	161,110
Total revenue	<u>2,144,168</u>	<u>154,221</u>	<u>236,871</u>	<u>-</u>	<u>23,806</u>	<u>2,559,066</u>
Expenditures						
Current:						
General government	401,432	-	-	-	-	401,432
Public safety	923,444	-	-	-	-	923,444
Highway and streets	433,432	51,118	-	-	-	484,550
Culture and recreation	-	-	269,555	-	18,100	287,655
Capital outlay	42,070	237,130	-	-	-	279,200
Total expenditures	<u>1,800,378</u>	<u>288,248</u>	<u>269,555</u>	<u>-</u>	<u>18,100</u>	<u>2,376,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>343,790</u>	<u>(134,027)</u>	<u>(32,684)</u>	<u>-</u>	<u>5,706</u>	<u>182,785</u>
Other financing sources (uses)						
Transfers in (out)	<u>(143,000)</u>	<u>-</u>	<u>(17,700)</u>	<u>-</u>	<u>(176,741)</u>	<u>(337,441)</u>
Total other financing sources (uses)	<u>(143,000)</u>	<u>-</u>	<u>(17,700)</u>	<u>-</u>	<u>(176,741)</u>	<u>(337,441)</u>
Net change in fund balances	<u>200,790</u>	<u>(134,027)</u>	<u>(50,384)</u>	<u>-</u>	<u>(171,035)</u>	<u>(154,656)</u>
Fund balances, January 1	1,804,183	-	-	539,009	809,148	3,152,340
Accounting change (Note 1(c))	<u>-</u>	<u>463,896</u>	<u>336,573</u>	<u>(539,009)</u>	<u>(261,460)</u>	<u>-</u>
Restated fund balance, January 1	<u>1,804,183</u>	<u>463,896</u>	<u>336,573</u>	<u>-</u>	<u>547,688</u>	<u>3,152,340</u>
Fund balances, December 31	<u>\$ 2,004,973</u>	<u>329,869</u>	<u>286,189</u>	<u>-</u>	<u>376,653</u>	<u>2,997,684</u>

VILLAGE OF WINNEBAGO

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Governmental Activities in the Statement of Activities
December 31, 2024

Net change in fund balances – total governmental funds	\$	(154,656)
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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,
they are capitalized and depreciated in the statement of activities:

Capital asset purchases capitalized	470,379
Depreciation expense	(226,442)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds:

Telecommunication taxes	5
Advance license sales	(1,500)

Certain expenses reported in the statement of activities, such as
compensated absences do not require the use of current
financial resources and therefore, are not reported as expenditures
in governmental funds:

Decrease in pension liability and deferred inflows and outflows	124,231
Increase in compensated absences	<u>12,771</u>

Change in net position of governmental activities	\$	<u>224,788</u>
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VILLAGE OF WINNEBAGO

Statement of Net Position

Proprietary Fund

December 31, 2024

	Enterprise Fund – Water Fund
Current assets	
Cash and cash equivalents	\$ 2,827,171
Receivables – utility users, net of allowance of \$10,000	88,932
Receivables – grants and sales taxes	122,427
Prepaid items	16,456
Due from other funds	5,002
Total current assets	<u>3,059,988</u>
Noncurrent assets	
Fixed assets, net of accumulated depreciation	<u>5,059,434</u>
Total noncurrent assets	<u>5,059,434</u>
Total assets	<u>8,119,422</u>
Deferred outflows of resources – pension	<u>142,883</u>
Current liabilities	
Accounts payable	49,990
Accrued payroll	7,039
Current portion of long-term debt	<u>449,840</u>
Total current liabilities	<u>506,869</u>
Long-term liabilities	
Net pension liability	68,573
Long-term debt, net of current maturities	<u>5,876,478</u>
Total long-term liabilities	<u>5,945,051</u>
Total liabilities	<u>6,451,920</u>
Deferred inflows of resources – pension	<u>47,799</u>
Net position	
Invested in capital assets	4,135,766
Unrestricted deficit	<u>(2,373,180)</u>
Total net position	<u><u>\$ 1,762,586</u></u>

VILLAGE OF WINNEBAGO
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	Enterprise Fund – Water Fund
Operating revenues	
Refuse and recycling revenue	\$ 232,495
Capital charge – sewer hook-up	479,273
Water revenue	509,947
Water deposit revenue (refunds)	(456)
Intergovernmental revenue	91,454
Miscellaneous revenue	25,830
Total operating revenues	<u>1,338,543</u>
Operating expenses	
Water department	825,120
Refuse and recycling expenses	227,966
Depreciation	301,446
Total operating expenses	<u>1,354,532</u>
Operating income (deficit)	<u>(15,989)</u>
Non-operating revenues (expenses)	
Interest income	117,006
Miscellaneous income	4,950
1% sales tax income	434,053
Total non-operating revenues (expenses)	<u>556,009</u>
Income before other financing sources (uses)	540,020
Other financing sources (uses) – operating transfers	
Total other financing sources (uses)	<u>337,441</u>
Net change in net position	877,461
Net position, January 1	<u>885,125</u>
Net position, December 31	<u><u>\$ 1,762,586</u></u>

VILLAGE OF WINNEBAGO
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Enterprise Fund – Water Fund
Cash flows from operating activities	
Receipts from customers	\$ 1,323,095
Payments to suppliers	(607,213)
Payments to employees	(338,555)
Payments for interest on Four Rivers intergovernmental agreement	(98,279)
Payments for interest on IEPA loan	(19,601)
Net cash flows from operating activities	<u>259,447</u>
Cash flows from capital and related financing activities	
Payments for principal on IEPA loan	(78,339)
Payments for principal on Four Rivers intergovernmental agreement	(323,328)
Purchase of and construction of fixed assets	(57,082)
Net cash flows from capital financing activities	<u>(458,749)</u>
Cash flows from non-capital financing activities	
Payments (to) from other funds	337,441
Miscellaneous non-operating revenue	4,951
Receipts from 1% sales tax	424,556
Net cash flows from non-capital financing activities	<u>766,948</u>
Cash flows from investing activities	
Interest on investments	117,006
Net cash flows from investing activities	<u>117,006</u>
Operating transfers	<u>203,515</u>
Net increase in cash and cash equivalents	888,167
Cash and cash equivalents, beginning of year	1,939,004
Cash and cash equivalents, end of year	<u><u>\$ 2,827,171</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Net operating income (deficit)	(15,989)
Adjustment to reconcile net operating loss to net cash provided by operating activities:	
Depreciation expense	301,446
Increase (decrease) in cash flows due to changes in:	
Utility accounts receivable	(15,448)
Prepaid expenses	(963)
Deferred pension expense	25,967
Accounts payable	(32,392)
Accrued payroll	(5,229)
Compensated absences	(1,605)
Pension liability	3,660
Net cash flows from operating activities	<u><u>\$ 259,447</u></u>

VILLAGE OF WINNEBAGO

Notes to Financial Statements

December 31, 2024

(1) Summary of Significant Accounting Policies

The accounting policies of the Village conform to U.S. generally accepted accounting principles as applicable to government units (herein referred to as GAAP). The Village of Winnebago's basic financial statements include the accounts of all Village operations that are controlled by or dependent on the Village. Control or dependence is determined by financial interdependency, selection of governing board, designation of management, accountability for fiscal matters and ability to significantly influence operations.

(a) Incorporation

The Village was incorporated in 1895. The Village of Winnebago, Illinois (Village) operates under a Board of Trustees form of government and provides services to the public such as public safety, water system, streets and general administrative services.

