

Village of McCullom
Lake, Illinois

Annual Financial Report
For the Year Ended March 31, 2024

VILLAGE OF MCCULLOM LAKE, ILLINOIS

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Year Ended March 31, 2024

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VILLAGE OF MCCULLOM LAKE, ILLINOIS

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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the President and Board
of Trustees Village of McCullom Lake
McCullom Lake, Illinois

Opinions

We have audited the accompanying financial statements of governmental activities, the business-type activities and each major fund of the Village of McCullom Lake, (the Village) as of and for the year ended March 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 and each major fund of the Village of McCullom Lake, as of March 31, 2024, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 budgetary comparison 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.

GW & Associates, P.C.

GW & Associates, P.C.

Hillside, Illinois

October 16, 2024

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

Our discussion and analysis of the Village of McCullom Lake ("Village") financial performance provides an overview of the financial activities for the fiscal year ended March 31, 2024. Please read in conjunction with the Financial Statements and Independent Auditors' Report for the fiscal year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

- At March 31, 2024, the assets of the Village exceeded its' liabilities by \$5,234,404 (net position). Unrestricted net position, which are assets that may be used to meet the Village's ongoing obligations to citizens and creditors, is \$140,911 (unrestricted governmental net position) at March 31, 2024.
- The Village's total net position increased by \$265,369.
- At March 31, 2024, the Village's governmental funds reported combined ending fund balances of \$319,745 an increase of \$173,811 in comparison with the prior year.
- At March 31, 2024, the unassigned fund balance for the General Fund was \$118,157.
- The Village's total debt decreased by \$42,000 for the year ended March 31, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

The financial statement's focus is on the Village as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

Government-wide Financial Statements -

The government-wide financial statements are designed to be corporate like.

The Statement of Net Position combines and consolidates governmental funds, current financial resources with capital assets and long-term obligations. It uses the accrual basis of accounting and economic resources measurement focus. The Statement of Net Position can be found on page 15 of this report.

The Statement of Activities is focused on both the growth and net costs of various activities. These activities are supported by the government's general taxes and other resources. This is intended to summarize and simplify the users' analysis of the costs of various governmental services. The Statement of Activities can be found on page 16 of this report.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, transportation and public works, public safety, culture and recreation, and development. The business-type activities of the Village include sewer operations. The government-wide financial statements can be found on pages 15 through 16 on this report.

Fund Financial Statements -

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

Governmental funds –

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Motor Fuel Tax, and Debt Service Funds, all of which are considered to be major funds.

Proprietary funds –

The Village maintains one proprietary fund/ enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its sewer operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the sewer operation, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary funds –

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village has no Fiduciary funds at year end.

Notes to the financial statements -

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24.

Other Information -

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information. The Village adopts an annual budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the budget.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

GOVERNMENT-WIDE STATEMENTS & ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's net financial net position. In the case of the Village, assets exceeded liabilities by \$5,226,684 on March 31, 2024.

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

| VILLAGE OF MCCULLOM LAKE, ILLINOIS | | | | | | |
|-----------------------------------------------------|-------------------------|--------------|-------------------------|--------------|--------------|--------------|
| Village of McCullom Lake's Net Position | | | | | | |
| | Governmental Activities | | Business-Type Activites | | Total | |
| | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 |
| Current and Other Assets | \$ 226,549 | \$ 401,870 | \$ 1,434,794 | \$ 1,563,348 | \$ 1,661,343 | \$ 1,965,218 |
| Capital Assets | 1,553,284 | 1,539,057 | 2,198,541 | 2,126,026 | 3,751,825 | 3,665,083 |
| Total Assets | 1,779,833 | 1,940,927 | 3,633,335 | 3,689,374 | 5,413,168 | 5,630,301 |
| Current Liabilities | 8,008 | 7,182 | - | - | 8,008 | 7,182 |
| Long-Term Liabilities | 355,000 | 313,000 | - | - | 355,000 | 313,000 |
| Total Liabilities | 363,008 | 320,182 | - | - | 363,008 | 320,182 |
| Unearned Property Taxes | 73,483 | 75,715 | 7,642 | - | 81,125 | 75,715 |
| Total Liabilities and Deferred Inflows of Resources | 436,491 | 395,897 | 7,642 | - | 444,133 | 395,897 |
| Net Position | | | | | | |
| Net Investment in Capital Assets, | 1,198,284 | 1,226,057 | 2,198,541 | 2,126,026 | 3,396,825 | 3,352,083 |
| Restricted | 229,331 | 178,062 | - | - | 229,331 | 178,062 |
| Unrestricted | (84,273) | 140,911 | 1,427,152 | 1,563,348 | 1,342,879 | 1,704,259 |
| Total Net Position | \$ 1,343,342 | \$ 1,545,030 | \$ 3,625,693 | \$ 3,689,374 | \$ 4,969,035 | \$ 5,234,404 |

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which are assets that may be used to meet the Village's ongoing obligations to governmental agencies and creditors, is \$140,911 at March 31, 2024.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

The Village's total net position increased by \$265,369 during the year ended March 31, 2024. This increase is attributable to a decrease in long-term liabilities and an increase in current assets.

| VILLAGE OF MCCULLOM LAKE, ILLINOIS | | | | | | |
|---------------------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| Village of McCullom Lake's Change in Net Position | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 |
| Program Revenues | | | | | | |
| Charges for Service | \$59,221 | \$56,539 | \$292,906 | \$277,031 | \$352,127 | \$333,570 |
| Grants and Contributions | 457,018 | 67,973 | - | - | 457,018 | 67,973 |
| General Revenues | | | | | | |
| Taxes | 408,701 | 420,809 | - | - | 408,701 | 420,809 |
| Investment Income | 36 | 47 | 13,626 | 38,911 | 13,662 | 38,958 |
| Other Income | 38,219 | 46,607 | 1,400 | 1,630 | 39,619 | 48,237 |
| Total Revenues | 963,195 | \$591,975 | 307,932 | 317,572 | 1,271,127 | \$909,547 |
| Program Expenses | | | | | | |
| General Government | 177,171 | 121,005 | - | - | 177,171 | 121,005 |
| Transportation and | | | | | | |
| Public Works | 29,909 | 53,769 | - | - | 29,909 | 53,769 |
| Public Safety | 157,178 | 152,354 | - | - | 157,178 | 152,354 |
| Culture and Recreation | 18,332 | 21,034 | - | - | 18,332 | 21,034 |
| Development | 11,929 | 36,871 | - | - | 11,929 | 36,871 |
| Interest | 7,096 | 5,254 | - | - | 7,096 | 5,254 |
| Sewer | - | - | 255,184 | 253,891 | 255,184 | 253,891 |
| Total Expenses | 401,615 | 390,287 | 255,184 | 253,891 | 656,799 | 644,178 |
| Change in Net Position | 561,580 | 201,688 | 52,748 | 63,681 | 614,328 | 265,369 |
| Net Position, April 1 | 781,762 | 1,343,342 | 3,572,945 | 3,625,693 | 4,354,707 | 4,969,035 |
| Net Position, March 31 | <u>\$ 1,343,342</u> | <u>\$ 1,545,030</u> | <u>\$ 3,625,693</u> | <u>\$ 3,689,374</u> | <u>\$ 4,969,035</u> | <u>\$ 5,234,404</u> |

Governmental Activities

The current year's governmental activities increased the Village's net position by \$201,688. The Village did not receive a DCEO grant for road this fiscal year, significantly decreasing the grants and contribution revenues. The village received a PCB settlement from Monsanto company increasing other income for this fiscal year.

