Village of Bartonville

Bartonville, Illinois

Annual Financial Report

For the Fiscal Year Ended

April 30, 2023

VILLAGE OF BARTONVILLE
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APRIL 30, 2023

Gorenz and Associates, Ltd.
Certified Public Accountants

Russell J. Rumbold II, CPA *Jason A. Hohulin, CPA*
Cory S. Cowan, CPA *Kyle P. Hendrickson, CPA*

Independent Auditor's Report

Members of the Village Board
Village of Bartonville
Bartonville, Illinois

Qualified and Unmodified Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bartonville, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Bartonville, Illinois' basic financial statements as listed in the table of contents.

Qualified Opinion on the Aggregate Remaining Fund Information

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the aggregate remaining fund information of the Village of Bartonville, Illinois, as of April 30, 2023, and the changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note #1.

Unmodified Opinions on Governmental Activities and Each Major Fund

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 and each major fund of the Village of Bartonville, Illinois, as of April 30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note #1.

Basis for Qualified and Unmodified 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 of Bartonville, 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on the Aggregate Remaining Fund Information

Management has elected not to obtain actuarial valuations in compliance with Governmental Accounting Standards Board Statement (GASB) 67 *Financial Reporting for Pension Plans* or GASB 68 *Accounting and Financial Reporting for Pensions* for the Police Pension Trust Fund, accordingly these financial statements do not include all the required disclosures and supplemental schedules. The amount by which this departure would affect the disclosures and supplemental schedules has not been determined.

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 error or fraud.

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 judgement 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 Bartonville, 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 Bartonville, 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.

Gorenz and Associates, Ltd.
Peoria, Illinois
February 2, 2024

Exhibit A

VILLAGE OF BARTONVILLE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2023

		Governmental Activities
Assets:		
Current Assets:		
Cash and Cash Equivalents	6,359,408	
Investments	485,798	
Total Current Assets		6,845,206
Noncurrent Assets:		
Loan Receivable, Net of Allowance		20,000
Capital Assets:		
Depreciable Capital Assets, net of Accumulated Depreciation		7,674,055
Construction in Progress		668,991
Total Assets		15,208,252
Liabilities:		
Current Liabilities:		
Bond Performance Payable	15,000	
Loan Payable	24,195	
Total Current Liabilities		39,195
Noncurrent Liabilities, net of current portion:		
Loan Payable		454,560
Total Liabilities		493,755
Net Position:		
Invested in Capital Assets, Net of Related Debt		7,864,291
Restricted for:		
Highways and Streets	720,483	
Illinois Municipal Retirement Fund	128,143	
Community Development	100,134	
Social Security	16,316	
Fire Protection	35,442	
Total Restricted		1,000,518
Unrestricted		5,849,688
Total Net Position		14,714,497

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

		Program Revenue			
Functions/Programs	Expenditures Disbursed	Charges for Services	Operating Grants and Contributions	Capital Grants	Total Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	1,273,973	311,197	44,178	-	(918,598)
Public Safety	2,273,701	180,109	188,655	-	(1,904,937)
Public Works and Transportation	1,543,130	150,970	185,910	71,077	(1,135,173)
Culture and Recreation	131,788	1,710	6,379	-	(123,699)
Development	2,396	-	-	-	(2,396)
Interest on Long-Term Debt	17,843	-	-	-	(17,843)
Total Governmental Activities	5,242,831	643,986	425,122	71,077	(4,102,646)

General Revenues:	
Taxes	
Property Taxes	1,423,455
Local Sales Taxes	981,322
State Motor Fuel Taxes	250,382
Intergovernmental	
Income Taxes	960,584
Use Taxes	242,082
Video Gaming Taxes	258,738
Sales Taxes	1,220,948
Cannabis Tax	9,360
Replacement Taxes	227,032
Franchise & Excise Taxes	68,087
Other State and Municipal Taxes	28,050
Investment Earnings	95,469
Disposition of Capital Assets	27,800
Miscellaneous	28,451
Total General Revenues	5,821,760
Change in Net Position	1,719,114
Net Position - Beginning	12,995,383
Net Position - Ending	14,714,497

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	General Fund	Motor Fuel Tax Fund	IMRF Fund	TIF Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	5,456,594	720,483	128,143	54,188	6,359,408
Investments	439,080	-	-	46,718	485,798
Loan Receivable, Net of Allowance	-	-	-	20,000	20,000
Due from TIF Fund	20,772	-	-	-	20,772
Total Assets	5,916,446	720,483	128,143	120,906	6,885,978
Liabilities and Fund Balance:					
Liabilities:					
Due to General Fund	-	-	-	20,772	20,772
Bond Performance Payable	15,000	-	-	-	15,000
Total Liabilities	15,000	-	-	20,772	35,772
Fund Balances:					
Nonspendable	-	-	-	20,000	20,000
Restricted	51,758	720,483	128,143	80,134	980,518
Unassigned	5,849,688	-	-	-	5,849,688
Total Fund Balances	5,901,446	720,483	128,143	100,134	6,850,206
Total Liabilities and Fund Balances	5,916,446	720,483	128,143	120,906	6,885,978

