

PHILLIPS, SALMI + ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF ELKHART, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Trustees
Village of Elkhart, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Elkhart, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Elkhart, Illinois' 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 modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Village of Elkhart, Illinois, as of April 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 of Elkhart, Illinois' 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 of Elkhart, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Village of Elkhart's basic financial statements. The budgetary comparison schedules presented on pages 35 through 38 are the responsibility of management and were derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections on pages 31 through 34, 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.

Phillips, Salmi & Associates, LLC

May 30, 2024
Washington, Illinois

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 552,938	\$ 15,643	\$ 568,581
Internal balances	63,907	(63,907)	-
Total current assets	<u>616,845</u>	<u>(48,264)</u>	<u>568,581</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>913,093</u>	<u>315,391</u>	<u>1,228,484</u>
Total assets	<u><u>\$ 1,529,938</u></u>	<u><u>\$ 267,127</u></u>	<u><u>\$ 1,797,065</u></u>
LIABILITIES			
Current liabilities:			
Current portion of note payable	\$ 10,500	\$ -	\$ 10,500
Meter deposits payable	<u>-</u>	<u>19,565</u>	<u>19,565</u>
Total current liabilities	<u>10,500</u>	<u>19,565</u>	<u>30,065</u>
Noncurrent liabilities:			
Note payable	<u>41,500</u>	<u>-</u>	<u>41,500</u>
Total liabilities	<u>52,000</u>	<u>19,565</u>	<u>71,565</u>
NET POSITION			
Net investment in capital assets	861,093	315,391	1,176,484
Restricted for:			
Maintenance of roadways	44,358	-	44,358
Economic development	473,266	-	473,266
Community betterment	18,020	-	18,020
Unrestricted	<u>81,201</u>	<u>(67,829)</u>	<u>13,372</u>
Total net position	<u>1,477,938</u>	<u>247,562</u>	<u>1,725,500</u>
	<u><u>\$ 1,529,938</u></u>	<u><u>\$ 267,127</u></u>	<u><u>\$ 1,797,065</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 196,547	\$ 2,255	\$ -	\$ -
Public works	172,361	-	-	-
Public safety	711	-	-	-
Economic development	46,935	-	-	-
Culture & recreation	-	-	60,000	-
Interest on long-term debt	376	-	-	-
Total governmental activities	416,930	2,255	60,000	-
Business-type activities:				
Water operations	177,735	72,071	-	-
Total primary government	\$ 594,665	\$ 74,326	\$ 60,000	\$ -

General revenues:

Taxes:

Property tax

Road & bridge tax

Sales tax

Use tax

Income tax

Video gaming tax

Utility franchise tax

Motor fuel tax

Replacement tax

Investment income

Other income

Transfers

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

The accompanying notes are an integral part of this statement.

Net Revenue (Expense) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (194,292)	\$ -	\$ (194,292)
(172,361)	-	(172,361)
(711)	-	(711)
(46,935)	-	(46,935)
60,000	-	60,000
(376)	-	(376)
(354,675)	-	(354,675)
-	(105,664)	(105,664)
(354,675)	(105,664)	(460,339)
250,386	-	250,386
11,344	-	11,344
17,426	-	17,426
17,887	-	17,887
73,672	-	73,672
8,625	-	8,625
3,430	-	3,430
19,744	-	19,744
2,646	-	2,646
1,145	94	1,239
29,808	27,500	57,308
(50,279)	50,279	-
385,834	77,873	463,707
31,159	(27,791)	3,368
1,446,779	275,353	1,722,132
<u>\$ 1,477,938</u>	<u>\$ 247,562</u>	<u>\$ 1,725,500</u>

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
CASH BASIS - GOVERNMENTAL FUNDS
APRIL 30, 2024

	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Community Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 38,898	\$ 451,662	\$ 44,358	\$ 18,020	\$ 552,938
Due from other funds	63,907	21,604	-	-	85,511
 Total assets	<u>\$ 102,805</u>	<u>\$ 473,266</u>	<u>\$ 44,358</u>	<u>\$ 18,020</u>	<u>\$ 638,449</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 21,604	\$ -	\$ -	\$ -	\$ 21,604
 Fund balances:					
Restricted for:					
Maintenance of roadways	-	-	44,358	-	44,358
Economic development	-	473,266	-	-	473,266
Community betterment	-	-	-	18,020	18,020
Unassigned	81,201	-	-	-	81,201
 Total fund balances	<u>81,201</u>	<u>473,266</u>	<u>44,358</u>	<u>18,020</u>	616,845
 Total liabilities and fund balances	<u>\$ 102,805</u>	<u>\$ 473,266</u>	<u>\$ 44,358</u>	<u>\$ 18,020</u>	