(b) Financial Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the Village has considered all potential component units. The basic but not the only criterion for including a component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. The Village does not have any component units. This report includes all of the funds of the Village (the primary government). It includes all activities considered to be part of (controlled by or dependent on) the Village as set forth under GAAP criteria.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the Village. For the most part, the effect of the interfund activity has been removed from these statements. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods,

VILLAGE OF WINNEBAGO

Notes to Financial Statements

services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Earnings on investments not properly included among program revenues are reported as general revenue.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (intended to finance). Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village:

Governmental Funds – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

Governmental fund financial statements are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. However, the 60 days has been extended for revenues received from the State of Illinois which are delayed due to cash flow constraints of the state. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Those revenues susceptible to accrual are property taxes, franchise taxes, state shared sales, income, motor fuel and utility taxes, interest revenue and charges for services.

Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Village reports unearned and unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenues arises when a revenue is measurable but not earned under the accrual basis of

VILLAGE OF WINNEBAGO

Notes to Financial Statements

accounting. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable revenue are removed from the financial statements and revenue is recognized.

The following is a description of the governmental funds of the Village:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

Proprietary Funds – The focus of the proprietary fund measurement is upon the determination of operating income, changes in net position, financial position and cash flows. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

A proprietary fund is a fund in which a fee is charged to external users of goods and services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges (c) establishes fees and charges based on pricing policy designed to recover similar costs.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Village reports the following major governmental funds:

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

Motor Fuel Tax Fund – The Motor Fuel Tax Fund accounts for the maintenance activities of the Village's roads and bridges generated by the Village's share of state Motor Fuel Tax.

VILLAGE OF WINNEBAGO

Notes to Financial Statements

Community Development Fund – The Community Development Fund accounts for activities related to improving the community and is driven mostly by Village imposed fee revenue.

The Motor Fuel Tax Fund and the Community Development Fund changed from non-major to major, and the Debt Service Fund changed from major to non-major in 2024 in comparison to 2023. All changes were made according to a quantitative measurement calculation to determine whether a fund should be considered major or non-major.

The major proprietary fund is:

Water Fund – This fund accounts for the provision of water treatment and distribution to the residential and commercial users of the Village, and accounts for trash collection services provided to the residential and some commercial users of the Village.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, savings and money market accounts. As of December 31, 2024, the Village had no other investments.

For purposes of the statement of cash flows, the Village's proprietary funds consider cash on hand, demand deposits and short-term investments with original maturities of three months or less when purchased to be cash equivalents.

(e) 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 tax is recognized as the taxes are collected in the year intended to finance 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 deferred.

The property tax calendar for the 2023 tax levy to finance 2024 operations were as follows:

Lien Date	January 1, 2024
Levy Date	December 26, 2023
First Installment Due	June 14, 2024
Second Installment Due	September 6, 2024

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, Illinois.

VILLAGE OF WINNEBAGO

Notes to Financial Statements

The Village's 2024 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	
	Rates Per \$100	Legal Maximum
Village:		
Corporate	0.3312	0.4375
Police Protection	0.4246	0.6000
Chlorination	0.0000	0.0200
IMRF	0.0005	None
Audit	0.0005	None
Liability Insurance	0.0005	None
Revenue Recapture Adj	0.0023	None
Total Village	0.8047	

The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2025, has been recorded as a receivable as of December 31, 2024 as the tax had been levied by the Village and extended by the County but would not collect until fiscal year 2025.

(f) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an estimated useful life in excess of one year and an initial and individual cost in excess of the following:

Equipment – \$2,500
Buildings and improvement – \$10,000
Infrastructure expenses – \$50,000

Infrastructure includes roads, bridges, curbs, sidewalks, lighting systems, gutters, draining systems, and the water and sewer system. The cost of infrastructure has been capitalized and depreciated beginning in fiscal year 2005. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

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Notes to Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	10 - 20
Building and improvements	10 - 40
Equipment and vehicles	4 - 7
Road improvements	10

(g) Budgets and Budgetary Accounting

Budgeted amounts are as originally adopted, or as amended by the Village Board of Trustees.

Unexpended budgeted amounts lapse at the end of each year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line items.

Budgeted amounts are shown on the GAAP basis.

(h) Receivables – Utility Users

Cycle billing procedures are followed in charging consumers for water and trash collection. Billings are issued on a monthly basis. Receivables at year-end consist of amounts actually billed less payments received plus an estimate of the unbilled amount due from the date of the last cycle billing to year-end.

(i) Prepaid Items

Payments made to vendors for services which will benefit periods beyond December 31, 2024 are recorded as prepaid items. Prepaid items recorded in governmental funds do not represent current resources that are available for appropriation and, thus, an equivalent portion of fund balance is reserved.

(j) Compensated Absences

Village employees are granted personal time for compensated absences in varying amounts. Accumulation of personal time is allowed. Upon termination, the employee is compensated for the unused personal time to a maximum of 40 hours for part-time employees and 80 hours for full-time employees.

(k) Interfund Activity

Interfund activity is reported either as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon

VILLAGE OF WINNEBAGO

Notes to Financial Statements

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

(l) 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.

(m) 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 position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Village's deferred inflows relates to property taxes levied in 2024 which will be collected during 2025 and deferred amounts to be recognized as reductions in pension expense over the next five years.

(n) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(o) Fund Balances / 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

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Notes to Financial Statements

externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. The Village does not have a policy in place when both restricted and unrestricted resources are available for use.

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. The Village does not have a policy, to 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.

The Village has not established fund balance reserve policies for their governmental funds.

(p) Subsequent Events

The Village has assessed events that have occurred subsequent to December 31, 2024 through August 27, 2025, the date the financial statements were available to be issued for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

(2) Deposits

At December 31, 2024, the carrying amount of the Village’s deposits was \$932,622 and the bank balance was \$954,961. The primary difference between the book and bank balances was due to outstanding checks. As of December 31, 2024, the government’s bank balance of \$954,961 was covered by federal depository insurance or collateral held by the Village’s agent in the Village’s name.

Statutes authorize the Village to invest in:

- 1) securities guaranteed by the full faith and credit of the United States of America
- 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- 3) short-term restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended;

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- 4) money market funds registered under the Investment Company Act of 1940;
- 5) short-term discount obligations of the Federal National Mortgage Association;
- 6) shares or other forms of securities legally issuable by savings and loan associations;
- 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois;
- 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be in institutions, which are insured by the Federal Deposit Insurance Corporation.

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 operates in a manner consistent with Rule 2a7 of the Investment Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold. The Illinois Funds bank balance as of December 31, 2024 was \$4,808,186.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy regarding custodial credit risk. As of December 31, 2024, none of the Village's deposits were exposed to custodial credit risk or uninsured and uncollateralized.

The Village investment policy does not specifically address concentration of credit risk.

(3) Property Taxes Receivable

Property taxes for 2023 attached as an enforceable lien on January 1, 2024, on property values assessed as of the same date. Taxes are levied by December of the same fiscal year (by passage of a Tax Levy Ordinance). Tax bills were prepared by Winnebago County and issued on or about May 10, 2024, and were payable in two installments on June 14, 2024 and September 6, 2024. Winnebago County collects such taxes and remits them to the Village periodically.

The Village has elected, under governmental accounting standards, to match its property tax revenues with the fiscal year that the tax levy is intended to finance. Therefore the entire 2024 tax levy has been recorded as a receivable and deferred revenue on the financial statements.