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE
RECONCILIATION OF THE STATEMENT OF ASSETS,
LIABILITIES, AND FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2023

Total fund balances for governmental funds (Exhibit C)	6,850,206
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities of $15,028,785, net of accumulated depreciation of $6,685,739, are not financial resources and, therefore, are not reported in the funds	8,343,046
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	(478,755)
Net Position of Governmental Activities (Exhibit A)	14,714,497

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	General Fund	Motor Fuel Tax Fund	IMRF Fund	TIF Fund	Total Governmental Funds
Cash Receipts:					
Taxes:					
Property Taxes	1,286,393	-	137,062	-	1,423,455
Local Sales Taxes	981,322	-	-	-	981,322
State Motor Fuel Taxes	-	250,382	-	-	250,382
Intergovernmental	2,918,744	-	-	-	2,918,744
Franchise and Excise Taxes	68,087	-	-	-	68,087
Other State and Municipal Taxes	28,050	-	-	-	28,050
Charges for Services:					
Fines and Forfeitures	97,774	-	-	-	97,774
Licenses and Permits	63,744	-	-	-	63,744
Franchise Fees and Rebates	146,813	-	-	-	146,813
Gasoline Fees	138,982	-	-	-	138,982
Insurance Recoveries and Reimbursements	74,107	-	-	-	74,107
School Resource Officer	109,716	-	-	-	109,716
Miscellaneous Charges for Services	12,850	-	-	-	12,850
Operating Grants and Contributions:					
Federal Funds	415,943	-	-	-	415,943
Contributions	9,179	-	-	-	9,179
Capital Grants:					
Rebuild Illinois Bond Grant	-	71,077	-	-	71,077
Investment Earnings	90,982	274	56	4,157	95,469
Miscellaneous Income	28,451	-	-	-	28,451
Total Cash Receipts	6,471,137	321,733	137,118	4,157	6,934,145
Cash Disbursements:					
Current:					
General Government	1,256,788	-	4,993	-	1,261,781
Public Works and Transportation	722,397	475,878	24,524	-	1,222,799
Public Safety	2,152,130	-	22,706	-	2,174,836
Culture and Recreation	129,497	-	-	-	129,497
Development	-	-	-	2,396	2,396
Capital Outlay	315,271	-	-	-	315,271
Debt Service:					
Principal	32,206	-	-	-	32,206
Interest	17,843	-	-	-	17,843
Total Cash Disbursements	4,626,132	475,878	52,223	2,396	5,156,629
Excess of Cash Receipts Received Over (Under) Cash Disbursements	1,845,005	(154,145)	84,895	1,761	1,777,516
Other Financing Sources (Uses):					
Disposition of Capital Assets	27,800	-	-	-	27,800
Net Other Financing Sources (Uses)	27,800	-	-	-	27,800
Net Change in Fund Balances	1,872,805	(154,145)	84,895	1,761	1,805,316
Prior Year Fund Balance	4,028,641	874,628	43,248	98,373	5,044,890
Current Year Ending Fund Balance	5,901,446	720,483	128,143	100,134	6,850,206

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE
RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2023

Net change in fund balances - total governmental funds (Exhibit D)	1,805,316
The change in net position reported for government activities in the Statement of Activities is different because:	
Current year capital asset additions in governmental activities of $315,271, net of current year depreciation of $433,679 are not financial resources and, therefore, are not reported in the funds.	(118,408)
Current year capital asset deletions in governmental activities of $75,082, net of current year depreciation of $75,082 are not financial resources and, therefore, are not reported in the funds.	-
Repayments of loans payable are expenditures in the government funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	32,206
Change in net position of governmental activities (Exhibit B)	1,719,114

See accompanying notes to the financial statements.

VILLAGE OF BARTONVILLE
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2023

	Police Pension Fund - Pension Trust
Assets:	
Cash and Cash Equivalents	22,546
Investments:	
Police Officers' Pension Investment Fund	5,029,159
Fiduciary Net Position Restricted for Pensions	5,051,705

See accompanying notes to the financial statements.

Exhibit F

VILLAGE OF BARTONVILLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Police Pension Fund - Pension Trust
Additions:	
Contributions:	
Employer	185,166
Plan Members	147,906
Total Contributions	333,072
Investment Income:	
Interest and Dividends	53,772
Net appreciation (depreciation) in fair value of investments	61,160
Less: Investment Management Expenses (net)	(9,136)
Net Investment Income	105,796
Total Additions	438,868
Deductions:	
Benefit Payments:	
Distributions to Retirees and Eligible Beneficiaries	304,040
Total Benefit Payments	304,040
Administrative Expenditures:	
Insurance	3,833
Professional Services	31,450
Other	7,088
Total Administrative Expenses	42,371
Total Deductions	346,411
Net Increase	92,457
Net Position Restricted for Pensions	
Beginning of Year, as previously reported	4,835,554
Prior Period Adjustment	123,694
Beginning of Year	4,959,248
End of Year	5,051,705

See accompanying notes to the financial statements.

Note #1 – Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Village of Bartonville, Illinois (the Village) is a municipality located in central Illinois. Revenues are substantially generated as a result of taxes assessed and allocated to the Village (examples would be property, sales, income, utility, motor fuel, and restaurant taxes), charges for services performed, and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the Village and nearby surrounding area and the appropriations of entitlements at the state and federal government level. Taxable industry within the area is primarily commercial and industrial.