Amounts reported in governmental activities in the statement of net position are different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements. 913,093

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (52,000)

Net position of governmental activities \$ 1,477,938

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2024

	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Community Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 29,426	\$ 220,960	\$ -	\$ -	\$ 250,386
Road and bridge tax	11,344	-	-	-	11,344
Sales tax	17,426	-	-	-	17,426
Use tax	17,189	-	-	-	17,189
Income tax	73,672	-	-	-	73,672
Video gaming tax	8,625	-	-	-	8,625
Utility franchise tax	3,430	-	-	-	3,430
Motor fuel tax	-	-	19,744	-	19,744
Replacement tax	2,646	-	-	-	2,646
Cannabis tax	698	-	-	-	698
Interest	401	-	744	-	1,145
Licenses, fees and permits	2,255	-	-	-	2,255
Donations	-	-	-	60,000	60,000
Miscellaneous	29,808	-	-	-	29,808
Total revenues	196,920	220,960	20,488	60,000	498,368
EXPENDITURES					
General government	174,142	-	-	-	174,142
Public works	40,935	-	82,524	-	123,459
Economic development	-	46,935	-	-	46,935
Capital outlay	56,500	59,393	-	17,191	133,084
Debt service:					
Principal	12,177	-	-	-	12,177
Interest	376	-	-	-	376
Total expenditures	284,130	106,328	82,524	17,191	490,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(87,210)	114,632	(62,036)	42,809	8,195
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(29,591)	4,184	-	(24,872)	(50,279)
Proceeds from loan	52,000	-	-	-	52,000
Total other financing sources (uses)	22,409	4,184	-	(24,872)	1,721
NET CHANGE IN FUND BALANCE	(64,801)	118,816	(62,036)	17,937	9,916
FUND BALANCE, BEGINNING	146,002	354,450	106,394	83	606,929
FUND BALANCE, ENDING	\$ 81,201	\$ 473,266	\$ 44,358	\$ 18,020	\$ 616,845

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2024

Net change in governmental fund balances	\$	9,916
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Amounts reported in governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. In the current period, these amounts are:

Capital assets purchases capitalized		133,084
Depreciation expense		<u>(72,018)</u>

The issuance of long-term debt (e.g. note payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This is the amount by which the proceeds exceeded repayments.

Proceeds for insurance		(52,000)
Capital debt obligation principal payments		<u>12,177</u>

Change in net position of governmental activities	\$	<u><u>31,159</u></u>
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The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 15,643	\$ -	\$ 15,643
Noncurrent assets:			
Capital assets, net of accumulated depreciation	75,258	240,133	315,391
Total assets	<u>\$ 90,901</u>	<u>\$ 240,133</u>	<u>\$ 331,034</u>
LIABILITIES			
Current liabilities:			
Due to other funds	\$ 63,907	\$ -	\$ 63,907
Meter deposits payable	19,565	-	19,565
Total liabilities	<u>83,472</u>	<u>-</u>	<u>83,472</u>
NET POSITION			
Net investment in capital assets	75,258	240,133	315,391
Unrestricted	<u>(67,829)</u>	<u>-</u>	<u>(67,829)</u>
Total net position	<u>7,429</u>	<u>240,133</u>	<u>247,562</u>
	<u>\$ 90,901</u>	<u>\$ 240,133</u>	<u>\$ 331,034</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUE			
Charges for services	\$ 72,071	\$ -	\$ 72,071
OPERATING EXPENSES			
Operations	153,850	-	153,850
Depreciation	9,756	14,129	23,885
Total operating expenses	163,606	14,129	177,735
Operating loss	(91,535)	(14,129)	(105,664)
NONOPERATING REVENUES			
Grant revenue	27,500	-	27,500
Interest income	94	-	94
Total non-operating revenues	27,594	-	27,594
NET LOSS BEFORE TRANSFERS	(63,941)	(14,129)	(78,070)
TRANSFERS IN	50,279	-	50,279
CHANGE IN NET POSITION	(13,662)	(14,129)	(27,791)
NET POSITION, BEGINNING OF YEAR	21,091	254,262	275,353
NET POSITION, END OF YEAR	\$ 7,429	\$ 240,133	\$ 247,562