(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.

VILLAGE OF WINNEBAGO

Notes to Financial Statements

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable -			
General Fund	\$ 528,237	-	528,237
Other governmental units:			
General Fund	54,343	-	54,343
Other governmental funds	<u>5,160</u>	<u>-</u>	<u>5,160</u>
Total deferred revenue	<u>\$ 587,740</u>	<u>-</u>	<u>587,740</u>

(5) Capital Assets

The governmental activities capital asset activity for year ended December 31, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 88,625	-	-	88,625
Construction in progress	<u>6,993</u>	<u>-</u>	<u>6,993</u>	<u>-</u>
Total capital assets not being depreciated	<u>95,618</u>	<u>-</u>	<u>6,993</u>	<u>88,625</u>
Capital assets being depreciated:				
Buildings and improvements	359,604	167,010	-	526,614
Equipment and vehicles	805,158	27,100	-	832,258
Software	21,564	-	-	21,564
Infrastructure	<u>6,010,612</u>	<u>283,264</u>	<u>-</u>	<u>6,293,876</u>
Total capital assets being depreciated	<u>7,196,938</u>	<u>477,374</u>	<u>-</u>	<u>7,674,312</u>
Accumulated depreciation	<u>(2,784,798)</u>	<u>(226,442)</u>	<u>-</u>	<u>(3,011,240)</u>
Total capital assets being depreciated, net	<u>4,412,140</u>	<u>250,932</u>	<u>-</u>	<u>4,663,072</u>
Governmental activities capital assets, net	<u>\$ 4,507,758</u>	<u>250,932</u>	<u>6,993</u>	<u>4,751,697</u>

VILLAGE OF WINNEBAGO

Notes to Financial Statements

The business-type activities capital asset activity for the year ended December 31, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 68,264	-	-	68,264
Construction in progress	30,256	24,932	-	55,188
Infrastructure	<u>2,324,496</u>	<u>-</u>	<u>-</u>	<u>2,324,496</u>
Total nondepreciable capital assets	<u>2,423,016</u>	<u>24,932</u>	<u>-</u>	<u>2,447,948</u>
Capital assets being depreciated:				
Buildings and improvements	15,000	-	-	15,000
Equipment and vehicles	1,058,950	32,150	-	1,091,100
Software	10,782	-	-	10,782
Infrastructure	<u>4,122,969</u>	<u>-</u>	<u>-</u>	<u>4,122,969</u>
Total capital assets being depreciated	<u>5,207,701</u>	<u>32,150</u>	<u>-</u>	<u>5,239,851</u>
Accumulated depreciation	<u>(2,326,919)</u>	<u>(301,446)</u>	<u>-</u>	<u>(2,628,365)</u>
Total capital assets being depreciated, net	<u>2,880,782</u>	<u>(269,296)</u>	<u>-</u>	<u>2,611,486</u>
Business-type activities capital assets, net	<u>\$ 5,303,798</u>	<u>(244,364)</u>	<u>-</u>	<u>5,059,434</u>

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

Governmental activities:	
General government	\$ 19,754
Public safety	54,554
Highway and streets	<u>152,134</u>
Total governmental activities, depreciation expense	<u>\$ 226,442</u>
Business-type activities - Water operations	<u>\$ 301,446</u>

(6) Inter-Fund Transfers

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and assets acquisitions, or maintaining debt service on a routine basis. The following transfers occurred during the fiscal year:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Fund	\$ 143,000	Move hail damage funds
Community Development	Fourth of July	\$ 17,700	Fireworks event & UTV permits
Debt Service Fund	Strategic Reserve Capital	\$ 346,000	Move hail damage & ARPA funds
Debt Service Fund	Water Fund	\$ 194,441	To close fund

VILLAGE OF WINNEBAGO

Notes to Financial Statements

(7) 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 employer plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at 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.

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 (a) 3% of the original pension amount, or (b) 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF WINNEBAGO

Notes to Financial Statements

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	<u>17</u>
	<u>42</u>

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 2024 was 8.30%. For the fiscal year ended December 31, 2024, the Village contributed \$96,279 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.

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2024. 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, 2024:

- The actuarial cost method used was 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 according to an experience study of the period 2017-2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%), and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

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Notes to Financial Statements

- 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.
- 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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	34.50%	5.00%
International equity	18.00%	6.35%
Fixed income	24.50%	4.75%
Real estate	10.50%	6.30%
Alternative investments	11.50%	6.05-12.35%
Cash equivalents	1.00%	3.80%
Total	100.00%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

VILLAGE OF WINNEBAGO

Notes to Financial Statements

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 3,894,131	3,540,315	353,816
Changes for the year:			
Service cost	91,028	-	91,028
Interest on the total pension liability	280,976	-	280,976
Differences between expected and actual experience of the total pension liability	288,364	-	288,364
Changes of assumptions	-	-	-
Contributions - employer	-	96,279	(96,279)
Contributions - employees	-	52,200	(52,200)
Net investment income (loss)	-	329,332	(329,332)
Benefit payments, including refunds of employee contributions	(128,224)	(128,224)	-
Other (net transfer)	-	168,545	(168,545)
Net changes	532,144	518,132	14,012
Balances at December 31, 2024	\$ 4,426,275	4,058,447	367,828

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 of 1% higher:

	Single Discount Rate Assumption		
	1% Decrease	Current	1% Increase
	6.25%	7.25%	8.25%
Total pension liability	\$ 5,026,617	4,426,275	3,981,160
Plan fiduciary net position	4,058,447	4,058,447	4,058,447
Net pension liability (asset)	\$ 968,170	367,828	(77,287)

VILLAGE OF WINNEBAGO

Notes to Financial Statements

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

For the year ended December 31, 2024, the Village recognized pension expense of \$1,676. At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 241,339	14,826
Changes of assumptions	201	-
Net difference between projected and actual earnings on pension plan investments	<u>253,578</u>	<u>168,124</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>495,118</u>	<u>182,950</u>
Pension contributions made subsequent to the measurement date	<u>-</u>	<u>-</u>
	<u><u>\$ 495,118</u></u>	<u><u>182,950</u></u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2025	\$ 125,781
2026	185,342
2027	14,209
2028	<u>(13,163)</u>
	<u><u>\$ 312,169</u></u>

(8) Other Postemployment Benefits (OPEB)

The Village has determined the effects of OPEB are immaterial to the financial statements and therefore has not presented the OPEB liability.