The Village's basic financial statements are prepared on a modified cash basis of accounting, which is a special purpose framework of accounting and differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. These modified cash basis financial statements meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

For financial reporting purposes, in accordance with Section 2100 of the *Codification of Governmental Accounting and Financial Reporting Standards* (Section 2100), the Village is a primary government in that it is a Village with a separately elected governing body – one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The Village has developed criteria to determine whether outside entities are component units of the Village. Component units are legally separate organizations for which the elected officials of the Village are financially accountable. The Village would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village (entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization).

Blended component units, although legally separate entities, are, in substance, part of the Village's operations and so data from these units are combined with data of the primary government.

The Police Pension Fund is considered a blended component unit of the Village. The Police Pension Fund was established to provide retirement, death, and disability payments to the police of the Village or their beneficiaries. It is a single-employer defined benefit pension plan. Contribution levels are mandated by Illinois state statutes and may be amended only by the Illinois legislature.

Sources of revenue to the funds are primarily through investment earnings, employee contributions and employer contributions, which are generated via specific property taxes levied by the Village Board to meet the employer contribution requirements.

The year-end for the Police Pension Fund is April 30 and the fund has been reflected as a fiduciary fund in the financial statements.

Complete financial statements for the individual component unit may be obtained at:

Police Pension Board
Treasurer for the Pension Board
Village of Bartonville
5912 S Adams St
Bartonville, IL 61607.

Note #1 - Summary of Significant Accounting Policies (cont'd)

B. Government-Wide and Fund Financial Statements – Measurement Focus, Basis of Accounting, and Basis of Presentation

GASB standards require that the accounts of the Village be organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The operations of each fund are accounted for in a set of self-balancing accounts that comprise its assets, liabilities, fund equity, cash receipts, and cash disbursements, as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Financial reporting standards established by GASB require that the financial statements described below be presented.

Government-Wide and Governmental Fund Financial Statements

The Government–Wide Financial Statements include a Statement of Net Position-Modified Cash Basis and a Statement of Activities-Modified Cash Basis. These statements present summaries of Governmental Activities and report a consolidation of all nonfiduciary activities of the Village. Fiduciary funds are excluded from the government-wide financial statements.

The Government-Wide Financial Statements are presented on an economic resources measurement focus and the modified cash basis of accounting. Accordingly, all of the Villages current and long-term assets and liabilities, including capital assets, loans receivable, interfund payables, trust liabilities, and long-term liabilities, are included in the accompanying Statement of Net Position as of April 30. The Statement of Activities presents changes in net position since May 1, the beginning of the fiscal year.

Under the modified cash basis of accounting, revenues and expenditures are recognized when they result from cash transactions with a provision for depreciation and long-term debt interest expense. Governmental activities generally are financed through taxes and intergovernmental revenues. The Statement of Activities demonstrates the degree to which the direct expenditures of a given program are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

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 or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the Village utilized the basis of accounting recognized as generally accepted, the Government-Wide Financial Statements would be presented on the accrual basis of accounting.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Note #1 - Summary of Significant Accounting Policies (cont'd)

B. Government-Wide and Fund Financial Statements – Measurement Focus, Basis of Accounting, and Basis of Presentation

Governmental Fund Financial Statements include a Statement of Assets, Liabilities, and Fund Balances and a Statement of Cash Receipts, Disbursements, and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in financial position as presented in these statements to the financial position presented in the Government-Wide Financial Statements. The Village has presented all major funds that met the qualifications for major fund reporting. All funds of the Village are considered major funds.

Governmental funds are those through which most governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds. The Village has presented the following major governmental funds:

The General Fund is the main operating fund of the Village and is used to account for normal recurring activities of the Village. General fund activities consist of general government, police, fire, public works, and parks and recreation. These activities are funded primarily by sales taxes, general property taxes, state income tax allocations, corporate personal property replacement taxes, home rule sales taxes, utility taxes, licenses, fees, user charges, and fines.

Special Revenue Funds are used to account for Village activities which are primarily financed by special restricted or committed revenue sources such as governmental grants or general property taxes levied for specific purposes. The special revenue funds consist of the Motor Fuel Tax Fund, the Illinois Municipal Retirement Fund (IMRF Fund), and the Tax Increment Financing Fund (TIF Fund).

All governmental funds are accounted for on the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, only current assets and current liabilities are included on the Statement of Assets, Liabilities and Fund Balances with a modification for loans receivable. The Statement of Cash Receipts, Disbursements, and Changes in Fund Balances presents increases (receipts and other financing sources) and decreases (disbursements and other financing uses) in current net position.

Under the modified cash basis of accounting, receipts and disbursements are recognized when they result from cash transactions. The primary revenue sources are taxpayer-assessed tax revenues (such as property taxes), state revenues (such as replacement tax), certain grant revenues, and earnings on investments. General capital asset acquisitions and principal and interest on general long-term debt are reported as disbursements in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

If the Village utilized the basis of accounting recognized as generally accepted, the Governmental Fund Financial Statements would be presented on the modified accrual basis of accounting.