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 73,794	\$ -	\$ 73,794
Payments to suppliers	(135,775)	-	(135,775)
Payments to employees, net	(9,649)	-	(9,649)
	<u>(71,630)</u>	<u>-</u>	<u>(71,630)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts from grants	27,500	-	27,500
Net interfund transactions	50,279	-	50,279
	<u>77,779</u>	<u>-</u>	<u>77,779</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	94	-	94
Net increase in cash and cash equivalents	6,243	-	6,243
Cash and cash equivalents, beginning of year	9,400	-	9,400
Cash and cash equivalents, end of year	<u>\$ 15,643</u>	<u>\$ -</u>	<u>\$ 15,643</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (91,535)	\$ (14,129)	\$ (105,664)
Adjustment to reconcile operating loss to net cash used in operating activities			
Depreciation	9,756	14,129	23,885
Change in assets and liabilities	10,149	-	10,149
 Net cash used in operating activities	 <u><u>\$ (71,630)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (71,630)</u></u>

PRESENTATION OF CASH AND CASH EQUIVALENTS ON THE STATEMENT OF NET ASSETS - MODIFIED CASH - PROPRIETARY FUNDS

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash and cash equivalents, at end of year	<u><u>\$ 15,643</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,643</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELKHART, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- (a) Reporting Entity – The financial statements of the Village include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of voting majority of the component unit's board, and either (1) the Village is able to influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.
- (b) Government-wide Financial Statements – The basic financial statements include both government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The Statement of Net Position and Statement of Activities display information about the Village as a whole. These statements include the financial activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the Village that are governmental in nature (which normally are supported by taxes and intergovernmental revenues) and those that are considered business-type activities (which rely to a significant extent on fees and charges for support). The Statement of Net Position presents the financial condition of the governmental and business-type activities of the Village at year end.

The Statement of Activities demonstrates the degree to which the direct expenses of a functional category (public works, public safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Village.

- (c) Fund Financial Statements – During the year, the Village segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. The Village has decided to present all funds as major funds.

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Village maintains governmental and proprietary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. Governmental fund reporting focuses on the sources, uses, and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Village's major governmental funds:

General Fund – The General Fund accounts for all financial resources, except those required to be accounted for in another fund.

Tax Increment Financing Fund – The Tax Increment Financing Fund is used to account for the activities relating to the Tax Increment Financing District.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund is used to account for motor fuel taxes received that are legally restricted to expenditures for a specific purpose.

Community Fund – The Community Fund shall support local projects and initiatives on behalf of citizens in the Village of Elkhart related to some or all of the following areas: economic development, community health and safety, environment, biodiversity, education, arts and cultural activities, disadvantaged individuals, community infrastructure improvements, energy-related, disaster relief and community capital assets.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Water Fund and the Sewer Fund provide water services and sanitary sewer waste collection and transmission services to Village citizens and accounts for operations that are financed in a manner similar to private business enterprises.

- (d) Measurement Focus – In the government-wide Statement of Net Position and the Statement of Activities both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in Note 1(e).

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds are fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported consistent with the Village's basis of accounting described at Note 1(e). Proprietary fund equity is classified as net position.

- (e) Basis of Accounting – The government-wide financial statements and the proprietary fund financial statements are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The governmental fund financial statements are presented using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis recognizes assets, liabilities, fund equity, revenues, and expenditures when they result from cash transactions.

- (f) Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, for proprietary funds, the Village considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.
- (g) Investments – The Village reports investments at cost, which approximates fair value.
- (h) Capital Assets – The Village's modified cash basis of accounting reports capital assets resulting from cash transaction and reports depreciation when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004, are recorded at cost. Contribution capital assets are recorded at estimated fair market value at the time received. The Village capitalization policy defines a capital asset as an asset with an estimated useful life in excess of one year and other for expenditures greater than \$1,000. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Computer software	3 years
Light-weight vehicles & computers	5 years
Equipment	7 years
Temporary buildings	10 years
Land improvements	15 years
Building & plant	25 years
Infrastructure	40 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in the governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in the proprietary fund operations are accounted for the same as in the governmental-wide statements.