(9) Risk Management

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

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Notes to Financial Statements

Village is a member of the Illinois Municipal League Risk Management Association, (IMLRMA) joint risk management pool of Illinois municipalities through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

(10) Long-term Obligations

The outstanding obligations as of December 31, 2024 consist of the following:

	2024	Current Portion
Governmental activities:		
Compensated absences - Governmental activities	\$ 41,509	22,830
Pension liability - IMRF	263,623	90,148
	305,132	112,978
less current portion	(112,978)	
	<u>\$ 192,154</u>	
Business-type activities:	2024	Current Portion
Note payable - Illinois Environmental Protection Agency (IEPA), original debt of \$2,265,000 to upgrade potable water system. Semi-annual principal and interest payments of \$48,970, maturing 1/20/2034, interest rate is 1.955%.	\$ 923,688	79,909
Intergovernmental agreement - Four Rivers Sanitation Authority, original debt of \$4,675,725 for sewer system. Semi-annual principal and interest payments of \$541,246, maturing 7/20/2039, interest rate of 1.76%	3,448,369	219,360
Intergovernmental agreement - Four Rivers Sanitation Authority, original debt of \$1,374,543 for sewer system. Semi-annual principal and interest payments of \$40,915, maturing 2/28/2039, interest rate of 1.76%	1,043,209	63,749
Intergovernmental agreement - Four River Sanitation Authority, original debt of \$1,024,495 for future costs of Fuller Creek sewer trunk. Semi-annual principal and interest payments of \$30,495, maturing 6/19/2041, interest rate of 1.76%	870,108	45,878
Compensated absences - Business-type activities	5,311	5,311
Pension liability - IMRF	104,206	35,633
	6,394,891	449,840
	(449,840)	
less current portion	<u>\$ 5,945,051</u>	

VILLAGE OF WINNEBAGO

Notes to Financial Statements

Future debt obligations at December 31, 2024 under IEPA notes payable are due as follows:

Year ending December 31	Principal	Interest	Total Payment
2025	\$ 79,909	18,031	97,940
2026	81,511	16,428	97,939
2027	83,146	14,794	97,940
2028	84,813	13,127	97,940
2029	86,513	11,427	97,940
2030-2034	459,287	30,409	489,696
2035-2039	48,509	484	48,993
Total	<u>\$ 923,688</u>	<u>104,700</u>	<u>1,028,388</u>

Future debt obligations at December 31, 2024 under the Four Rivers intergovernmental agreements are due as follows:

Year ending December 31	Principal	Interest	Total Payment
2025	\$ 219,360	59,381	278,741
2026	223,216	55,526	278,742
2027	227,139	51,602	278,741
2028	231,132	47,610	278,742
2029	235,195	43,547	278,742
2030-2034	1,239,452	154,256	1,393,708
2035-2039	1,072,875	42,651	1,115,526
Total	<u>\$ 3,448,369</u>	<u>454,573</u>	<u>3,902,942</u>

Year ending December 31	Principal	Interest	Total Payment
2025	\$ 63,749	18,081	81,830
2026	64,876	16,954	81,830
2027	66,023	15,807	81,830
2028	67,190	14,640	81,830
2029	68,378	13,453	81,831
2030-2034	360,452	48,699	409,151
2035-2039	352,541	16,046	368,587
Total	<u>\$ 1,043,209</u>	<u>143,680</u>	<u>1,186,889</u>

VILLAGE OF WINNEBAGO

Notes to Financial Statements

Year ending December 31	Principal	Interest	Total Payment
2025	\$ 45,878	15,113	60,991
2026	46,689	14,302	60,991
2027	47,514	13,477	60,991
2028	48,354	12,637	60,991
2029	49,209	11,782	60,991
2030-2034	259,405	45,549	304,954
2035-2039	283,158	21,796	304,954
2040-2044	89,901	1,587	91,488
Total	<u>\$ 870,108</u>	<u>136,243</u>	<u>1,006,351</u>

The compensated absences and pension liabilities are paid from general fund revenues. Notes payables are paid from utility revenues.

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due within one year
Governmental activities:					
Compensated absences	\$ 54,280	41,509	54,280	41,509	22,830
Pension liability - IMRF	253,272	10,351	-	263,623	90,148
	<u>\$ 307,552</u>	<u>51,860</u>	<u>54,280</u>	<u>305,132</u>	<u>112,978</u>
Business-type activities:					
Notes payable - IEPA	\$ 1,002,027	-	78,339	923,688	79,909
Due to Four Rivers	3,663,974	-	215,605	3,448,369	219,360
Due to Four Rivers	1,105,851	-	62,642	1,043,209	63,749
Due to Four Rivers	915,189	-	45,081	870,108	45,878
Compensated absences	6,916	5,311	6,916	5,311	5,311
Pension liability - IMRF	100,545	3,661	-	104,206	35,633
	<u>\$ 6,794,502</u>	<u>8,972</u>	<u>408,583</u>	<u>6,394,891</u>	<u>449,840</u>

VILLAGE OF WINNEBAGO

Notes to Financial Statements

(11) Legal Debt Margin

Illinois Compiled Statutes limits the amount of outstanding general obligation bonded debt of the municipality to no more than 8.625% of net assessed valuation. Based on total assessed valuation of \$69,653,376, the Village's legal debt margin is as follows:

Assessed Valuation	\$ 69,653,376
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$ 6,007,604
Total Long-Term Debt:	
Four Rivers Loan	(5,361,686)
IEPA Loans	(923,688)
Exception to Indebtedness:	
Four Rivers Loan*	5,361,686
IEPA Loans*	923,688
Legal Debt Margin	<u>\$ 6,007,604</u>

* The Illinois General Assembly, pursuant to the Illinois Compiled Statutes (30 ILCS 350/15), does not consider alternate revenue source bonds in its computation of indebtedness as it relates to any statutory debt limitation. As of Dec. 31, 2024, all of the Village's outstanding debt meets this definition.

(12) Sales Tax Rebate

The Village has entered into an agreement with a developer within the Village. The agreement requires the Village to rebate a portion of the retail sales tax equal to 35% of annual retail sales tax revenue collected during the year by the Village as a result of sales generated by all businesses in the development commencing on sales made during November 2012 until \$600,000 has been rebated. Payment is to be made by December 18 each year. Rebates expensed were \$27,788 for the year ended December 31, 2024. All rebates have been paid back to the developer as of December 31, 2024.

(13) Intergovernmental Agreement with Four Rivers Sanitation Authority

In December of 2011, the Village entered into an intergovernmental agreement (IGA) with the Four Rivers Sanitation Authority (Four Rivers), formerly known as the Rock River Water Reclamation District, to transfer the Village's sewerage collection system processing plant and its operation to Four Rivers. Four Rivers assumed operational control and financial responsibility on February 6, 2012, with final legal approval of conveyance and transfer, given by the circuit court in Rockford on June 13, 2012.

Under terms of the IGA, Four Rivers will extend its Fuller Creek trunk to Winnebago, connect to the Village's collection system, and eliminate Village's sewage processing plant. In addition, Four

VILLAGE OF WINNEBAGO

Notes to Financial Statements

Rivers will rehabilitate and upgrade the Village's collection system within the first seven years of the agreement. All operational costs associated with the current system are the responsibility of Four Rivers. All costs related to rehabilitation and upgrade of the Village's collection system, extension and upsizing of the Fuller Creek trunkline, and elimination/demolition of the Village's sewerage treatment facility (capital costs) are the responsibility of the Village. The Village relinquished all sewer related assets to Four Rivers on January 1, 2012.

In addition the Village must pay Four Rivers a one-time plant buy in fee of \$676,371 covering 1415 properties currently "served" by the Village's system. This fee was paid during fiscal year 2016 when the construction contract for extension of the Fuller Creek trunkline west of Meridian Road was awarded. Total costs to complete this project, including plant buy in fee, as indicated in the IGA is approximately \$10.6 million with a maximum cost not to exceed \$11.4 million. During 2018, the trunkline (\$4,675,725) and parallel trunk upgrades (\$1,374,543) were completed and recognized as a special item in the accompanying financial statements. Other costs will be accrued as work is completed through 2022.

All costs associated with the IGA, including debt service, are expected to be paid from current reserves, one percent municipal sales tax revenue, and sewer capital fees billed by the Village to sewer customers on their monthly water bills. All costs associated with operation of the current sewer system are billed by Four Rivers quarterly based on water usage information from the Village water department.