Fiduciary Fund Financial Statements

The fiduciary fund statements are prepared using the modified cash basis of accounting. Plan member and employer contributions, benefits, refunds, and transfers are recognized when they result from cash transactions. Realized and unrealized gains and losses on investments are included, as investments are stated at fair market value.

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are not included in the government-wide financial statements of the Village and are presented as stand-alone financial statements.

The Police Pension Fund is a trust fund that accounts for the assets of the Village's Police pension plan.

If the Village utilized the basis of accounting recognized as generally accepted, the Fiduciary Fund Financial Statements would be presented on the accrual basis of accounting.

Note #1 - Summary of Significant Accounting Policies (cont'd)

C. Budgetary Information

The budget for all Governmental Funds is prepared on the budgetary cash basis method of accounting which is similar to the basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Section 35 of the Illinois Compiled Statutes, Subsection 200/18-50. The Village budget was passed on July 25, 2022, and was not amended. The legal level of control is the fund level. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The Village follows these procedures in establishing the budget:

1. The Village Finance committee with input from department heads submits to the Village Clerk recommended disbursement allotments for various projects anticipated to require funding for the upcoming fiscal year

2. The Village Clerk with the assistance of the Deputy Clerk prepares in budget format a tentative ordinance and submits to the Village Board. The appropriation ordinance includes proposed expenditures and the means of financing them and must be adopted prior to July 31 of each year.

3. A notice must be published in a newspaper serving the Village stating the time and place the tentative appropriation ordinance can be inspected and also the time and place of the public hearing.

4. The Village Board is authorized to transfer between line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Board after a public hearing.

D. Assets, Liabilities, and Net Position

Cash, Cash Equivalents, and Investments

The Village considers all liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

The Village does not have a formal investment policy, but does follow Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2) and may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit, or time deposits constituting direct obligations of banks insured by FDIC and savings and loan associates insured by FSLIC. The Village may also invest in short-term discount obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool, as well as all interest-bearing obligations of the State of Illinois. The institutions in which investments are made must be approved by the Village Board.

The Police Pension Fund has adopted its own investment policy due to the fact that the investment policies and objectives differ from that of the Village. Investments presented in these financial statements are stated at fair market value.

Inventories

Inventory consists of expendable supplies held for consumption. Formal accounting records are not maintained for inventories. Inventories are expensed when purchased in accordance with the modified cash basis of accounting.

Allowance for Doubtful Accounts

All loan receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the age of individual loan receivables and the likelihood of collectability.

Note #1 - Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, and Net Position (cont'd)

Capital Assets

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in 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 was unavailable. Donated capital assets are recorded at estimated acquisition value at the date of the donation. Prior to April 1, 2003, governmental fund's infrastructure assets were not capitalized. Infrastructure assets acquired since April 1, 2003 are reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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 the straight-line method of depreciation. The minimum capitalization thresholds have been set by the Village: Road and drainage infrastructure -$25,000, Building and improvements – 15,000, Land improvements – 10,000, Firefighting apparatus – 10,000, Fire response vehicles – 5,000, Administrative and public safety vehicles – 7,500, Road department equipment – 2,500, Public safety equipment – 1,400, Computer equipment – 2,000, Office equipment – 1,500. These amounts were used to report capital assets. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to April 1, 2003.

The range of estimated useful lives by type of assets is as follows:

Equipment	5-20 years
Other Improvements	20 years
Buildings	40 years
Road Improvements	20 years
Infrastructure	40 years
Vehicles	5-20 years

Fund Financial Statements

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

Noncurrent Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, long-term debt arising from cash transactions is reported as other financing sources. Debt principal payments are reported as expenditures.

Note #1 - Summary of Significant Accounting Policies (cont'd)

D. Assets, Liabilities, and Net Position (cont'd)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of 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. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

The Village first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

The Village has no formal minimum fund balance policies or any formal stabilization arrangements in place.

Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable

Amounts which cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. At April 30, 2023, the Village had a Loan Receivable, net of allowances for $20,000.

Restricted

Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds, as described earlier, are by definition restricted for those specified purposes. The Village has several revenue sources received within the General Fund that also fall into these categories. See Note #5 for more detail.

Committed

Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Village through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same action it employes to commit those amounts. The Village did not have any committed balances as of April 30, 2023.

Assigned

Amounts that are constrained by the Village's intent to be used for a specific purpose. The Village did not have any assigned balances as of April 30, 2023.

Unassigned

All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the Village's procedure is to pay the expenditure from restricted fund balances and then from less restrictive classifications - committed, assigned, and then unassigned fund balances.

Note #1 - Summary of Significant Accounting Policies (cont'd)

E. Interfund Transactions

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year is referred to as "Due to/from other funds" in the fund financial statements.

F. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Leases

In June 2017, GASB issued Statement No. 87, *Leases*. The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. There was no cumulative effect to the Village's beginning net position upon the implementation of the new lease guidance as of May 1, 2022.

The Village accounts for lease contracts as follows:

Lease contracts that transfer ownership –

A contract that transfers ownership of the underlying asset to the Village by the end of the contract, does not contain termination options, does not have fiscal funding or cancellation clauses reasonably certain to be exercised, and in which the seller and lender are not the same party are treated as a financed purchase of the underlying asset following a cash or in-substance cash transaction.