Business-Type Activities

Business-type activities increased the Village's net position by \$63,681. Interest rates increased and the Village started charging customers for credit card fees, in this fiscal year increasing the Illinois Fund's investment income.

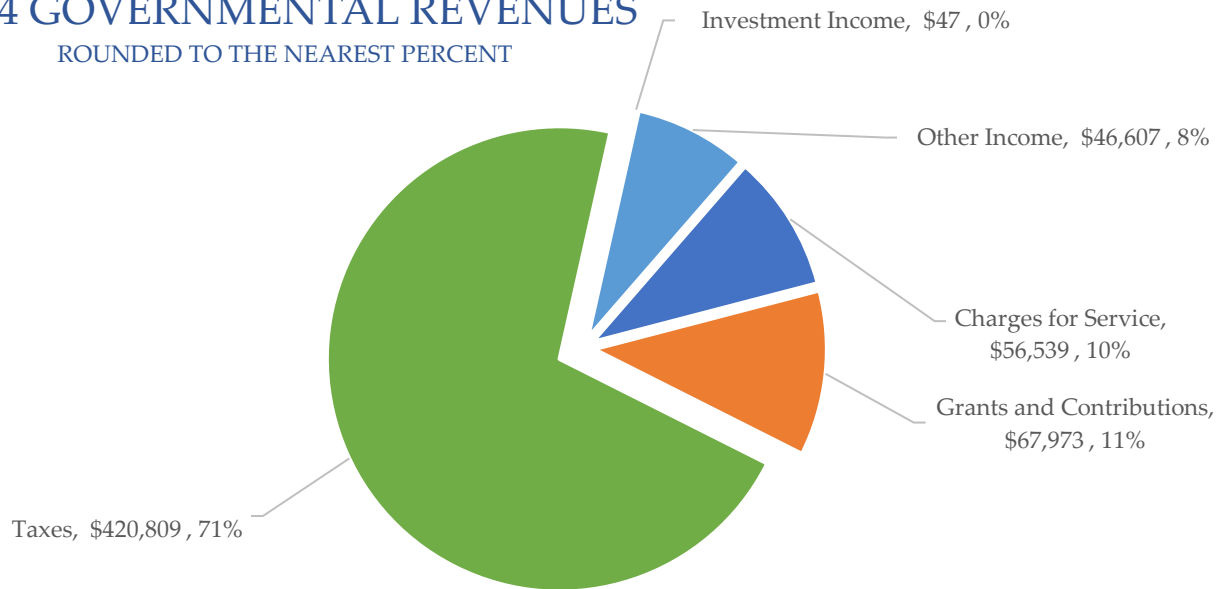
VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited

Year Ended March 31, 2024

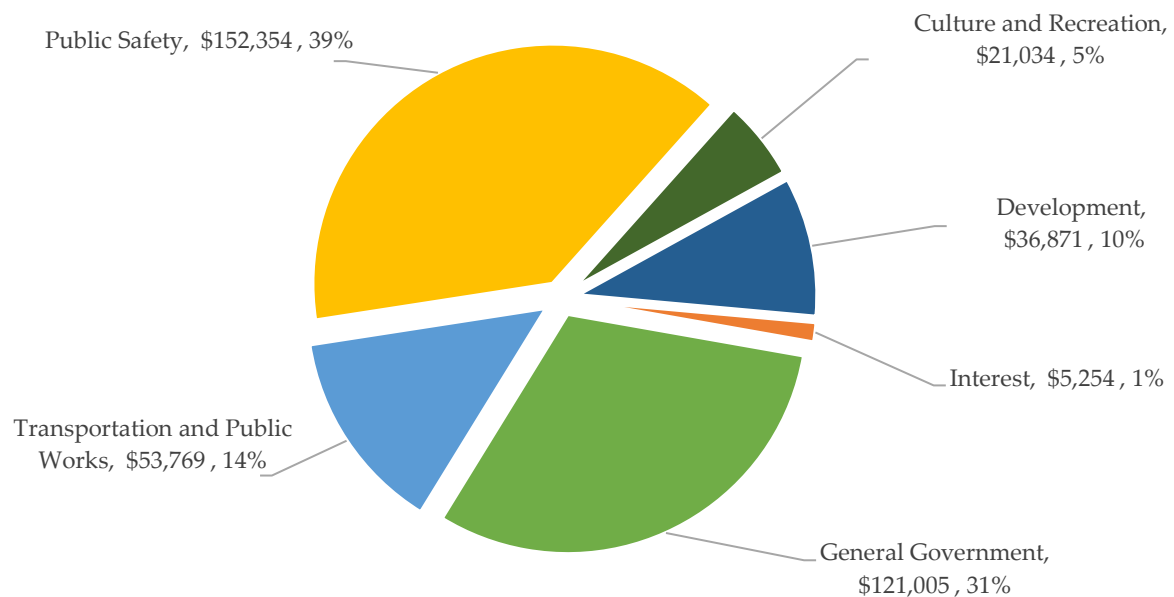
2024 GOVERNMENTAL REVENUES

ROUNDED TO THE NEAREST PERCENT



2024 GOVERNMENTAL EXPENSES

ROUNDED TO THE NEAREST PERCENT



VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds -

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

The General Fund is the chief operating fund of the Village. At March 31, 2024, unassigned fund balance of the General Fund was \$118,157. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures.

The fund balance of the Village's General Fund increased by \$225,080 during the year ended March 31, 2024.

The Motor Fuel Tax Fund has a total fund balance of \$178,062, all of which is restricted for road maintenance. The net increase in the fund balance during the year ended March 31, 2024 in the Motor Fuel Tax Fund was \$6,275.

The Debt Service Fund has a total fund balance of \$0. The Debt Service Fund closed into the General Fund therefore, the total Debt Service Fund balance is \$0.

Proprietary Funds -

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

Unrestricted net position of the Sewer Fund at March 31, 2024 amounted to \$1,563,348. The total increase in net position for the Sewer Fund was \$63,681. Other factors concerning the finances of this fund have already been addressed in the discussion of the Village's business-type activities.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

General Fund Budgetary Highlights -

The Village approved the budget and appropriations ordinance for the year ended March 31, 2024 on June 27, 2023.