The Village is responsible for obtaining financing for the project; however, Four Rivers has applied for low interest loans through the Illinois EPA covering associated costs. Principal and interest costs for loans secured by Four Rivers for the project will be passed on to the Village. Additional financing, as needed, will be obtained by the Village. The IGA also delineates future connection fees are to be collected from property owners who wish to connect to the Fuller Creek Trunk extension, a percentage of which will be reimbursed to the Village.

(14) Change in Accounting Principle

During the year ended December 31, 2024, the Village adopted new accounting guidance by implementing the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). The guidance under GASB 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. For further information, see Note 1 (c), *Measurement Focus, Basis of Accounting and Financial Statement Presentation*.

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes	\$ 1,914,746	1,914,746	1,890,174	(24,572)
Fines and other fees	25,700	25,700	18,719	(6,981)
Other	229,019	229,019	235,275	6,256
Total revenues	<u>2,169,465</u>	<u>2,169,465</u>	<u>2,144,168</u>	<u>(25,297)</u>
Expenditures				
Current:				
General government	467,569	467,569	401,432	(66,137)
Highways and streets	646,209	646,209	433,432	(212,777)
Public safety	1,065,687	1,065,687	923,444	(142,243)
Capital outlay	21,000	21,000	42,070	21,070
Total expenditures	<u>2,200,465</u>	<u>2,200,465</u>	<u>1,800,378</u>	<u>(400,087)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,000)</u>	<u>(31,000)</u>	<u>343,790</u>	<u>374,790</u>
Other financing sources (uses)				
Transfer in (out)	31,000	31,000	(143,000)	(174,000)
Total other financing sources (uses)	<u>31,000</u>	<u>31,000</u>	<u>(143,000)</u>	<u>(174,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>200,790</u>	<u>200,790</u>
Fund balances, January 1			<u>1,804,183</u>	
Fund balances, December 31			<u><u>\$ 2,004,973</u></u>	

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Motor Fuel Tax Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Intergovernmental -				
Motor fuel taxes	\$ 124,245	124,245	130,570	6,325
Interest	13,200	13,200	23,651	10,451
Total revenues	<u>137,445</u>	<u>137,445</u>	<u>154,221</u>	<u>16,776</u>
Expenditures				
Highways and streets				
Engineering	48,000	48,000	51,118	3,118
Capital outlay	400,500	400,500	237,130	-
Total expenditures	<u>448,500</u>	<u>448,500</u>	<u>288,248</u>	<u>3,118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(311,055)</u>	<u>(311,055)</u>	<u>(134,027)</u>	<u>177,028</u>
Other financing sources (uses)				
Transfer in (out)	311,055	311,055	-	(311,055)
Total other financing sources (uses)	<u>311,055</u>	<u>311,055</u>	<u>-</u>	<u>(311,055)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>(134,027)</u>	<u>(297,397)</u>
Fund balances, January 1			<u>463,896</u>	
Fund balances, December 31			<u>\$ 329,869</u>	

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Community Development Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Telecommunications taxes	\$ 5,800	5,800	5,355	(445)
Fees and charges	178,680	178,680	176,466	(2,214)
Interest	6,900	6,900	14,742	7,842
Other	500	500	40,308	39,808
Total revenues	<u>191,880</u>	<u>191,880</u>	<u>236,871</u>	<u>44,991</u>
Expenditures				
Culture and recreation:				
Contractual services:				
Office salaries	5,614	5,614	4,942	(672)
Office administrator	36,632	36,632	26,761	(9,871)
Payroll taxes	3,807	3,807	2,726	(1,081)
Employee benefits	12,389	12,389	2,638	(9,751)
Presidential project	1,200	1,200	1,142	(58)
Professional fees	22,650	22,650	20,886	(1,764)
Code enforcement officer	13,500	13,500	12,480	(1,020)
Legal expenses	20,000	20,000	13,946	(6,054)
Dues	4,500	4,500	3,321	(1,179)
Development escrow refund	50,000	50,000	3,456	(46,544)
Park equipment sinking fund	2,000	2,000	-	(2,000)
Engineering	3,500	3,500	3,847	347
Electricity	865	865	682	(183)
Community projects	<u>170,000</u>	<u>170,000</u>	<u>167,010</u>	<u>(2,990)</u>
Total contractual services	346,657	346,657	263,837	(82,820)
Supplies – community expenses	4,250	4,250	1,780	(2,470)
Miscellaneous	<u>5,123</u>	<u>5,123</u>	<u>3,938</u>	<u>(1,185)</u>
Total expenditures	<u>356,030</u>	<u>356,030</u>	<u>269,555</u>	<u>(86,475)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(164,150)</u>	<u>(164,150)</u>	<u>(32,684)</u>	<u>131,466</u>
Other financing sources (uses)				
Transfer in (out)	<u>164,150</u>	<u>164,150</u>	<u>(17,700)</u>	<u>(181,850)</u>
Total other financing sources (uses)	<u>164,150</u>	<u>164,150</u>	<u>(17,700)</u>	<u>(181,850)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>(50,384)</u>	<u>(50,384)</u>
Fund balances, January 1			336,573	
Fund balances, December 31			<u>\$ 286,189</u>	

VILLAGE OF WINNEBAGO

Notes to Required Supplementary Information

December 31, 2024

Legal Compliance and Accountability

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the General and major Special Revenue funds – Motor Fuel Tax and Community Development Fund, non-major Special Revenue funds – Debt Service, Fourth of July Fund, and Strategic Reserve Capital Fund on the modified accrual basis and Enterprise Fund – Water and Sewer on the accrual basis by line item within the 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 fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means for 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 management control device during the year for general, special revenue funds and enterprise funds.
- 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.

VILLAGE OF WINNEBAGO
Schedule of Changes in the Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund
December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 91,028	83,580	78,276	67,347	80,782	82,110	75,969	80,704	80,998	79,745
Interest on the total pension liability	280,976	259,607	246,678	216,859	218,928	208,419	194,396	188,832	176,387	163,711
Differences between expected and actual experience of the total pension liability	288,364	64,915	(46,164)	225,351	(190,134)	(39,394)	10,711	(26,989)	(10,793)	1,030
Changes of assumptions	-	379	-	-	(23,299)	-	93,812	(82,895)	(14,353)	-
Benefit payments, including refunds of employee contributions	(128,224)	(106,695)	(99,519)	(107,927)	(108,280)	(102,759)	(87,553)	(78,654)	(78,867)	(71,520)
Net change in total pension liability	532,144	301,786	179,271	401,630	(22,003)	148,376	287,335	80,998	153,372	172,966
Total pension liability – beginning	3,894,131	3,592,345	3,413,074	3,011,444	3,033,447	2,885,071	2,597,736	2,516,738	2,363,366	2,190,400
Total pension liability – ending (a)	4,426,275	3,894,131	3,592,345	3,413,074	3,011,444	3,033,447	2,885,071	2,597,736	2,516,738	2,363,366
Plan fiduciary net position										
Contributions – employer	96,279	98,984	78,299	92,619	82,056	81,721	92,529	89,741	91,570	91,903
Contributions – employee	52,200	48,312	41,174	33,748	30,366	33,042	33,525	32,127	31,845	31,260
Net investment income (loss)	329,332	331,629	(382,698)	482,900	361,353	394,985	(104,038)	325,276	119,387	8,291
Benefit payments, including refunds of employee contributions	(128,224)	(106,695)	(99,519)	(107,927)	(108,280)	(102,759)	(87,553)	(78,654)	(78,867)	(71,520)
Other (net transfer)	168,545	77,886	(5,210)	(10,451)	2,259	3,822	29,647	(31,247)	7,547	23,627
Net change in plan fiduciary net position	518,132	450,116	(367,954)	490,889	367,754	410,811	(35,890)	337,243	171,482	83,561
Plan fiduciary net position – beginning	3,540,315	3,090,199	3,458,153	2,967,264	2,599,510	2,188,699	2,224,589	1,887,346	1,715,864	1,632,303
Plan fiduciary net position – ending (b)	4,058,447	3,540,315	3,090,199	3,458,153	2,967,264	2,599,510	2,188,699	2,224,589	1,887,346	1,715,864
Net pension liability – ending (a) - (b)	\$ 367,828	353,816	502,146	(45,079)	44,180	433,937	696,372	373,147	629,392	647,502
Plan fiduciary net position as a percentage of the total pension liability	91.69%	90.91%	86.02%	101.32%	98.53%	85.69%	75.86%	85.64%	74.99%	72.60%
Covered valuation payroll	<u>\$ 1,159,992</u>	<u>994,811</u>	<u>826,820</u>	<u>749,950</u>	<u>674,801</u>	<u>734,254</u>	<u>745,007</u>	<u>713,938</u>	<u>707,659</u>	<u>694,662</u>
Net pension liability as a percentage of covered valuation payroll	31.71%	35.57%	60.73%	-6.01%	6.55%	59.10%	93.47%	52.27%	88.94%	93.21%