Within the Government-Wide Fund Statements, a capital asset and financed purchase obligation is recorded at inception and subsequent lease payments are allocated between principal and interest on long-term debt. Within the Governmental Fund Statements, financed purchases are recorded both as capital expenditures and other financing sources at inception and subsequent lease payments are recognized as expenditures when paid.

All other lease contracts –

Lease payments are recognized as expenditures when paid in the Government-Wide and Governmental Funds. No right-of-use asset and corresponding liability has been recorded in the financial statements in accordance with the basis of accounting described in this note.

Note #2 - Retirement Fund Commitments

The Village is currently funding two defined benefit pension plans: the Illinois Municipal Retirement Fund and Police Pension Fund. The aggregate employer recognized pension expense on a cash basis for the year ended April 30, 2023, was $237,573.

Illinois Municipal Retirement Fund

Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive 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

1/2 of the increase in the Consumer Price Index of the original pension amount.

Note #2 - Retirement Fund Commitments (cont'd)

Illinois Municipal Retirement Fund (cont'd)

Employees covered by benefit terms

At December 31, 2022, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	28
Inactive employees entitled to but not yet receiving benefits	15
Active employees	13
Total Members	56

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2022 was 7.88%. The total employer contribution paid for 2022 was $56,686. The Village's contribution rate for the calendar year 2023 is 6.16%. The actual contributions paid during the fiscal year ended April 30, 2023 were $52,407. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Police Pension Fund

Plan Description

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan and which is administered by a board of trustees appointed by the Mayor and elected by pension members. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are mandated by Illinois Compiled Statutes (40ILCS 5/3) and may be amended only by the Illinois legislature.

The Plan provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters a plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held by the officer on the last day of service or for one year prior to the last day, whichever is greater. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years up to 30 years to a maximum of 75% of such monthly salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The Police Pension Plan also provides for annual pension increases for beneficiaries as described in the Illinois Compiled Statutes, which is generally 3% of the original pension granted or 3% of the pension amount, depending on the individual's date of retirement.

Survivor benefits vary based on the timing of the participant's death. For duty related deaths, the benefit allowed for survivors is 100% of the salary earned at the time of death. For retirement and disability deaths, the benefit allowed to survivors is 100% of the benefit being received at the time of death. For survivors of participants who die in service, but not in the line of duty, the benefit is based on the years of service the participant had.

Under Illinois Public Act 096-1495 and Public Act 101-0610, the retirement benefits were revised for new officers hired on or after January 1, 2011. The normal retirement age for this tier of officers is 55, with an early retirement age of 50. Officers who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 4 consecutive years during the last 5 years of service. The salary amount is also limited to a ceiling of $106,800 with annual increases based on the consumer price index. Annual cost of living adjustments will be equal to the lesser of 3% or the annual unadjusted percentage increase of the consumer price index. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

Note #2 - Retirement Fund Commitments (cont'd)

Police Pension Fund (cont'd)

Employees covered by benefit terms

At April 30, 2023, the following employees were covered by the benefit terms:

Actives	12
Service Retirees	4
Beneficiaries	2
Disability Retirees	0
Terminated Vested Due Future Annuity	3
Terminated with Accumulated Contributions in Fund	8
Total	29

Contributions

Covered employees are required to contribute 9.91% of their salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. Effective January 1, 2011, Illinois Public Act 096-1495 changed the funding requirements to amortize the unfunded actuarial liability over a 30-year closed period with a target funding of 90% by 2040. For the year ended April 30, 2023, the Village's plan was 91% funded. For the fiscal year ended April 30, 2023, the Village contributed $185,166 to the plan. The Village's contributions are funded by property taxes levied for such purposes.

The current legislation also requires actuarial gains and losses experienced from investment returns to be recognized using a five-year smoothing period. The actuarially determined contribution is derived from the actuarial valuation by the plan's actuary. The actual employer contribution is based on the actuarially determined employer contribution calculated by the Illinois Department of Insurance's actuary based on the funding requirements of Illinois Public Act 096-1495, as described above, and approved by the Village for funding purposes.

Note #3 – Other Post-Employment Benefits

The Village sponsors a single-employer health care plan that provides medical, prescription drugs, and dental benefits to all active and pre-65 retired employees and their eligible dependents. For post-65 retired employees, the Village offers a Medicare Supplement plan.

The Village provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the Village's health insurance plan. The retirees are responsible for a portion of the entire premium payment to secure coverage. The Village finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of April 30, 2023.

Plan Description - The Village administers a single-employer defined benefit healthcare plan. The plan does not have a trust fund and therefore does not issue a separate publicly available financial report.