Significant differences between appropriations and actual revenues and expenditures are summarized as follows:

- The General Fund actual revenues fell short of estimated revenues by \$531,978.
- The General Fund appropriated expenditures were less than actual expenditures by \$990,189 and was due to less than expected expenditures for salaries, repairs, and capital outlay.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business- type activities as of March 31, 2024 amount to \$3,665,083 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment, vehicles, and a sewerage collection system. The total decrease in the Villages' investment in capital assets for the year ended March 31, 2024 was \$24,779 of additions, less \$111,521 of depreciation. The factor in this decrease was the addition of assets being lower than depreciation expense. The Village's total net capital assets decreased by \$86,742.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

| | Village of McCullom Lake's Capital Assets (net of depreciation) | | | | | |
|----------------------------|-----------------------------------------------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 |
| Land | \$ 130,000 | \$ 130,000 | \$ - | \$ - | \$ 130,000 | \$ 130,000 |
| Buildings | 510,306 | 495,681 | - | - | 510,306 | 495,681 |
| Equipment | - | - | - | - | - | - |
| Vehicles | 36,895 | 33,111 | - | - | 36,895 | 33,111 |
| Land Improvements | 876,083 | 880,265 | - | - | 876,083 | 880,265 |
| Sewerage Collection System | - | - | 2,198,541 | 2,126,026 | 2,198,541 | 2,126,026 |
| Total | <u>\$ 1,553,284</u> | <u>\$ 1,539,057</u> | <u>\$ 2,198,541</u> | <u>\$ 2,126,026</u> | <u>\$ 3,751,825</u> | <u>\$ 3,665,083</u> |

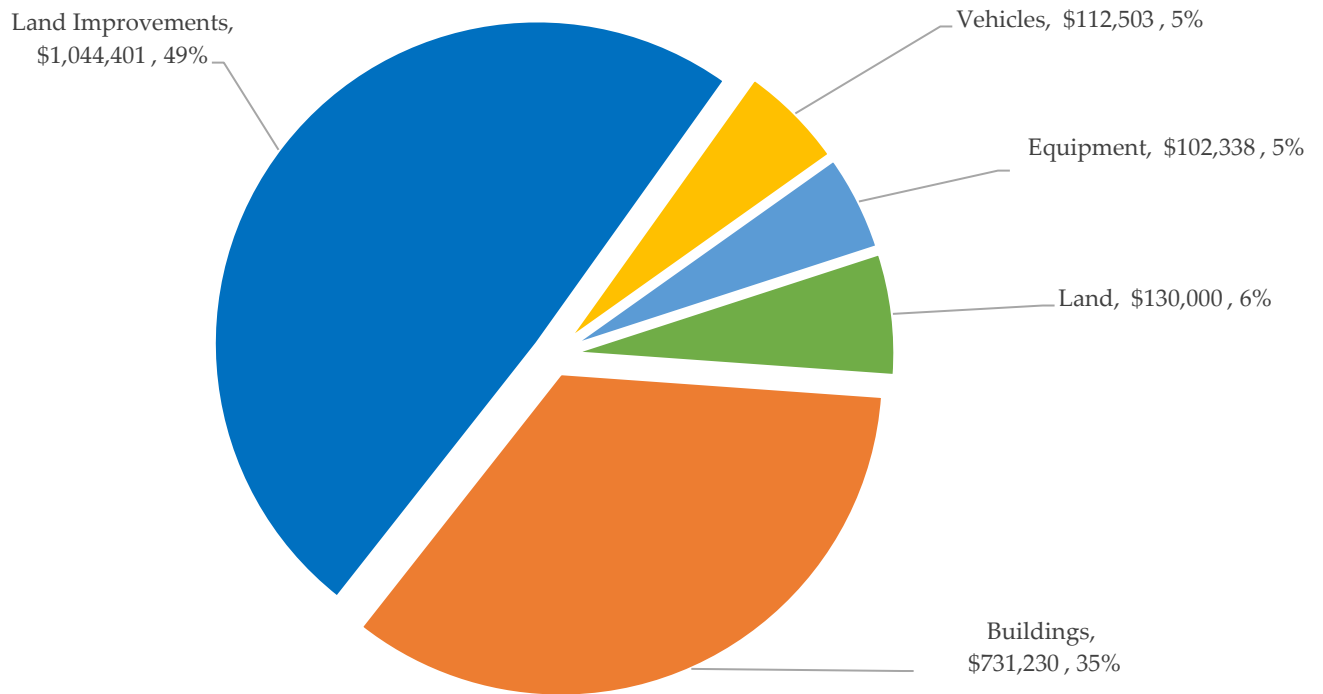
Additional information on the Village's capital assets can be found in Note 4 on page 33-34 of this report.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited

Year Ended March 31, 2024

2024 Governmental Activities Capital Assets (at cost)



VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited
Year Ended March 31, 2024

Long-Term Debt –

At March 31, 2024, the Village had total bonded debt outstanding of \$355,000.

| | Outstanding Debt | | | | | |
|--------------------------|--------------------------------------|-------------------|--------------------------|-------------|-------------------|-------------------|
| | General Obligation and Revenue Bonds | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 | 3/31/2023 | 3/31/2024 |
| General Obligation Bonds | | | | | | |
| GO Bonds Series 2021 | \$ 355,000 | \$ 313,000 | \$ - | \$ - | \$ 355,000 | \$ 313,000 |
| Total | <u>\$ 355,000</u> | <u>\$ 313,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 355,000</u> | <u>\$ 313,000</u> |

The Village's total debt decreased by \$42,000 (11.83%) for the year ended March 31, 2024.

Additional information on the Village's long-term debt can be found in Note 5 on page 34-35 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Assessed valuation for 2023 is \$22,099,266, an increase of \$1,507,737 (7.32%) over the 2022 assessed valuation.

This factor was considered in preparing the Village's budget for the 2024 fiscal year.

| Tax Year | 2023 | | 2022 | | 2021 | |
|--------------------|----------------|------------------|----------------|------------------|----------------|------------------|
| | McHenry County | | McHenry County | | McHenry County | |
| Assessed Valuation | 22,099,266 | | 20,591,529 | | 18,919,378 | |
| | Rate | Amount | Rate | Amount | Rate | Amount |
| Tax Extensions | | | | | | |
| General | 0.20467 | \$ 45,230 | 0.20921 | \$ 43,080 | 0.21726 | \$ 41,103 |
| Police Protection | 0.10233 | 22,615 | 0.10461 | 21,540 | 0.10791 | 20,415 |
| Revenue Recapture | 0.00132 | 291 | 0.00038 | 79 | 0.00615 | 1,164 |
| | <u>0.30832</u> | <u>68,136</u> | <u>0.31420</u> | <u>64,699</u> | <u>0.33132</u> | <u>62,682</u> |
| Road and Bridge | | <u>7,579</u> | | <u>8,784</u> | | <u>8,360</u> |
| Total Extension | | <u>\$ 75,715</u> | | <u>\$ 73,483</u> | | <u>\$ 71,042</u> |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Management's Discussion and Analysis – Unaudited

Year Ended March 31, 2024

This financial report is designed to provide our citizens, customers, investors and creditors with a general knowledge of the Village's finance 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:

Marilyn Shepit, Village President
Village of McCullom Lake
4811 W. Orchard Drive
McHenry, IL 60050

BASIC FINANCIAL STATEMENTS

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Government-wide Statement of Net Position