- (i) Interfund Activity – Interfund activity is reported as either loans, services provided, reimbursements or transfers. On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as “Due from other funds” or “Due to other funds.” Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers which are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as “Internal Balances”.
- (j) Use of Estimates – The preparation of the financial statements in conformity with the basis of accounting discussed in Note 1(e) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.
- (k) Compensated Absences – The Village does not report accrued vacation leave or sick pay under the modified cash basis of accounting. Such amounts are reported as expenditures when paid.

(l) Fund Balance/Net Position

Government-wide Statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the Village’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Any residual fund balance is reported as unassigned.

The Village’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.

(m) Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

(n) Program Revenue

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Village has the following program revenues, if any, in each activity:

General Government	Licenses and permits
Public Safety	Fines and fees

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

NOTE 2. DEPOSITS AND INVESTMENTS

The Village is allowed to make deposits of public funds in accounts as authorized by the Public Funds Deposit Act (30 ILCS 225). The Village is allowed to invest public funds in the investments as authorized by the Public Funds Investment Act (30 ILCS 235). The Village's deposits were held in accounts authorized by the Public Funds Deposit Act as of April 30, 2024. The Village has implemented a written investment policy as of April 30, 2024. The Village did not hold any investments as of April 30, 2024.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. The Village does not have a policy for custodial credit risk.

NOTE 3. PROPERTY TAXES

The Village's property tax is levied and attached as an enforceable lien on January 1 of each year on property values assessed as of the same date. The 2022 tax levy, which was passed on November 1, 2021, is recorded as revenue in the year ended April 30, 2024.

Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1. Property taxes are collected by the Logan County Treasurer who remits to each taxing unit its respective share of the collections.

NOTE 4. CAPITAL ASSETS

Capital assets activity, resulting from modified cash basis transactions, for the year ending April 30, 2024, consists of the following:

	<u>Balance</u> <u>May 1, 2023</u>	<u>Additions</u>	<u>Transfers/</u> <u>Retirements</u>	<u>Balance</u> <u>April 30, 2024</u>
Governmental Activities:				
Capital assets being depreciated:				
Infrastructure	\$ 335,077	\$ -	\$ -	\$ 335,077
Building and plant	465,854	-	-	465,854
Equipment	489,841	133,084	-	622,925
Total capital assets being depreciated	1,290,772	133,084	-	1,423,856
Less accumulated depreciation for:				
Infrastructure	(115,377)	(27,353)	-	(142,730)
Building and plant	(43,209)	(2,551)	-	(45,760)
Equipment	(280,159)	(42,114)	-	(322,273)
Total capital assets being depreciated	(438,745)	(72,018)	-	(510,763)
Governmental activities capital assets, net	\$ 852,027	\$ 61,066	\$ -	\$ 913,093

	Balance <u>May 1, 2023</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	Balance <u>April 30, 2024</u>
Business-type activities:				
Capital assets being depreciated				
Computer software	\$ 3,500	\$ -	\$ -	\$ 3,500
Building and plant	600,809	-	-	600,809
Sewer and plant	353,137	-	-	353,137
Land improvements	2,524	-	-	2,524
Equipment	72,932	-	-	72,932
	<u>1,032,902</u>	<u>-</u>	<u>-</u>	<u>1,032,902</u>
Less accumulated depreciation for:				
Computer software	(3,500)	-	-	(3,500)
Building and plant	(528,260)	(6,815)	-	(535,075)
Sewer and plant	(98,875)	(14,129)	-	(113,004)
Land improvements	(2,524)	-	-	(2,524)
Equipment	(60,467)	(2,941)	-	(63,408)
	<u>(693,626)</u>	<u>(23,885)</u>	<u>-</u>	<u>(717,511)</u>
Total accumulated depreciation				
	<u>(693,626)</u>	<u>(23,885)</u>	<u>-</u>	<u>(717,511)</u>
Total capital assets being depreciated, net	\$ 339,276	\$ (23,885)	\$ -	\$ 315,391

Depreciation expense was charged to the Village's functions as follows:

Depreciation expense	
Government activities:	
General government	\$ 22,405
Public works	48,902
Public safety	711
Total	<u>\$ 72,018</u>
Business-type activities:	
Water	\$ 9,756
Sewer	14,129
Total	<u>\$ 23,885</u>