VILLAGE OF WINNEBAGO
Multiyear Schedule of Contributions
Illinois Municipal Retirement Fund
December 31, 2024

Calendar Year Ending December 31,	Actuarially Determined Contribution (a)	Actual Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Valuation Payroll (c)	Actual Contribution as a % of Covered Payroll (b/c)
12/31/24	\$ 96,279	96,279	-	1,159,992	8.30%
12/31/23	98,984	98,984	-	994,811	9.95%
12/31/22	78,300	78,299	1	826,820	9.47%
12/31/21	92,619	92,619	-	749,950	12.35%
12/31/20	82,056	82,056	-	674,801	12.16%
12/31/19	81,723	81,721	2	734,254	11.13%
12/31/18	92,530	92,529	1	745,007	12.42%
12/31/17	89,742	89,741	1	713,938	12.57%
12/31/16	91,571	91,570	1	707,659	12.94%
12/31/15	91,904	91,903	1	694,662	13.23%

VILLAGE OF WINNEBAGO

Notes to Schedule of Contributions

Illinois Municipal Retirement Fund

December 31, 2024

Illinois Municipal Retirement Fund Pension Plan – Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate*

(a) Valuation Date

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

(b) Methods and Assumptions Used to Determine 2024 Contribution Rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Taxing bodies (Regular, SLEP, and ECO groups): 20-year closed period. Early retirement incentive plan liabilities: a period up to 10 years selected by the Village upon adoption of early retirement incentive.
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; 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

VILLAGE OF WINNEBAGO

Notes to Schedule of Contributions

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.

(c) Other Information

There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2021, actuarial valuation.

VILLAGE OF WINNEBAGO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds			Total
	Debt Service Fund	Fourth of July Fund	Strategic Reserve Capital Fund	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ -	12,990	363,663	376,653
Total assets	<u>-</u>	<u>12,990</u>	<u>363,663</u>	<u>376,653</u>
Liabilities				
Accounts payable	-	-	-	-
Equipment sinking funds	-	-	-	-
Deferred revenue – taxes	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Committed to Fourth of July	-	12,990	-	12,990
Assigned for community improvements	-	-	363,663	363,663
Total fund balances	<u>-</u>	<u>12,990</u>	<u>363,663</u>	<u>376,653</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>12,990</u>	<u>363,663</u>	<u>376,653</u>

VILLAGE OF WINNEBAGO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Debt Service Fund	Community Development Fund	Fourth of July Fund	Strategic Reserve Capital Fund	Motor Fuel Tax Fund	
Revenues						
Interest	\$ 1,432	-	270	17,663	-	19,365
Other	-	-	4,441	-	-	4,441
Total revenue	<u>1,432</u>	<u>-</u>	<u>4,711</u>	<u>17,663</u>	<u>-</u>	<u>23,806</u>
Expenditures						
Culture and recreation	-	-	18,100	-	-	18,100
Total expenditures	<u>-</u>	<u>-</u>	<u>18,100</u>	<u>-</u>	<u>-</u>	<u>18,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,432</u>	<u>-</u>	<u>(13,389)</u>	<u>17,663</u>	<u>-</u>	<u>5,706</u>
Other financing sources (uses)						
Transfer in (out)	(540,441)	-	17,700	346,000	-	(176,741)
Total other financing sources (uses)	<u>(540,441)</u>	<u>-</u>	<u>17,700</u>	<u>346,000</u>	<u>-</u>	<u>(176,741)</u>
Net change in fund balances	<u>(539,009)</u>	<u>-</u>	<u>4,311</u>	<u>363,663</u>	<u>-</u>	<u>(171,035)</u>
Fund balances, January 1	-	336,573	8,679	-	463,896	809,148
Accounting change (Note 1(c))	<u>539,009</u>	<u>(336,573)</u>	<u>-</u>	<u>-</u>	<u>(463,896)</u>	<u>(261,460)</u>
Restated fund balances, January 1	<u>539,009</u>	<u>-</u>	<u>8,679</u>	<u>-</u>	<u>-</u>	<u>547,688</u>
Fund balances, December 31	<u>\$ -</u>	<u>-</u>	<u>12,990</u>	<u>363,663</u>	<u>-</u>	<u>376,653</u>

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Interest	\$ 1,000	1,000	1,432	432
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,432</u>	<u>432</u>
Expenditures				
Debt service:				
Principal	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,432</u>	<u>432</u>
Other financing sources (uses)				
Transfer in (out)	<u>-</u>	<u>-</u>	<u>(540,441)</u>	<u>(540,441)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(540,441)</u>	<u>(540,441)</u>
Net change in fund balances	<u>\$ 1,000</u>	<u>1,000</u>	<u>(539,009)</u>	<u>(540,009)</u>
Fund balances, January 1			<u>539,009</u>	
Fund balances, December 31			<u>\$ -</u>	

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Fourth of July Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Donations and other	\$ 2,000	2,000	4,441	2,441
Interest	280	280	270	(10)
Total revenues	<u>2,280</u>	<u>2,280</u>	<u>4,711</u>	<u>2,431</u>
Expenditures				
Culture and recreation – Fourth of July expenses	<u>18,250</u>	<u>18,250</u>	<u>18,100</u>	<u>(150)</u>
Total expenditures	<u>18,250</u>	<u>18,250</u>	<u>18,100</u>	<u>(150)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,970)</u>	<u>(15,970)</u>	<u>(13,389)</u>	<u>2,581</u>
Other financing sources (uses)				
Transfer in (out)	<u>18,000</u>	<u>18,000</u>	<u>17,700</u>	<u>(300)</u>
Total other financing sources (uses)	<u>18,000</u>	<u>18,000</u>	<u>17,700</u>	<u>(300)</u>
Net change in fund balances	<u>\$ 2,030</u>	<u>2,030</u>	4,311	<u>2,281</u>
Fund balances, January 1			8,679	
Fund balances, December 31			<u>\$ 12,990</u>	