Funding Policy - The contribution requirements of the Village may be amended by the Members of the Village Board. Current policy is for the Village to pay for post-retirement medical insurance benefits or premiums as they occur. The Village requires retirees to contribute an agreed upon amount of the premium for their desired coverage. Upon retirement after attaining age 55, with 20 years continuous service, the Village will pay 80% of the monthly insurance premium for the retired employee only. Upon reaching Medicare eligibility, the retired employee shall enroll in all available Medicare programs, and the Village shall then pay 80% of the monthly premium for a Medigap policy (Medicare Supplemental Insurance). The premiums are established for the employee/retiree group, although, with regard to retirees, this amount contains an implied rate subsidy by the Village through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

Contributions Made - The Village recognized $4,483 in cash-basis expenditures in regard to the plan benefits for retirees.

Note #4 - Unemployment Benefits

All employees of the Village are covered under the State of Illinois Unemployment Insurance Act. The Village paid 0.850% and 0.725% on Village wages of the first specific amount of covered payroll for each employee for calendar years 2023 and 2022, respectively.

Note #5 – Restricted Tax Levies and Grants

As of April 30, 2023, there are no restricted balances in any of the following special revenue categories: bonds, police protection, police pension, tort, street & bridge, street lighting, playground, emergency service, and road & bridge. The expenditures for the tort special revenue category, in total $222,976, were utilized on liability insurance, workman compensation, insurance claims, and attorney fees.

As of April 30, 2023, the Village has the following restricted balances:

General Fund:	
Special Tax Levies	
Social Security	16,316
Fire Protection	35,442
Highways and Streets	720,483
Illinois Municipal Retirement Fund	128,143
Community Development	100,134
Total	1,000,518

Restricted balances are presented in the government-wide financial statements as Net Position – Restricted and in the fund financial statements as Fund Balance – Restricted.

Note #6 – Capital Assets

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended April 30, 2023, was as follows:

	Balance at May 1, 2022	Additions	Deletions	Balance at April 30, 2023
Governmental Activities				
Capital assets not being depreciated:				
Construction in Progress	668,991	-0-	-0-	668,991
Capital assets being depreciated:				
Infrastructure	9,140,070	229,388	-0-	9,369,458
Building and Improvements	1,447,460	-0-	-0-	1,447,460
Land Improvements	24,653	-0-	-0-	24,653
Public Works Equipment	449,655	46,533	12,356	483,832
Police Equipment	330,883	39,350	-0-	370,233
Firefighting Equipment	420,767	-0-	-0-	420,767
Parks and Recreation Equipment	74,235	-0-	-0-	74,235
Public Works Vehicles	772,270	-0-	62,726	709,544
Police Vehicles	360,280	-0-	-0-	360,280
Firefighting Vehicles	1,039,851	-0-	-0-	1,039,851
Office Equipment	9,720	-0-	-0-	9,720
Computer Equipment	49,761	-0-	-0-	49,761
Total Capital assets being depreciated	14,119,605	315,271	75,082	14,359,794
Less accumulated depreciation for:				
Infrastructure	2,968,030	231,369	-0-	3,199,399
Building and Improvements	719,744	29,184	-0-	748,928
Land Improvements	7,293	493	-0-	7,786
Public Works Equipment	340,392	18,920	12,356	346,956
Police Equipment	295,879	17,941	-0-	313,820
Firefighting Equipment	257,066	31,403	-0-	288,469
Parks and Recreation Equipment	74,235	-0-	-0-	74,235
Public Works Vehicles	590,260	46,802	62,726	574,336
Police Vehicles	279,688	24,735	-0-	304,423
Firefighting Vehicles	781,814	22,118	-0-	803,932
Office Equipment	7,765	762	-0-	8,527
Computer Equipment	4,976	9,952	-0-	14,928
Total accumulated depreciation	6,327,142	433,679	75,082	6,685,739

Note #6 – Capital Assets (cont'd)

Depreciable Capital Assets, net:				
Infrastructure	6,172,040	(1,981)	-0-	6,170,059
Building and Improvements	727,716	(29,184)	-0-	698,532
Land Improvements	17,360	(493)	-0-	16,867
Public Works Equipment	109,263	27,613	-0-	136,876
Police Equipment	35,004	21,409	-0-	56,413
Firefighting Equipment	163,701	(31,403)	-0-	132,298
Parks and Recreation Equipment	-0-	-0-	-0-	-0-
Public Works Vehicles	182,010	(46,802)	-0-	135,208
Police Vehicles	80,592	(24,735)	-0-	55,857
Firefighting Vehicles	258,037	(22,118)	-0-	235,919
Office Equipment	1,955	(762)	-0-	1,193
Computer Equipment	44,785	(9,952)	-0-	34,833
Total Depreciable Capital Assets, net	7,792,463	(118,408)	-0-	7,674,055
Total Governmental Activities Capital Assets, net	8,461,454	(118,408)	-0-	8,343,046

Depreciation expense was charged to functions in the Statement of Activities as follows:

Governmental activities:	
General Government	12,192
Public Safety	98,865
Public Works and Transportation	320,331
Culture and Recreation	2,291
Total	433,679

Note #7 – Long-Term Debt

The following is a summary of changes in long-term debt of the Village for the fiscal year ended April 30, 2023:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance May 1, 2022	Additions	Reductions	Balance April 30, 2023	Less Than One Year
Fire Truck Loan	518,991	1/31/22	01/07/35	3.60%	510,961	0	(32,206)	478,755	24,195

The loan was for the purchase of a Pierce Impel Pumper fire truck. Payments are due in equal monthly installments of $4,171 including interest at a rate of 3.60%, with a final balloon payment due in October 2023. The loan is collateralized by the specific equipment. The Village restructured this loan in October 2023. The restructured loan requires monthly payments of $2,969 including interest at a rate of 3.60%, with a final balloon payment due in January 2035. The scheduled maturities in these financial statements reflect the amounts due after the debt was restructured.