NOTE 5. LONG-TERM DEBT

Governmental Activities

The following is a summary of governmental activity changes in long-term debt for the current year:

	Balances			Balances	Due with
	May 1, 2023	Additions	Reductions	April 30, 2024	One Year
Truck Loan	\$ 12,177	\$ -	\$ 12,177	\$ -	\$ -
Dump Truck Loan	-	52,000	-	52,000	10,500
	<u>\$ 12,177</u>	<u>\$ 52,000</u>	<u>\$ 12,177</u>	<u>\$ 52,000</u>	<u>\$ 10,500</u>

Note Payable

The Village entered into a note payable agreement on January 23, 2024, with Longview Community Bank to finance a dump truck. The loan carries a fixed interest rate of 5.00 percent for a term of 5 years. Payments are due annually, including interest, thereafter, with final payment due August 28, 2028.

The future minimum loan payments are as follows:

Years Ending				
<u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 10,500	\$ 1,204	\$ 11,704	
2026	9,629	2,075	11,704	
2027	10,110	1,594	11,704	
2028	10,616	1,088	11,704	
2029	11,145	559	11,704	
Total	<u>\$ 52,000</u>	<u>\$ 6,520</u>	<u>\$ 58,520</u>	

NOTE 6. LEGAL DEBT MARGIN

The legal debt limit of the Village, as defined by 65 ILCS 5/8-5-1 of the Illinois Compiled Statutes, is 8.625% of the most recent assessed valuation of the property located in the Village's boundaries. For April 30, 2024, the Village's legal debt limit was \$1,289,836. As of April 30, 2024, the Village reported outstanding debt of \$52,000, all of which is applicable to the Village's legal debt limit. As a result, the legal debt margin as of April 30, 2024 is \$1,237,836.

NOTE 7. INTERFUND BALANCES

Due from/to Other Funds balances at April 30, 2024 consist of:

	Due from Other Funds	Due to Other Funds
General Fund:		
Tax Increment Financing Fund	\$ -	\$ 21,604
Water Fund	63,907	-
	<u>63,907</u>	<u>21,604</u>
Tax Increment Financing Fund:		
General Fund	<u>21,604</u>	-
Water Fund:		
General Fund	-	<u>63,907</u>
Total Due from/to Other Funds	<u>\$ 85,511</u>	<u>\$ 85,511</u>

The purpose of significant due from/to other funds is as follows:

- \$21,604 due from the General Fund to the Tax Increment Financing Fund. The balance is due to the Village's overpayment of funds owed from the Tax Increment Financing Fund to the General Fund. As a result, the Village intends to repay the funds overpaid from the General Fund to the Tax Increment Financing Fund in a future fiscal year.
- \$63,907 due from the Water General Fund to the General Fund. The balance consists of Water Fund wages paid by the General Fund as well as various Water Fund expenditures which were paid with funds transferred from the General Fund, but not yet repaid by the Water Fund at April 30, 2024.

	Transfer from Other Funds	Transfer to Other Funds
General Fund	\$ -	\$ 29,591
Tax Increment Financing Fund	4,184	-
Community Fund	-	24,872
Water Fund	<u>50,279</u>	-
Total Due from/to Other Funds	<u>\$ 54,463</u>	<u>\$ 54,463</u>

The transfers during the year were for prior year expense reimbursements.

NOTE 8. PENSION PLAN

Illinois Municipal Retirement Fund

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

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:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

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

Retirees and Beneficiaries currently receiving benefits	1
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	-
Total	<u>1</u>

Funding Policy. As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2023, the Village's actual contributions for pension cost for the Regular members were \$0. The required contribution for calendar year 2023 was \$0. There are no current active employees participating in IMRF.

Net Pension Liability The employer's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Since the Village follows the cash basis of accounting, the liability is not recognized on the financial statements.

Actuarial Assumptions.