March 31, 2024

| | Primary Government | | Total |
|-------------------------------------------------------|--------------------|---------------|--------------|
| | Governmental | Business-Type | |
| | Activities | Activities | |
| Assets | | | |
| Current Assets | | | |
| Cash and Investments | \$ 677,173 | \$ 1,092,500 | \$ 1,769,673 |
| Accounts Receivable (Net of Allowance) | - | 39,498 | 39,498 |
| Intergovernmental Receivable | 56,806 | - | 56,806 |
| Property Tax Receivable | 75,715 | - | 75,715 |
| Internal Balances | (431,350) | 431,350 | - |
| Prepaid Expenses | 23,526 | - | 23,526 |
| Total Current Assets | 401,870 | 1,563,348 | 1,965,218 |
| Capital Assets | | | |
| Capital Assets Not being depreciated | 130,000 | - | 130,000 |
| Capital Assets Being Depreciated, Net of Depreciation | 1,409,057 | 2,126,026 | 3,535,083 |
| Total Capital Assets | 1,539,057 | 2,126,026 | 3,665,083 |
| Total Assets | 1,940,927 | 3,689,374 | 5,630,301 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | 6,119 | - | 6,119 |
| Accrued Interest | 772 | - | 772 |
| Other Liabilities | 291 | - | 291 |
| Bonds Payable - due within one year | 43,000 | - | 43,000 |
| Total Current Liabilities | 50,182 | - | 57,902 |
| Non-Current Liabilities | | | |
| Bonds Payable - due in more than one year | 270,000 | - | 270,000 |
| Total Noncurrent Liabilities | 270,000 | - | 270,000 |
| Total Liabilities | 320,182 | - | 327,902 |
| Deferred Inflows of Resources | | | |
| Property taxes | 75,715 | - | 75,715 |
| Total Deferred Inflows of Resources | 75,715 | - | 75,715 |
| Net Position | | | |
| Net Investment in Capital Assets | 1,226,057 | 2,126,026 | 3,352,083 |
| Restricted - Transportation and Public Works | 178,062 | - | 178,062 |
| Unrestricted | 140,911 | 1,563,348 | 1,704,259 |
| Total Net Position | \$ 1,545,030 | \$ 3,689,374 | \$ 5,234,404 |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Government-wide Statement of Activities

For the Year Ended March 31, 2024

| Functions/Programs | | Program Revenues | | | Net Revenue (Expense) and Changes in Net Position | | | |
|---------------------------------|-------------------|-------------------|-------------------------|------------------------------------------|------------------------------------------------------|----------------------------|-----------------------------|--------|
| | | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Totals |
| | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General Government | \$ 121,005 | \$ 25,098 | \$ 24,564 | \$ - | \$ (71,343) | \$ - | \$ (71,343) | |
| Transportation and Public Works | 53,769 | - | 43,409 | - | (10,360) | - | (10,360) | |
| Public Safety | 152,354 | 31,441 | - | - | (120,913) | - | (120,913) | |
| Culture and Recreation | 21,034 | - | - | - | (21,034) | - | (21,034) | |
| Development | 36,871 | - | - | - | (36,871) | - | (36,871) | |
| Interest | 5,254 | - | - | - | (5,254) | - | (5,254) | |
| Total Governmental Activities | 390,287 | 56,539 | 67,973 | - | (265,775) | - | (265,775) | |
| Business-Type Activities | | | | | | | | |
| Sewer | 253,891 | 277,031 | - | - | - | 23,140 | 23,140 | |
| Total Business-Type Activities | 253,891 | 277,031 | - | - | - | 23,140 | 23,140 | |
| | <u>\$ 644,178</u> | <u>\$ 333,570</u> | <u>\$ 67,973</u> | <u>\$ -</u> | <u>(265,775)</u> | <u>23,140</u> | <u>(242,635)</u> | |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| | | | | | 73,093 | - | 73,093 | |
| | | | | | 78,892 | - | 78,892 | |
| | | | | | 177,046 | - | 177,046 | |
| | | | | | 2,078 | - | 2,078 | |
| | | | | | 46,016 | - | 46,016 | |
| | | | | | 43,684 | - | 43,684 | |
| | | | | | 47 | 38,911 | 38,958 | |
| | | | | | 46,607 | 1,630 | 48,237 | |
| | | | | | 467,463 | 40,541 | 508,004 | |
| Total Revenues | | | | | | | | |
| Changes in Net Position | | | | | 201,688 | 63,681 | 265,369 | |
| Net Position, Beginning | | | | | 1,343,342 | 3,625,693 | 4,969,035 | |
| Total Net Position, Ending | | | | | \$ 1,545,030 | \$ 3,689,374 | \$ 5,234,404 | |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Governmental Fund Types - Balance Sheet

March 31, 2024

| | General Fund | Motor Fuel Tax Fund | Debt Service Fund | Total |
|-----------------------------------------------------------------|-------------------|------------------------|-------------------------|-------------------|
| Assets | | | | |
| Cash and Investments | \$ 502,340 | \$ 174,833 | \$ - | \$ 677,173 |
| Property Taxes Receivable | 75,715 | - | - | 75,715 |
| Other Governmental Receivables | 53,577 | 3,229 | - | 56,806 |
| Prepaid Expenses | 23,526 | - | - | 23,526 |
| Total Assets | 655,158 | 178,062 | - | 833,220 |
| Liabilities | | | | |
| Accounts Payable | 6,119 | - | - | 6,119 |
| Due to Other Funds | 431,350 | - | - | 431,350 |
| Other Liabilities | 291 | - | - | 291 |
| Total Liabilities | 437,760 | - | - | 437,760 |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 75,715 | - | - | 75,715 |
| Total Deferred Inflows of Resources | 75,715 | - | - | 75,715 |
| Fund Balance | | | | |
| Nonspendable | 23,526 | - | - | 23,526 |
| Restricted - Transportation | - | 178,062 | - | 178,062 |
| Unassigned | 118,157 | - | - | 118,157 |
| Total Fund Balance | 141,683 | 178,062 | - | 319,745 |
| Total Liabilities, Deferred Inflows and Fund Balance | \$ 655,158 | \$ 178,062 | \$ - | \$ 833,220 |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

March 31, 2024

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Total Fund Balances - Total Governmental Funds | \$ 319,745 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 1,539,057 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds | (313,000) |
| Accrued interest on long-term liabilities is shown as a liability on the statement of net position | (772) |
| Net Position of Governmental Activities | <u>\$ 1,545,030</u> |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Governmental Fund Type - Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended March 31, 2024

| | General | Motor Fuel Tax | Debt Service Fund | Total |
|----------------------------------------|-------------------|-------------------|----------------------|-------------------|
| Revenues | | | | |
| Property Tax | \$ 73,093 | \$ - | \$ - | \$ 73,093 |
| Sales and Use Tax | 78,892 | - | - | 78,892 |
| Income Tax | 177,046 | - | - | 177,046 |
| Utility Tax | 46,016 | - | - | 46,016 |
| Replacement Tax | 2,078 | - | - | 2,078 |
| Motor fuel Tax | - | 43,349 | - | 43,349 |
| Interest Income | 47 | - | - | 47 |
| Fines and Forfeitures | 25,098 | - | - | 25,098 |
| Other Tax | 43,684 | - | - | 43,684 |
| Vehicle Licenses | 17,081 | - | - | 17,081 |
| Other Licenses and Permits | 14,360 | - | - | 14,360 |
| Franchise Fees | 17,912 | - | - | 17,912 |
| Grants | 24,564 | - | - | 24,564 |
| Police Tow Fees | 2,000 | - | - | 2,000 |
| Rentals | 3,860 | - | - | 3,860 |
| Police Vehicle | 60 | - | - | 60 |
| Other | 22,835 | - | - | 22,835 |
| Total Revenues | 548,626 | 43,349 | - | 591,975 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 140,037 | - | - | 140,037 |
| Transportation and Public Works | 4,993 | 37,074 | - | 42,067 |
| Public Safety | 132,851 | - | - | 132,851 |
| Culture and Recreation | 19,084 | - | - | 19,084 |
| Development | 36,871 | - | - | 36,871 |
| Debt Service | 42,000 | - | - | 42,000 |
| Interest and Fees | 5,254 | - | - | 5,254 |
| Total Expenditures | 381,090 | 37,074 | - | 418,164 |
| Excess(Deficiency) of Revenues | | | | |
| Over/(Under) Expenditures | 167,536 | 6,275 | - | 173,811 |
| Transfers In/(Out) | 57,544 | - | (57,544) | - |
| Net Change in Fund Balance | 225,080 | 6,275 | (57,544) | 173,811 |
| Fund Balance | | | | |
| Fund Balance, Beginning of Year | (83,397) | 171,787 | 57,544 | 145,934 |
| Total Fund Balance, End of Year | \$ 141,683 | \$ 178,062 | \$ - | \$ 319,745 |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities

For the Year Ended March 31, 2024

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

| | |
|---------------------------------------------------------------|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 173,811 |
|---------------------------------------------------------------|-------------------|

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

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Governmental Funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities | 24,779 |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------|

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities | 42,000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

| | |
|---------------------------------------------------------------------------------------|-----|
| Accrual of interest is reported as interest expense on the statement of activities | 104 |
|---------------------------------------------------------------------------------------|-----|

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

| | |
|--------------------------------|----------|
| Depreciation of capital assets | (39,006) |
|--------------------------------|----------|

| | |
|-----------------------------------------------------------|-------------------|
| Changes in Net Position of Governmental Activities | \$ 201,688 |
|-----------------------------------------------------------|-------------------|

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Statement of Net Position - Proprietary Funds

March 31, 2024

| | Enterprise Fund Sewer |
|-------------------------------------------------|-----------------------------|
| Assets | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 1,092,500 |
| Receivables (Net of Allowances) | 39,498 |
| Due from Other Funds | 431,350 |
| Total Current Assets | 1,563,348 |
| Non-Current Assets: | |
| Capital Assets | |
| Sewer Collection System | 3,625,749 |
| Less: Accumulated Depreciation | (1,499,723) |
| Total Non-Current Assets | 2,126,026 |
| Total Assets | 3,689,374 |
| Liabilities | |
| Total Current Liabilities: | - |
| Total Liabilities | - |
| Net Position | |
| Invested in Capital Assets, Net of Related Debt | 2,126,026 |
| Restricted | - |
| Unrestricted | 1,563,348 |
| Total Net Position | 3,689,374 |
| Total Liabilities and Net Position | \$ 3,689,374 |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds

For the Year Ended March 31, 2024

| | Enterprise Fund Sewer |
|----------------------------------------------------|-----------------------------|
| Operating Revenues | |
| Charges for Sales and Services | \$ 277,031 |
| Total Operating Revenues | <u>277,031</u> |
| Operating Expenses: | |
| Sewer Department | |
| Personnel Services | 36,251 |
| Commodities | 457 |
| Other Expenses | 6,474 |
| Total Operating Expenses | <u>43,182</u> |
| Operating Income/(Loss) Before Depreciation | 233,849 |
| Depreciation | <u>72,515</u> |
| Operating Income/ (Loss) | 161,334 |
| Non-Operating Revenues/ (Expenses) | |
| Interest Income | 38,911 |
| Miscellaneous Revenue | 1,630 |
| Capital Development Fees Paid | (138,194) |
| Total Non-Operating Revenues/ (Expenses) | <u>(97,653)</u> |
| Change in Net Position | 63,681 |
| Net Position - Beginning of Year | <u>3,625,693</u> |
| Net Position - End of Year | <u><u>\$ 3,689,374</u></u> |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Statement of Cash Flows - Proprietary Funds

For the Year Ended March 31, 2024

| | Enterprise Fund Sewer |
|------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers | \$ 296,053 |
| Payments to Suppliers for Goods and Services | (457) |
| Payments to Employees for Services | (36,251) |
| Payments for Other Operating Expenses | (6,474) |
| Net Cash Provided/ (Used) by Operating Activities | 252,871 |
| Cash Flows from Non-Capital Financing Activities | |
| Internal Activity - Payments from Other Funds | 208,344 |
| Net Cash Provided/ (Used) by Non-Capital Financing-Activities | 208,344 |
| Cash Flows from Capital and Related Financing Activities | |
| Capital Development Fees Paid | (138,194) |
| Other Receipts/ (Payments) | 1,630 |
| Net Cash Provided/ (Used) by Capital and Related Financing Activities | (136,564) |
| Cash Flows from Investing Activities | |
| Interest on Cash and Cash Equivalents | 38,911 |
| Net Cash Provided/ (Used) by Investing Activities | 38,911 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | 363,562 |
| Cash and Cash Equivalents Balance - Beginning of Year | 728,938 |
| Cash and Cash Equivalents Balance - End of Year | <u><u>\$ 1,092,500</u></u> |
| Reconciliation of Operating Income/ (Loss) to Net Cash Provided/ (Used) by Operating Activities | |
| Operating Income/ (Loss) | \$ 161,334 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | |
| Depreciation Expense | 72,515 |
| Changes in Assets and Liabilities: | |
| (Increase) decrease in accounts receivable, net | 29,303 |
| Increase (decrease) in allowance for doubtful accounts | (2,639) |
| Increase (decrease) in unearned revenue | (7,642) |
| Net Cash Provided by Operating Activities | <u><u>\$ 252,871</u></u> |

NOTES TO THE BASIC
FINANCIAL STATEMENTS

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of McCullom Lake (Village), as reflected in the accompanying financial statements for the year ended March 31, 2024, conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village are discussed below:

Reporting Entity: The accompanying financial statements comply with the provisions of GASB Statement No. 14, The Financial Reporting Entity as amended by GASB 61, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the Village. Using these criteria, the Village has determined that they have no component units. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

Basic Financial Statements – Government-Wide Statements: The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, transportation and public works, public safety, culture and recreation, and development services are classified as governmental activities. The Village's sewer services are classified as business-type activities.

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

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (transportation and public works, public safety, culture and recreation, etc.) or a business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Village did not have any capital grants during the year ended March 31, 2024.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, grants and contributions not restricted to specific activities, unrestricted investment earning, etc.).

The Village does not allocate indirect costs.

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

Basic Financial Statements – Fund Financial Statements: The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively made all funds major funds.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic Financial Statements – Fund Financial Statements

Governmental Funds

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

- a. The General Fund is the Village's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Motor Fuel Tax Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for maintenance of village roadways.
- c. The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal, interest, and related fees on general long-term debt.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

Proprietary Fund Types

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

Enterprise Funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. The Village has no fiduciary funds at March 31, 2024.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic Financial Statements – Fund Financial Statements (continued)

Basis of Accounting:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund (if applicable) financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, which is recognized when due and payable.

The Village reports deferred inflows of resources on its governmental fund Balance Sheet. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. At March 31, 2024 the Village has \$75,715 of deferred inflows of resources from property taxes.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and Revenues Recognition:

Property taxes receivable are recognized at the time they are levied.

Substantially all other shared revenue is recorded during the period when received by the collecting authority, the State of Illinois.