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

FYE	Principal	Interest	Total
2024	24,195	19,846	44,041
2025	19,585	16,045	35,630
2026	20,301	15,328	35,629
2027	21,044	14,585	35,629
2028	21,778	13,852	35,630
2029-2033	121,614	56,532	178,146
2034-2035	250,238	14,368	264,606
Total	478,755	150,556	629,311

Note #8 - Interfund Loans and Transfers

The Village has the following interfund loan balance as of April 30, 2023:

Due To	Due From	Beginning Balance	Loan Proceeds	Loan Payments	Ending Balance
General Fund	TIF Fund	18,376	2,396	-0-	20,772
Motor Fuel Tax Fund	General Fund	5,807	-0-	5,807	-0-

The loan due to the General Fund is for TIF expenditures paid by the General Fund for the TIF Fund. The loan due to the Motor Fuel Tax Fund is for general operating expenditures.

The Village did not have any interfund transfers during the year ended April 30, 2023.

Note #9 - Tax Increment Financing District

On January 8, 1981, the Village adopted an ordinance approving the tax increment redevelopment plan and project for the Bartonville Village Industrial Park providing that incremental real estate taxes received be deposited into a special tax allocation fund (TIF Fund) to be used, in part, to finance incentives to assist development within the tax increment financing district. See Note #11 for more detail on current incentives with the TIF Fund.

Note #10 – Deposits and Investments

A. Deposits and Investments – Primary Government, Excluding Pension Trust Funds

The Village is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2). These include the following items:

1. In notes, bonds, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America;
2. In bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
3. In interest bearing accounts, certificates of deposits or interest bearing time deposits or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act;
4. In short-term obligations (corporate paper) of corporations organized in the United States with assets exceeding $500,000,000 if (a) such obligations are rated at the time of purchase within the 3 highest classifications established by at least 2 standard rating services and which mature not later than 180 days from the date of purchase, and (b) such purchases do not exceed 10% of the corporation's outstanding obligations or (c) in money market mutual funds registered under the Investment Company Act of 1940.

As of April 30, 2023, the Village had deposits and nonnegotiable certificates of deposit.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village's general investment policy requires that deposits (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the municipality.

The Village's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the Village's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board's Statement No. 3, Category I, the highest recognized safekeeping procedures.

As of April 30, 2023, none of the Village's deposits were exposed to custodial credit risk.

Note #10 – Deposits and Investments (cont'd)

A. Deposits and Investments – Primary Government, Excluding Pension Trust Funds (cont'd)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of April 30, 2023, the Village has the following investments and maturities:

			Investment Maturities (in Years)			
Investment Type	Book Value	Fair Value	Less Than 1	1-5	6-10	More Than 10
Certificates of Deposit	485,798	485,798	485,798	0	0	0

B. Deposits and Investments – Police Pension Trust Fund

The pension trust fund may invest funds as authorized by Illinois Compiled Statutes, generally in obligations of the United States, the state of Illinois and its local districts, certain insurance contracts, insured deposits of federal and state savings and loans, banks, and credit unions, and certain common and preferred stock.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension fund as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment of the plan.

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the plan's deposits may not be returned to it. To limit its exposure, the plan has a third-party custodian acting as the plan's agent to safe keep the assets of the plan.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

Note #10 – Deposits and Investments (cont'd)

B. Deposits and Investments – Police Pension Trust Fund (cont'd)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The plan held no investments subject to fair value measurement at April 30, 2023.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was $5,029,159 at April 30, 2023. The pooled investments have an asset allocation established target weights for each asset class and is designed to maximize the long-term expected return of the fund within an acceptable risk tolerance while providing liquidity to meet program liabilities. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2023. The plan may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021 and revised on April 14, 2023. IPOPIF has the authority to invest trust fund assets in any type of security object to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to Article 3 participating police pension funds. IPOPIF shall not be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women, and person with disabilities.

Investment Rate of Return

For the year ended April 30, 2023, the annual money weighted rare of return on pension plan investments, net of pension plan investment expense, was 1.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note #11 – Developers' Loan Receivable

On April 12, 2012, the Village Board passed Ordinance #1654 authorizing a redevelopment agreement and loan to Save the Bowen, Inc., a Nevada not-for-profit corporation. The agreement authorizes the Village to advance as loans proceeds up to $340,625 for the sole purpose of refurbishing the Bowen Building which is located in the Bartonville Village Industrial Park Redevelopment Project Area (Tax Increment Finance Zone).

The loan is a noninterest bearing note requiring thirty-nine (39) equal consecutive monthly payments $1,200 commencing on October 1, 2012, which a required balloon payment due on December 31, 2015.