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

- The Actuarial Cost Method used was 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 2023 valuation pursuant to an experience study from years 2020 to 2022.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	34.5%	5.00%
International Equity	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	1.0%	3.80%
Total	<u>100.0%</u>	

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 this 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 3.77%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2022	\$ 47,012	\$ 52,570	\$ (5,558)
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	3,283	-	3,283
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	381	-	381
Changes of Assumptions	(75)	-	(75)
Contributions – Employer	-	-	-
Contributions – Employees	-	-	-
Net Investment Income	-	6,275	(6,275)
Benefit Payments, including Refunds of Employee Contributions	(3,460)	(3,460)	-
Other (Net Transfer)	-	1,413	(1,413)
Net Changes	129	4,228	(4,099)
Balances at December 31, 2023	\$ 47,141	\$ 56,798	\$ (9,657)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Asset	\$ (4,725)	\$ (9,657)	\$ (13,840)

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

If the Village were on the accrual basis of accounting at April 30, 2024, the Village would have recognized pension income of \$2,703. If the Village was on the accrual basis of accounting at April 30, 2024, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Net difference between projected and actual earnings on pension plan investments	\$ 9,082	\$ 5,715
Changes in Assumptions	-	-
Total Deferred Amounts Related to Pensions	\$ 9,082	\$ 5,715

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

Year Ending December 31	Net Deferred Outflows of Resources
2024	\$ 211
2025	1,142
2026	2,520
2027	(506)
Total	\$ 3,367

NOTE 9. PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors or omissions, injuries to employees; and natural disasters. The Village entered into a one-year intergovernmental cooperation contract with the Illinois Municipal League Risk Management Association. The purpose of the contract is to provide risk management and loss coverage for Village operations by creating self-insured reserves against losses and jointly purchasing excess insurance, reinsurance and administrative services. The contract automatically renews annually unless the Village provides sixty days' notice of withdrawal for the next annual period. Membership in the association is limited to member of the Illinois Municipal League and the Illinois Municipal League, itself.

Annual contributions to the association are determined based on loss experience of the Village and total losses and expenditures of the association. If the association's risk management committee determines the Village has any unusual or extraordinary risks, the Village has the option to make additional contributions for coverage of the particular risk or exclude it from coverage.

The association limits the risk of loss to its members by purchasing excess or reinsurance policies.

There have been no significant reductions in insurance coverage from coverage in the prior year.

Insurance settlements by the association have not exceeded insurance coverage for each of the past three years.

NOTE 10. EXPENDITURES IN EXCESS OF BUDGET

For the year ended April 30, 2024, the General Fund and Motor Fuel Tax Fund had expenditures in excess of the related budget amounts.

NOTE 11. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through May 30, 2024, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

VILLAGE OF ELKHART, ILLINOIS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
(schedule to be built prospectively from 2015)

Calendar year ending December 31,	2023	2022	2021	2020	2019
Total pension liability:					
Interest on the total pension liability	\$ 3,283	\$ 3,267	\$ 3,248	\$ 3,230	\$ 3,209
Difference between expected and actual	381	366	358	277	259
Assumption changes	(75)	-	-	(10)	-
Benefit payments and refunds	<u>(3,460)</u>	<u>(3,375)</u>	<u>(3,295)</u>	<u>(3,214)</u>	<u>(3,133)</u>
Net change in total pension liability	129	258	311	283	335
Total pension liability - beginning	<u>47,012</u>	<u>46,754</u>	<u>46,443</u>	<u>46,160</u>	<u>45,825</u>
Total pension liability - ending (a)	<u>47,141</u>	<u>47,012</u>	<u>46,754</u>	<u>46,443</u>	<u>46,160</u>
Plan fiduciary net position:					
Net investment income	6,275	(10,449)	11,008	8,412	9,995
Benefit payments and refunds	(3,460)	(3,375)	(3,295)	(3,214)	(3,133)
Other (net transfer)	<u>1,413</u>	<u>123</u>	<u>(33)</u>	<u>303</u>	<u>53</u>
Net change in plan fiduciary net position	4,228	(13,701)	7,680	5,501	6,915
Plan fiduciary net position - beginning	<u>52,570</u>	<u>66,271</u>	<u>58,591</u>	<u>53,090</u>	<u>46,175</u>
Plan fiduciary net position - ending (b)	<u>56,798</u>	<u>52,570</u>	<u>66,271</u>	<u>58,591</u>	<u>53,090</u>
City's net pension liability - ending A - B	<u>\$ (9,657)</u>	<u>\$ (5,558)</u>	<u>\$ (19,517)</u>	<u>\$ (12,148)</u>	<u>\$ (6,930)</u>
Plan fiduciary net position as a % of the total pension liability	120.49%	111.82%	141.74%	126.16%	115.01%
Covered - employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's net position liability as a % of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,203	\$ 3,227	\$ 3,191	\$ 2,205
239	225	218	13,758
1,204	(760)	-	-
<u>(3,052)</u>	<u>(2,971)</u>	<u>(2,894)</u>	<u>(2,735)</u>
1,594	(279)	515	13,228
<u>44,231</u>	<u>44,510</u>	<u>43,995</u>	<u>30,767</u>
<u>45,825</u>	<u>44,231</u>	<u>44,510</u>	<u>43,995</u>
(4,177)	9,327	3,152	232
(3,052)	(2,971)	(2,894)	(2,735)
<u>1,462</u>	<u>(745)</u>	<u>195</u>	<u>592</u>
(5,767)	5,611	453	(1,911)
<u>51,942</u>	<u>46,331</u>	<u>45,878</u>	<u>47,789</u>
<u>46,175</u>	<u>51,942</u>	<u>46,331</u>	<u>45,878</u>
<u>\$ (350)</u>	<u>\$ (7,711)</u>	<u>\$ (1,821)</u>	<u>\$ (1,883)</u>
100.76%	117.43%	104.09%	104.28%
\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%