Income from investments, bank accounts, and unbilled usage receivables are recognized when earned. License and permits, fines and forfeits, fees and refund, charges for services (other than enterprise funds), miscellaneous and other revenues are recorded as revenues when received in cash as they are generally not measurable until actually received.

Cash and Cash Equivalents:

Cash and Cash Equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and Investment Accounts:

Separate bank accounts are not maintained for all Village funds. Instead, the funds maintain their uninvested cash balances in a common bank account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds and are, therefore, interfund loans which have not been authorized by Village Board action.

The Village had cash balances of \$1,769,673 and bank balances of \$1,773,649 as of March 31, 2024, of which \$250,000 is FDIC covered, \$712,294 is collateralized, \$0 is un-collateralized, and \$811,355 is held in Illinois Funds.

Inventories:

It is the Village's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity:

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

Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

| | |
|------------------------------------|-------------|
| Building and Building Improvements | 20-25 years |
| Equipment | 5-30 years |
| Vehicles | 10 years |
| Land Improvements | 50 years |
| Sewerage Collection System | 50 years |

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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations (continued)

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

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial 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. The Village has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial 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 has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Government-Wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net position are divided into three components:

- Net investment in capital assets consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position—consist of net position that are restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net positions are reported in this category.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Balances:

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. Committed fund balance is constrained by formal actions of the Village's Board, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Administrator. Any residual fund balance of the General Fund is reported as unassigned.

Defining Operating Revenues and Expenses:

The Village's proprietary fund distinguished between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Village's sewer fund consists of charges for service (including permit fees) and the costs for providing those services, including depreciation and excluding interest costs. All other revenues and expenses are reported as nonoperating.

Property Tax Calendar and Revenues:

The Village is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on January 1 of each year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in June and early in September. The Village receives significant distributions of tax receipts within one month after these dates. Property taxes receivable and deferred inflow of resources recorded in these financial statements are from the 2023 tax levy. The deferred inflow of resources is 100% of the 2023 levy, less allowance. These taxes are deferred as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2024. The Village has determined that 100% of the amount collected for the 2022 levy is allocable for use in fiscal year 2024. Therefore, 100% of the amounts collected for the 2022 levy (\$73,093) are recorded in these financial statements as property taxes revenue.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 2 – PROPERTY TAXES

The 2023 levy was passed by the board on November 28, 2023. A summary of the assessed valuations, rates and extensions for the year 2023, 2022, and 2021 follows:

VILLAGE OF MCCULLOM LAKE, ILLINOIS

| Tax Year | 2023 | | 2022 | | 2021 | |
|----------------------|--------|------------|--------|------------|--------|------------|
| Assessed Valuation | \$ | 22,099,266 | \$ | 20,591,529 | \$ | 18,919,378 |
| Rates and Extensions | | | | | | |
| General | 0.2047 | \$ 45,230 | 0.2092 | \$ 43,080 | 0.2173 | \$ 41,103 |
| Police | 0.1023 | 22,615 | 0.1046 | 21,540 | 0.1079 | 20,415 |
| Bond - 2016 | 0.0000 | - | 0.0000 | - | 0.0000 | - |
| Bond - 2021 | 0.0000 | - | 0.0000 | - | 0.0000 | - |
| Revenue Recapture | 0.0013 | 291 | 0.0004 | 79 | 0.0062 | 1,164 |
| | 0.3083 | \$ 68,136 | 0.3142 | \$ 64,699 | 0.3314 | \$ 62,682 |
| Road and Bridge | - | \$ 7,579 | - | \$ 8,784 | - | \$ 8,360 |

NOTE 3 – DEPOSITS AND INVESTMENTS

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Article 2 and 6.

Investments

As of March 31, 2024, the Village had the following investments and maturities:

VILLAGE OF MCCULLOM LAKE, ILLINOIS

| Investment | Fair Value | Investment Maturity (in Years) | | | |
|-----------------------|------------|--------------------------------|------|------|--------------|
| | | Less Than 1 | 1-5 | 5-10 | More than 10 |
| Money Market | \$ 174,835 | \$ 174,835 | \$ - | \$ - | \$ - |
| State Investment Pool | 811,355 | 811,355 | - | - | - |
| Total | \$ 986,190 | \$ 986,190 | \$ - | \$ - | \$ - |

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does have regulatory oversight through the State of Illinois.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. The Village's investment policy requires diversification of its investments by type of investment, number of institutions invested in, and length of maturity. Unless matched to specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase.

Credit Risk. State law limits investments based on credit risk. The Village's investment policy calls on the Chief Financial Officer to maintain a list of approved security brokers/dealers selected by credit worthiness. Any financial institution, upon meeting the requirements of the Illinois Compiled Statutes, is eligible to be included on the list. As of March 31, 2024, the Village's investments were rated as follows:

| <u>Investment</u> | <u>Credit Rating</u> | <u>Rating Source</u> |
|-----------------------|----------------------|----------------------|
| State Investment Pool | AAAm | Standard and Poor's |

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2024 was as follows:

| | <u>April 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>March 31, 2024</u> |
|----------------------------------------------|----------------------|--------------------|------------------|-----------------------|
| Governmental Activities | | | | |
| Capital Assets not being depreciated | | | | |
| Land | \$ 130,000 | \$ - | \$ - | \$ 130,000 |
| Total Capital Assets not being depreciated | <u>130,000</u> | <u>-</u> | <u>-</u> | <u>130,000</u> |
| Capital Assets Being Depreciated | | | | |
| Buildings | 731,230 | - | - | 731,230 |
| Equipment | 102,338 | - | - | 102,338 |
| Vehicles | 112,503 | - | - | 112,503 |
| Land Improvements | 1,019,622 | 24,779 | - | 1,044,401 |
| Total Capital Assets Being Depreciated | <u>1,965,693</u> | <u>24,779</u> | <u>-</u> | <u>1,990,472</u> |
| Total Capital Assets | <u>2,095,693</u> | <u>24,779</u> | <u>-</u> | <u>2,120,472</u> |
| Less Accumulated Depreciation for | | | | |
| Buildings | 220,924 | 14,625 | - | 235,549 |
| Equipment | 102,338 | - | - | 102,338 |
| Vehicles | 75,608 | 3,784 | - | 79,392 |
| Land Improvements | 143,539 | 20,597 | - | 164,136 |
| Total Accumulated Depreciation | <u>542,409</u> | <u>39,006</u> | <u>-</u> | <u>581,415</u> |
| Total Capital Assets, Being Depreciated, Net | <u>1,423,284</u> | <u>(14,227)</u> | <u>-</u> | <u>1,409,057</u> |
| Total Capital Assets, Net | <u>\$ 1,553,284</u> | <u>\$ (14,227)</u> | <u>\$ -</u> | <u>\$ 1,539,057</u> |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 4 - CAPITAL ASSETS (continued)

| Business-Type Activities | April 1, 2023 | Increases | Decreases | March 31, 2024 |
|-----------------------------------------------------------|----------------------|------------------|------------------|-----------------------|
| Capital Assets Being Depreciated | | | | |
| Sewerage Collection System | \$ 3,625,749 | \$ - | \$ - | \$ 3,625,749 |
| Total Capital Assets | 3,625,749 | - | - | 3,625,749 |
| Less: Accumulated Depreciation for | | | | |
| Sewerage Collection System | 1,427,208 | 72,515 | - | 1,499,723 |
| Total Accumulated Depreciation | 1,427,208 | 72,515 | - | 1,499,723 |
| Business-Type Activities Capital Assets, Net | \$ 2,198,541 | \$ (72,515) | \$ - | \$ 2,126,026 |
| Depreciation expense is allocated by function as follows: | | | | |
| Government Activities: | | | | |
| General Government | | \$ 5,851 | | |
| Transportation and Public Works | | 11,702 | | |
| Public Safety | | 19,503 | | |
| Culture and Recreation | | 1,950 | | |
| Total Government Activities Depreciation Expense | | \$ 39,006 | | |
| Business-Type Activities: | | | | |
| Sewer | | 72,515 | | |
| Total Business-Type Activities | | \$ 72,515 | | |