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Strategic Reserve Capital Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Interest	\$ 12,500	12,500	17,663	5,163
Total revenues	12,500	12,500	17,663	5,163
Expenditures				
Culture and recreation –				
Developmental expenses	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	12,500	12,500	17,663	5,163
Other financing sources (uses)				
Transfer in (out)	-	-	346,000	346,000
Total other financing sources (uses)	-	-	346,000	346,000
Net change in fund balances	\$ 12,500	12,500	363,663	351,163
Fund balances, January 1			-	
Fund balances, December 31			<u>\$ 363,663</u>	

VILLAGE OF WINNEBAGO
Schedule of Detailed Revenues and Expenditures – Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes:				
Property taxes	\$ 521,760	521,760	521,331	(429)
Sales taxes	580,000	580,000	580,215	215
State income tax	493,920	493,920	506,106	12,186
Telecommunications tax	29,000	29,000	26,775	(2,225)
Local use tax	125,244	125,244	104,487	(20,757)
Cannabis tax	4,822	4,822	4,737	(85)
Utility tax	110,000	110,000	110,027	27
Replacement tax	50,000	50,000	36,496	(13,504)
Total taxes	<u>1,914,746</u>	<u>1,914,746</u>	<u>1,890,174</u>	<u>(24,572)</u>
Licenses, fees and permits	500	500	545	45
Police fines	25,200	25,200	18,174	(7,026)
Total fines and other fees	<u>25,700</u>	<u>25,700</u>	<u>18,719</u>	<u>(6,981)</u>
Other revenue:				
Grants	30,000	30,000	20,429	(9,571)
Interest	84,000	84,000	98,485	14,485
Miscellaneous	115,019	115,019	116,361	1,342
Total other revenue	<u>229,019</u>	<u>229,019</u>	<u>235,275</u>	<u>6,256</u>
Total revenues	<u>\$ 2,169,465</u>	<u>2,169,465</u>	<u>2,144,168</u>	<u>(25,297)</u>

Expenditures

General government:

Office salaries	\$ 24,353	24,353	40,104	15,751
Deputy clerk	48,401	48,401	49,511	1,110
Treasurer	53,760	53,760	46,874	(6,886)
Village administrator	36,632	36,632	26,836	(9,796)
Salaries – elected officials	27,000	27,000	26,650	(350)
Payroll taxes	14,893	14,893	15,040	147
Employee benefits	44,375	44,375	25,752	(18,623)
Employee welfare	600	600	707	107
Office equipment	28,129	28,129	30,790	2,661
Professional services	21,500	21,500	17,937	(3,563)
Engineering	5,000	5,000	6,873	1,873
Legal services	27,500	27,500	16,871	(10,629)
Postage	1,400	1,400	593	(807)
Telephone	3,050	3,050	3,390	340
Publishing	1,100	1,100	1,088	(12)

(Continued)

VILLAGE OF WINNEBAGO
Schedule of Detailed Revenues and Expenditures – Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
General government (continued):				
Printing	\$ 4,000	4,000	165	(3,835)
Dues	1,700	1,700	2,046	346
Travel	1,950	1,950	1,457	(493)
Training and conferences	9,000	9,000	4,354	(4,646)
Codification of ordinance	33,200	33,200	20,582	(12,618)
Office maintenance	8,700	8,700	5,733	(2,967)
Audit and accounting services	16,761	16,761	26,000	9,239
Liability insurance	6,500	6,500	8,340	1,840
Office supplies	3,500	3,500	3,948	448
Building water usage	350	350	366	16
Miscellaneous expense	350	350	(2,672)	(3,022)
Sullivan's payback agreement	20,840	20,840	20,596	(244)
Property tax refunds	950	950	554	(396)
Equipment sinking fund	5,000	5,000	-	(5,000)
WINGIS	625	625	881	256
Contingency	16,450	16,450	66	(16,384)
Total general government	467,569	467,569	401,432	(66,137)
Highways and streets:				
Salaries	163,450	163,450	153,361	(10,089)
Employee benefits	44,664	44,664	26,628	(18,036)
Payroll taxes	12,595	12,595	12,148	(447)
Maintenance – buildings	17,500	17,500	703	(16,797)
Maintenance – vehicles	12,000	12,000	9,591	(2,409)
Maintenance – streets and sidewalks	112,000	112,000	61,225	(50,775)
Maintenance – equipment	14,000	14,000	13,935	(65)
Maintenance – service	50,000	50,000	45,573	(4,427)
Office & computer equipment	1,500	1,500	256	(1,244)
Professional fees	750	750	566	(184)
Engineering	24,000	24,000	19,296	(4,704)
Telephone	5,000	5,000	3,933	(1,067)
Electricity	40,000	40,000	41,091	1,091
Supplies	8,000	8,000	8,984	984
Gas and oil	20,000	20,000	14,441	(5,559)
Tree removal	8,000	8,000	8,878	878
Liability insurance	12,000	12,000	11,123	(877)

(Continued)

VILLAGE OF WINNEBAGO
Schedule of Detailed Revenues and Expenditures – Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Highways and streets (continued):				
WINGIS	\$ 750	750	881	131
Street projects	100,000	100,000	819	(99,181)
Capital outlay – equipment	-	-	32,150	32,150
Total highways and streets	<u>646,209</u>	<u>646,209</u>	<u>465,582</u>	<u>(180,627)</u>
Public safety:				
Office salaries	7,500	7,500	-	(7,500)
Police chief	105,000	105,000	104,119	(881)
Full time officers	409,300	409,300	380,119	(29,181)
Part time officers	5,000	5,000	2,666	(2,334)
Police overtime	18,000	18,000	9,618	(8,382)
School resource officer	75,676	75,676	64,637	(11,039)
Payroll taxes	48,815	48,815	44,802	(4,013)
Employee benefits	166,085	166,085	148,347	(17,738)
Uniforms	8,500	8,500	8,935	435
Computers and equipment	13,500	13,500	7,186	(6,314)
Records management	5,247	5,247	5,247	-
Professional services	15,986	15,986	9,145	(6,841)
Vehicle maintenance	11,000	11,000	7,711	(3,289)
911 dispatch service	19,286	19,286	19,285	(1)
Legal	12,000	12,000	7,080	(4,920)
Postage	250	250	94	(156)
Telephone	6,930	6,930	7,182	252
Publishing and printing	500	500	496	(4)
Dues	700	700	230	(470)
Travel	1,000	1,000	49	(951)
Liability insurance	31,000	31,000	26,053	(4,947)
Water	150	150	359	209
Gas and oil	18,000	18,000	18,945	945
Miscellaneous	4,000	4,000	3,925	(75)
Alert-leads user fee	22,152	22,152	21,988	(164)
Police garage maintenance	2,000	2,000	1,764	(236)
Pre-employment physical	2,500	2,500	1,240	(1,260)
Small equipment	20,300	20,300	17,320	(2,980)
WINGIS	310	310	440	130
Equipment sinking fund	25,000	25,000	-	(25,000)
Training	10,000	10,000	4,462	(5,538)
Capital outlay - equipment	<u>21,000</u>	<u>21,000</u>	<u>9,920</u>	<u>(11,080)</u>
Total public safety	<u>1,086,687</u>	<u>1,086,687</u>	<u>933,364</u>	<u>(153,323)</u>
Total expenditures	<u>\$ 2,200,465</u>	<u>2,200,465</u>	<u>1,800,378</u>	<u>(400,087)</u>