**VILLAGE OF ELKHART, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Actuarial Valuation Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
12/31/2015	\$ -	\$ -	\$ -	\$ -	0.00%
12/31/2016	-	-	-	-	0.00%
12/31/2017	-	-	-	-	0.00%
12/31/2018	-	-	-	-	0.00%
12/31/2019	-	-	-	-	0.00%
12/31/2020	-	-	-	-	0.00%
12/31/2021	-	-	-	-	0.00%
12/31/2022	-	-	-	-	0.00%
12/31/2023	- *	-	-	-	0.00%

Schedule to be built prospectively as the Village implemented GASB Statement No. 68 in the fiscal year ending 04/30/2016.

**VILLAGE OF ELKHART, ILLINOIS
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Notes to Schedule:

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2023 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	20-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	2.75%
<i>Price Inflation:</i>	2.25%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	2.75% to 13.75%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	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.
<i>Mortality:</i>	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2021, actuarial valuation; note two year lag between valuation and rate setting.

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

VILLAGE OF ELKHART, ILLINOIS
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - CASH BASIS
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 43,000	\$ 29,426	\$ (13,574)
Road and bridge tax	-	11,344	11,344
Sales tax	7,000	17,426	10,426
Use tax	18,000	17,189	(811)
Income tax	66,400	73,672	7,272
Video gaming tax	5,000	8,625	3,625
Telecommunications tax	1,000	660	(340)
Utility franchise tax	5,900	3,430	(2,470)
Replacement tax	1,200	2,646	1,446
Cannabis tax	700	698	(2)
Interest	-	401	401
Licenses, fees and permits	2,000	2,255	255
Donations	100	-	(100)
Fines	50	-	(50)
Foreign fire insurance tax	2,000	-	(2,000)
Miscellaneous	7,250	29,148	21,898
Annual payment from coal mine	30,000	-	(30,000)
Grant proceeds	11,800	-	(11,800)
Total revenues	<u>201,400</u>	<u>196,920</u>	<u>(4,480)</u>
EXPENDITURES			
General government	111,300	174,142	62,842
Public works	43,300	40,935	(2,365)
Capital outlay	19,700	56,500	36,800
Debt service:			
Principal	-	12,177	12,177
Interest	-	376	376
Total expenditures	<u>174,300</u>	<u>284,130</u>	<u>109,830</u>
Revenues over (under) expenditures	<u>27,100</u>	<u>(87,210)</u>	<u>(114,310)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(29,591)	(29,591)
Proceeds from loan	-	52,000	52,000
Total other financing sources (uses)	<u>-</u>	<u>22,409</u>	<u>22,409</u>
NET CHANGE IN FUND BALANCE	<u>\$ 27,100</u>	<u>(64,801)</u>	<u>\$ (91,901)</u>
FUND BALANCE BEGINNING OF YEAR		<u>146,002</u>	
FUND BALANCE, END OF YEAR		<u>\$ 81,201</u>	