NOTE 5 – LONG-TERM ACTIVITY

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

| | Balance | | | Balance | Amounts Due |
|--------------------------------|----------------------|------------------|--------------------|-----------------------|------------------------|
| | April 1, 2023 | Additions | Retirements | March 31, 2024 | Within One Year |
| Governmental Activities | | | | | |
| Bonds Payable | | | | | |
| GO Bond Series 2021 | \$ 355,000 | \$ - | \$ 42,000 | \$ 313,000 | \$ 43,000 |
| Governmental Activities | | | | | |
| Long-Term Liabilities | \$ 355,000 | \$ - | \$ 42,000 | \$ 313,000 | \$ 43,000 |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended March 31, 2024

NOTE 5 – LONG-TERM ACTIVITY (continued)

Payments on the bonds payable that pertain to the Village's governmental activities are made by the General Fund.

On September 24, 2021 the Village issued \$395,000 refunding General Obligation Bonds (Alternate Revenue Source). Interest is due at a rate of 1.480% payable on each June 1 and December 1. The bond matures in December 2030. This bond was used to payoff G.O. Bonds Series 2011.

At March 31, 2024, the annual debt service requirements to service the Alternate Revenue Bonds were:

| Year Ending March 31 | Principal | Interest | Total |
|----------------------|-------------------|------------------|-------------------|
| 2025 | \$ 43,000 | \$ 4,632 | \$ 47,632 |
| 2026 | 43,000 | 3,996 | 46,996 |
| 2027 | 44,000 | 3,360 | 47,360 |
| 2028 | 45,000 | 2,708 | 47,708 |
| 2029 | 45,000 | 2,042 | 47,042 |
| 2030 | 46,000 | 1,376 | 47,376 |
| 2031 | 47,000 | 696 | 47,696 |
| | <u>\$ 313,000</u> | <u>\$ 18,811</u> | <u>\$ 331,811</u> |

NOTE 6 – SHORT-TERM DEBT ACTIVITY

The amount borrowed by the Village at March 31, 2024 is \$0.

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Interfund balances at March 31, 2024 consisted of the following: The General Fund borrowed \$431,350 from the sewer fund, which is anticipated to be repaid within one year.

All interfund balances resulted from a time lag between the dates that (1) revenue was collected and remitted to appropriate funds and (2) expenditures were incurred and reimbursed between funds.

The debt service fund transferred its residual fund balance of \$57,544 to the general fund for operating purposes.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2022

NOTE 8 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no funds that expenditures exceeded the appropriations at March 31, 2024.

NOTE 9 – DEFICIT FUND BALANCE

There were no funds with a deficit fund balance at March 31, 2024.

NOTE 10 – CONTINGENCIES

The Village is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 11 – RISK MANAGEMENT

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

The Village is a member of the Illinois Municipal League Risk Management Association (IMLRMA), a joint risk management pool of local governmental units through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Village and IMLRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Village is contractually obligated to make all annual and supplementary contributions for IMLRMA, to report claims on a timely basis, cooperate with IMLRMA. Members have a contractual obligation to fund any deficit of IMLRMA attributable to a membership year during which they were a member.

IMLRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. IMLRMA also provides its members with risk management services, including the defense and settlement of claims, and established reasonable and necessary loss of reduction and prevention procedures to be followed by the members. There have been no reductions in insurance coverage from the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

During the year ended March 31, 2024, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The Village is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended March 31, 2024, there were no significant adjustments in premiums based on actual experience.

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Notes to The Basic Financial Statements

Year Ended April 30, 2022

NOTE 12 – INTERGOVERNMENTAL AGREEMENT

The Village entered into an intergovernmental agreement with the City of McHenry (City). This agreement allows for the discharge of the wastewater collected by the Village's sewerage collection system into the City's wastewater treatment system. In exchange, the Village is required to pay sewer usage fees for each sewer user within the permitted service area of the Village. These fees are based on the City's ordinances for resident sanitary sewer users. In addition to the user charges, the Village must also pay the City for connections to the City's interceptor sewer based on the City's water and sewer capital development fee ordinance.

NOTE 13 – RESTRICTED NET POSITION

The following amounts are restricted net position balances at March 31, 2024:

| Restricted For: | Restricted Net Position |
|-------------------------|------------------------------------|
| Governmental Activities | |
| Transportation | \$ 178,062 |

NOTE 14 – SUBSEQUENT EVENTS

There have been no recognized or non-recognized subsequent events that have occurred between March 31, 2024 and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MCCULLOM LAKE, ILLINOIS

General Fund - Statement of Revenues and Expenditures - Actual and Appropriations

For the Year Ended March 31, 2024

| | Appropriations | | Actual |
|----------------------------|--------------------|--------------------|--------------------|
| | Original | Final | Amounts |
| Revenues | | | |
| Local Taxes | | | |
| Property Tax | \$ 78,071 | \$ 78,071 | \$ 73,093 |
| Intergovernmental | | | |
| Sales & Use Tax | 86,929 | 86,929 | 78,892 |
| State Income Tax | 177,456 | 177,456 | 177,046 |
| State Replacement Tax | 2,996 | 2,996 | 2,078 |
| Other Local Sources | | | |
| Utility Tax | 62,063 | 62,063 | 46,016 |
| Other Tax | 46,047 | 46,047 | 43,684 |
| Vehicle Licenses | 18,335 | 18,335 | 17,081 |
| Other Licenses and Permits | 16,274 | 16,274 | 14,360 |
| Fines and Forfeitures | 30,534 | 30,534 | 25,098 |
| Franchise Fees | 21,247 | 21,247 | 17,912 |
| Police Tow Fees | 2,750 | 2,750 | 2,000 |
| Interest | 6 | 6 | 47 |
| Rentals | 4,791 | 4,791 | 3,860 |
| Police Vehicle | - | - | 60 |
| Miscellaneous | | | |
| Grants | 530,445 | 530,445 | 24,564 |
| Other | 2,661 | 2,661 | 22,835 |
| Total Revenues | 1,080,604 | 1,080,604 | 548,626 |

Expenditures

| | | | |
|------------------------|---------|---------|--------|
| Current | | | |
| General Government | | | |
| Personnel Salaries | 108,582 | 108,582 | 39,030 |
| FICA Contribution | 8,695 | 8,695 | 5,373 |
| Dues and Subscriptions | 1,582 | 1,582 | 398 |
| Administration | 2,434 | 2,434 | 1,256 |
| Computer Maintenance | 4,260 | 4,260 | 6,234 |
| Repairs | 427 | 427 | - |

continued

VILLAGE OF MCCULLOM LAKE, ILLINOIS

General Fund - Statement of Revenues and Expenditures - Actual and Appropriations