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenses
and Changes in Net Position – Budget to Actual
Proprietary Fund Types
Enterprise Fund – Water Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Operating revenues				
Water service income	\$ 485,690	485,690	509,947	24,257
Capital charge – sewer hook-up	498,800	498,800	479,273	(19,527)
Water hook-up fees	11,000	11,000	-	(11,000)
Sewer hook-up fees	12,000	12,000	-	(12,000)
Water deposit revenue	2,000	2,000	(456)	(2,456)
Garbage charges	223,392	223,392	232,495	9,103
Recapture and impact fees	10,000	10,000	-	(10,000)
Intergovernmental income	94,580	94,580	91,454	(3,126)
Miscellaneous revenue	18,000	18,000	25,830	7,830
Total operating revenues	1,355,462	1,355,462	1,338,543	(16,919)
Operating expenses				
Office salary	82,160	82,160	65,500	(16,660)
Part-time wages	5,600	5,600	4,953	(647)
Meter reader	-	-	(1,555)	(1,555)
Village Administrator	36,632	36,632	25,937	(10,695)
Plant operator	80,587	80,587	79,759	(828)
Public works wages	90,682	90,682	97,031	6,349
Health insurance	36,180	36,180	17,624	(18,556)
Payroll taxes	23,352	23,352	20,907	(2,445)
Employee benefits	24,075	24,075	21,564	(2,511)
IMRF – GASB 68	-	-	29,628	29,628
Building water usage	750	750	1,101	351
Alarm system	7,000	7,000	6,784	(216)
Chemicals	7,500	7,500	4,828	(2,672)
Engineering	180,000	180,000	33,495	(146,505)
Cellular meter monthly fees	12,000	12,000	12,321	321
Garbage expense	220,596	220,596	227,966	7,370
Liability insurance	18,000	18,000	16,261	(1,739)
Equipment maintenance	17,500	17,500	11,477	(6,023)
Office and computer equipment	13,000	13,000	10,190	(2,810)
Operating supplies	55,000	55,000	66,334	11,334
Postage	15,000	15,000	9,782	(5,218)
Pre-employment physical	500	500	170	(330)
Printing	4,800	4,800	1,657	(3,143)

(Continued)

VILLAGE OF WINNEBAGO
Schedule of Revenues, Expenses
and Changes in Net Position – Budget to Actual
Proprietary Fund Types
Enterprise Fund – Water Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Over (Under) Budget
Operating expenses (continued)				
Professional fees	\$ 4,500	4,500	3,917	(583)
Publishing/advertising	1,500	1,500	879	(621)
WINGIS	2,000	2,000	2,201	201
Rental and small equipment	44,500	44,500	29,429	(15,071)
Telephone	2,500	2,500	2,399	(101)
Travel and training	3,500	3,500	408	(3,092)
Utilities	24,500	24,500	25,996	1,496
Water analysis	7,500	7,500	3,828	(3,672)
EPA permit fees	2,500	2,500	-	(2,500)
Fuel, grease and oil	20,000	20,000	13,953	(6,047)
Recapture fees	18,000	18,000	-	(18,000)
Water sewer upgrade	805,000	805,000	81,290	(723,710)
Sullivan's payback agreement	6,950	6,950	7,192	242
IEPA – interest expense	97,940	97,940	19,601	(78,339)
Four Rivers – interest expense	422,000	422,000	98,279	(323,721)
Depreciation	260,000	260,000	301,446	41,446
Total operating expenses	2,653,804	2,653,804	1,354,532	(1,299,272)
Operating income	(1,298,342)	(1,298,342)	(15,989)	1,282,353
Non-operating revenues (expenses)				
Interest income	78,750	78,750	117,006	38,256
Miscellaneous income	4,950	4,950	4,950	-
1% sales tax income	430,000	430,000	434,053	4,053
Grant revenue	265,000	265,000	-	(265,000)
Total non-operating revenues (expenses)	778,700	778,700	556,009	(222,691)
Income before other financing sources (uses)	(519,642)	(519,642)	540,020	1,059,662
Other financing sources (uses) –				
Operating transfers	\$ 519,642	519,642	337,441	(182,201)
Total other financing sources (uses)	519,642	519,642	337,441	(182,201)
Net change in net position	<u>\$ -</u>	<u>-</u>	877,461	<u>877,461</u>
Net position, January 1			885,125	
Net position, December 31			<u>\$ 1,762,586</u>	

VILLAGE OF WINNEBAGO
Assessed Valuations, Property Tax Rates, Extensions and Collections
December 31, 2024

	Tax Years					
	2024	2023	2022	2021	2020	2019
Assessed valuations	<u>\$69,653,376</u>	<u>63,176,565</u>	<u>57,921,896</u>	<u>54,963,537</u>	<u>52,165,958</u>	<u>49,329,699</u>
Property tax rates (per \$100 of assessed valuation):	Max	Actual	Actual	Actual	Actual	Actual
General	0.4375	0.3312	0.3654	0.3796	0.3808	0.4086
General – Audit	0.0000	0.0005	0.0005	0.0005	0.0005	0.0007
General – Liability	0.0000	0.0005	0.0005	0.0005	0.0005	0.0007
Police	0.6000	0.4246	0.4359	0.4528	0.4544	0.4838
Revenue Recapture	0.0000	0.0023	0.0019	0.0044	0.0024	0.0000
IMRF	0.0000	0.0005	0.0005	0.0005	0.0005	0.0007
Total tax rate		<u>0.7596</u>	<u>0.8047</u>	<u>0.8383</u>	<u>0.8391</u>	<u>0.8670</u>
Property tax extensions:						
General	\$ 230,692	230,847	219,871	209,301	205,117	201,561
General – Audit	348	316	290	275	365	345
General – Liability	348	316	290	275	365	345
Police	295,748	275,387	262,270	249,754	246,067	238,657
Revenue Recapture	1,602	1,200	2,548	1,319	-	-
IMRF	348	316	290	275	365	345
	<u>\$ 529,086</u>	<u>508,382</u>	<u>485,559</u>	<u>461,199</u>	<u>452,279</u>	<u>441,253</u>
Property tax collections:**						
General	\$ -	230,563	219,190	208,243	204,526	201,236
General – Audit	-	315	289	273	364	345
General – Liability	-	315	289	273	364	345
Police	-	275,047	261,457	248,492	245,357	238,272
Revenue Recapture	-	1,199	2,541	1,312	-	-
IMRF	-	315	289	273	364	345
	<u>\$ -</u>	<u>507,754</u>	<u>484,055</u>	<u>458,866</u>	<u>450,975</u>	<u>440,543</u>
Percentage of extensions collected	<u>-</u>	<u>99.88</u>	<u>99.69</u>	<u>99.49</u>	<u>99.71</u>	<u>99.84</u> %

**Includes mobile home privilege tax, protested and back taxes.

Note: This schedule is presented on the cash basis, which differs from the Village's financial statement presentation.

VILLAGE OF WINNEBAGO
Schedule of Legal Debt Margin
December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assessed Valuation	<u>\$ 69,653,376</u>	<u>63,176,565</u>	<u>57,921,896</u>	<u>54,963,537</u>
Statutory Debt Limitation (8.625 % of Assessed Valuation)	6,007,604	5,448,979	4,995,764	4,740,605
Outstanding debt subject to debt limitation – None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 6,007,604</u>	<u>5,448,979</u>	<u>4,995,764</u>	<u>4,740,605</u>