VILLAGE OF ELKHART, ILLINOIS
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - CASH BASIS
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND
YEAR ENDED APRIL 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 254,000	\$ 220,960	\$ (33,040)
EXPENDITURES			
Economic development			
Reimbursement agreements	17,000	12,540	(4,460)
Rock and sand	-	3,776	3,776
Supplies and repairs	-	750	750
Legal and administrative services	61,000	29,869	(31,131)
Consulting fees	40,000	-	(40,000)
Capital outlay	34,000	59,393	25,393
Total expenditures	152,000	106,328	(45,672)
Revenues over expenditures	102,000	114,632	12,632
OTHER FINANCING SOURCES			
Transfers in	-	4,184	4,184
NET CHANGE IN FUND BALANCE	<u>\$ 102,000</u>	118,816	<u>\$ 16,816</u>
FUND BALANCE, BEGINNING OF YEAR		<u>354,450</u>	
FUND BALANCE, END OF YEAR		<u>\$ 473,266</u>	

VILLAGE OF ELKHART, ILLINOIS
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGE IN FUND BALANCE - CASH BASIS
BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
YEAR ENDED APRIL 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Motor fuel tax	\$ 28,000	\$ 19,744	\$ (8,256)
Interest	-	744	744
Total revenues	<u>28,000</u>	<u>20,488</u>	<u>(7,512)</u>
EXPENDITURES			
Public works			
Payroll	5,900	2,827	(3,073)
Rock, sand, oil, and chipping	21,100	79,697	58,597
Signs	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total expenditures	<u>28,000</u>	<u>82,524</u>	<u>54,524</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(62,036)</u>	<u>\$ (62,036)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>106,394</u>	
FUND BALANCE, END OF YEAR		<u>\$ 44,358</u>	

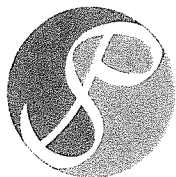
VILLAGE OF ELKHART, ILLINOIS
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGE IN FUND BALANCE - CASH BASIS
BUDGET AND ACTUAL
COMMUNITY FUND
YEAR ENDED APRIL 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Donations	<u>\$ 30,000</u>	<u>\$ 60,000</u>	<u>\$ 30,000</u>
EXPENDITURES			
Culture & Recreation			
Community betterment	3,000	-	(3,000)
Capital outlay	<u>19,000</u>	<u>17,191</u>	<u>(1,809)</u>
Total expenditures	<u>22,000</u>	<u>17,191</u>	<u>(4,809)</u>
Revenues over expenditures	<u>8,000</u>	<u>42,809</u>	<u>34,809</u>
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>(24,872)</u>	<u>(24,872)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 8,000</u></u>	<u>17,937</u>	<u><u>\$ 9,937</u></u>
FUND BALANCE, BEGINNING OF YEAR		<u>83</u>	
FUND BALANCE, END OF YEAR		<u><u>\$ 18,020</u></u>	

VILLAGE OF ELKHART, ILLINOIS
NOTES TO SUPPLEMENTARY INFORMATION
APRIL 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Budgetary Information -- The Village develops cash-basis budgetary information for expenditures and revenue. Budgetary information for all funds is adopted annually for the fiscal year in an appropriation ordinance as required by the laws of the State of Illinois. All annual appropriations lapse at fiscal year-end. Expenditures of each fund may not exceed the total appropriated for that fund.



PHILLIPS, SALMI + ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT ACCOUNTANT
ON COMPLIANCE WITH PUBLIC ACT 85-1142**

The Board of Trustees
Village of Elkhart, Illinois
Elkhart, Illinois

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Elkhart as of and for the year ended April 30, 2024, and have issued our report thereon dated May 30, 2024.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village of Elkhart, Illinois' compliance with the provisions of Subsection (q) of Section 11-74.4-3 (65 ILCS 5/11-74.403(q)) of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) as it relates to the eligibility of expenditures for costs incurred incidental to the implementation of the Village of Elkhart, Illinois, Tax Increment Redevelopment Project Areas and noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. Compliance with laws, regulations, contracts, and grants applicable to the Village of Elkhart, Illinois is the responsibility of Village of Elkhart, Illinois' management. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with Subsection (q) of Section 11-74.4-3 (65 ILCS 5/11-74.4-3(q)) of the Illinois Tax Increment Allocation Redevelopment Act.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Phillips, Salmi + Associates, LLC

Washington, Illinois
May 30, 2024