For the Year Ended March 31, 2024

| Expenditures General Government (Continued) | Appropriations | | Actual Amounts |
|------------------------------------------------|----------------|-----------|-------------------|
| | Original | Final | |
| Insurance | \$ 36,517 | \$ 36,517 | \$ 31,101 |
| Legal and Professional Fees | 72,426 | 72,426 | 41,082 |
| Printing and Publishing | 788 | 788 | 213 |
| Equipment Rental | 487 | 487 | 123 |
| Engineering Fees | 243 | 243 | 6,772 |
| Telephone | 3,652 | 3,652 | 2,666 |
| Utilities | 365 | 365 | - |
| Supplies | 6,695 | 6,695 | 5,123 |
| Code and Ordinance Preparation | 974 | 974 | - |
| Bank Charges | 6,086 | 6,086 | 666 |
| Miscellaneous | 8,642 | 8,642 | - |
| Total General Government | 262,856 | 262,856 | 140,037 |
| | | | |
| Transportation & Public Works | | | |
| Personnel Salaries | 33,318 | 33,318 | 4,638 |
| Social Security Contribution | 1,339 | 1,339 | 355 |
| Repairs and Maintenance | 609 | 609 | - |
| Supplies | 609 | 609 | - |
| Miscellaneous | 122 | 122 | - |
| Total Transportation & Public Works | 35,995 | 35,995 | 4,993 |
| | | | |
| Public Safety | | | |
| Personnel Salaries | 245,457 | 245,457 | 88,617 |
| Social Security Contribution | 21,910 | 21,910 | 6,797 |
| Training | 4,260 | 4,260 | 2,030 |
| Dispatch Services | 43,763 | 43,763 | 16,625 |
| Telephone | 2,678 | 2,678 | 588 |
| Supplies | 39,683 | 39,683 | 9,234 |
| Repairs | 10,286 | 10,286 | 4,944 |
| Dues and Subscriptions | 1,217 | 1,217 | 60 |

continued

VILLAGE OF MCCULLOM LAKE, ILLINOIS

General Fund - Statement of Revenues and Expenditures - Actual and Appropriations

For the Year Ended March 31, 2024

| Expenditures Public Safety (Continued) | Appropriations | | Actual Amounts |
|-------------------------------------------|----------------|-----------|-------------------|
| | Original | Final | |
| Legal and Professional Fees | \$ 14,462 | \$ 14,462 | \$ 2,500 |
| Miscellaneous | 4,627 | 4,627 | 1,456 |
| Total Public Safety | 388,343 | 388,343 | 132,851 |
| Culture and Recreation | | | |
| Personnel Salaries | 31,300 | 31,300 | 17,144 |
| Health Insurance | 4,869 | 4,869 | - |
| Social Security Contribution | 2,861 | 2,861 | 1,454 |
| Utilities | 11,013 | 11,013 | - |
| Supplies | 3,287 | 3,287 | 486 |
| Repairs | 2,618 | 2,618 | - |
| Road Grants | 425,000 | 425,000 | - |
| Miscellaneous | 1,704 | 1,704 | - |
| Total Culture and Recreation | 482,652 | 482,652 | 19,084 |
| Development | | | |
| Personnel Salaries | 26,779 | 26,779 | 6,299 |
| Social Security Contribution | 3,652 | 3,652 | 480 |
| Utilities | 1,157 | 1,157 | 860 |
| Supplies | 3,348 | 3,348 | 284 |
| Tree Maintenance | 2,434 | 2,434 | 110 |
| Lawn and Beach Maintenance | 4,869 | 4,869 | 27,630 |
| Repairs | 1,826 | 1,826 | 1,208 |
| Grants | 30,000 | 30,000 | - |
| Miscellaneous | 2,069 | 2,069 | - |
| Total Development | 76,135 | 76,135 | 36,871 |
| Capital Outlay | | | |
| Public Safety | 69,139 | 69,139 | - |
| Development | 1,217 | 1,217 | - |
| Total Capital Outlay | 70,356 | 70,356 | - |

continued

VILLAGE OF MCCULLOM LAKE, ILLINOIS

General Fund - Statement of Revenues and Expenditures - Actual and Appropriations

For the Year Ended March 31, 2024

| Expenditures | Appropriations | | Actual Amounts |
|------------------------------------|----------------|---------------|-------------------|
| | Original | Final | |
| Debt Service | | | |
| Principal Payment | \$ 47,632 | \$ 47,632 | \$ 42,000 |
| Interest and Fees | 7,309 | 7,309 | 5,254 |
| Total Debt Service | 54,942 | 54,942 | 47,254 |
| Total Expenditures | 1,371,279 | 1,371,279 | 381,090 |
| Excess or (Deficiency) of Revenues | | | |
| Over Expenditures | (290,675) | (290,675) | 167,536 |
| Other Financing Sources/(Uses) | | | |
| Transfers In/(out) | - | - | 57,544 |
| Net Change in Fund Balance | \$ (290,675) | \$ (290,675) | 225,080 |
| Fund Balance - Beginning | | | (83,397) |
| Fund Balance - Ending | | | \$ 141,683 |
| | | | <i>concluded</i> |

VILLAGE OF MCCULLOM LAKE, ILLINOIS

Special Revenue Fund - Motor Fuel Tax - Statement of Revenues and Expenditures - Actual and Appropriations

For the Year Ended March 31, 2024

| | Appropriations | | Actual |
|------------------------------------|----------------|--------------|------------|
| | Original | Final | Amounts |
| REVENUES | | | |
| Intergovernmental | | | |
| State Motor Fuel Tax | \$ 44,022 | \$ 44,022 | \$ 43,349 |
| Total Revenues | 44,022 | 44,022 | 43,349 |
| EXPENDITURES | | | |
| Current | | | |
| Transportation and Public Works | | | |
| Street Repairs | 28,982 | 28,982 | - |
| Maintenance Service - Snow Removal | 33,765 | 33,765 | - |
| Supplies - Streets | 4,057 | 4,057 | 7,588 |
| Supplies - Snow Removal | 11,013 | 11,013 | 12,838 |
| Road/Tree Maintenance | 21,042 | 21,042 | 16,648 |
| Other Improvements - RBI Funds | 50,000 | 50,000 | - |
| Total Expenditures | 148,860 | 148,860 | 37,074 |
| Net Change in Fund Balance | \$ (104,839) | \$ (104,839) | 6,275 |
| Fund Balance - Beginning | | | 171,787 |
| Fund Balance - Ending | | | \$ 178,062 |

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF MCCULLOM LAKE, ILLINOIS

*Notes to Required Supplementary Information -
Year Ended March 31, 2024*

NOTE 1 - BUDGETARY INFORMATION

Appropriations are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds. All annual appropriations lapse at fiscal year end.

Appropriated expenditures are controlled at the departmental level with the Village President's oversight. All transfers and any revisions that change the total expenditures not contemplated of any fund must be approved by the Board of Trustees. All appropriation amendments must be approved by the Board of Trustees.

The appropriations ordinance was approved on June 27, 2023.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At March 31, 2024, none of the fund expenditures exceeded the appropriations ordinance.