The current year's activity on this loan was as follows:

Balance May 1, 2022	Allowance Adjustment	Balance April 30, 2023
$20,000	-0-	$20,000

As disclosed in the financial report for the fiscal year ended April 30, 2016, on April 13, 2015, a representative for this not-for-profit corporation informed the Board of Trustees that no financing has been obtained for the "impending loan payment". On November 4, 2015, this organization discontinued remitting its monthly loan payment. On February 1, 2016, the Village passed ordinance #1734 "An Ordinance Authorizing Restated Development Agreement Regarding the Demolition of the Bowen Building" which provides for the Village to participate in the demolition of the Bowen Building and receive monetary proceeds as a result of the building's demolition and future reclamation of the property. These proceeds will be used initially to repay the Village for its participation in the costs of the demolition and after full recovery of these direct future proceeds will be credited to the remaining loan balance identified above.

The restated Development Agreement dated March 31, 2016, states the following:

2.1 Redevelopment Improvement Costs. The Village will contribute to the cost of the Redevelopment Improvements as follows:

i) The sum of $100,000 upon the Village receiving the title commitment as described in Section 4.10 of this Agreement (showing the Palmer mortgage released) and the Developer being in compliance with the specifications, including, without limitation, the bond and the issue requirements.
ii) The sum of $150,000 when the Redevelopment Improvements are 25% complete, which shall be when the building's roof has been completely removed including all wood and metal.
iii) The sum of $150,000 when the Redevelopment Improvements are 50% complete, which shall be when the building has been demolished to the top of the first floor.

2.5 Reimbursement and Repayment by Developer. Developer intends to recoup demolition costs and produce income from the sale of any and all Project Site materials (the "materials"), including, without limitation, the wood, stone, copper, steel, and bricks.

a) The Developer shall pay the Village 75% of the first $533,333 of gross revenue from the sale of the materials.
b) After the Developer pays the Village the amount described in subsection 2.5a) of this Agreement in full, then the Developer shall pay to the Village 50% of the next gross revenue from the sale of the materials. The payments made pursuant to this subparagraph 2.5b) shall be credited toward the balance of the loan, and shall continue until the loan is paid in full.
c) The sale of the materials and all payments to the Village must be completed by the Developer no later than January 1, 2017

As of April 30, 2023, the Village had contributed all payments for the redevelopment improvement costs. The Developer has reimbursed the Village $19,791 as of April 30, 2023, which have been allocated to the repayment of the redevelopment improvement costs.

Note #12 – Property Taxes

The Village's property tax is levied each year on all taxable real property located in the Village. The 2022 tax levy was passed by the Board on November 28, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The County of Peoria calculates separately the extension on behalf on the Tax Increment Financing District. The Village receives significant distributions of tax receipts approximately one month after these due dates. Property taxes recorded in these financial statements were received from the 2021 levy.

The following are the tax rate limits permitted by local referendum and the actual rates levied per $100.00 of assessed valuation:

	Actual		
	2022 Levy	2021 Levy	2020 Levy
General	.19230	.18779	.25072
IMRF	.06731	.13690	.09427
Fire Protection	.16928	.17437	.19782
Police Protection	.39282	.31051	.23924
Police Pension	.17512	.18039	.18239
Liability Insurance	.21611	.22262	.22509
Street Lighting	.03178	.03273	.03310
Playground	.02215	.02282	.02307
Emergency Services	.00049	.00050	.00051
Social Security	.07215	.07095	.06881
Subtotal	1.33951	1.33958	1.31502

Note #13 - Commitments

As of April 30, 2023, the Village had no construction commitments.

Note #14 – Vacation & Sick Pay

The Village's employees receive between two to five weeks paid vacation per fiscal year. Employees also receive eight days of paid sick leave which accumulates at various levels by department. At April 30, 2023, the estimated value of unused vacation and sick pay is $25,883 and $91,489, respectively.

Note #15 – Deficit Fund Balances

There were no deficit fund balances at April 30, 2023.

Note #16 – Risk Management

The Village is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the Village participates in the Illinois Counties Risk Management Trust (ICRMT). The Village pays an annual premium to ICRMT for its coverage. This is a non-assessable self-insurance pool. Significant losses are covered for all various risks of loss. Settled claims have not exceeded the coverage in any of the past three fiscal years. The Village's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Village is not aware of any additional assessments owed as of April 30, 2023.

The Village has established a health insurance plan to provide medical benefits to eligible employees, retirees, covered dependents, and eligible former employees. The plan is self-funded and is supplemented by employee contributions. The Village is responsible for the payment of these premiums as well as the claims submitted for payment to the self-funded plan. A third party stop-loss provider has been contracted to provide coverage of any claims against the self-funded plan in excess of $35,000 individually, or $1,000,000 in the aggregate to limit the Village's losses for the overall program.

Note #17 - Disbursements and Transfers in Excess of Budget

As of April 30, 2023, the Village had no funds with disbursements or transfers in excess of budget.

Note #18 – Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property: (1) if its population is 500,000 or more, an aggregate of three percent; (2) if its population is more than 25,000 and less than 500,000, an aggregate of one percent; and (3) if its population is 25,000 or less, an aggregate of one-half percent. Indebtedness which is outstanding on the effective date of this Constitution or which is thereafter approved by referendum or assumed from another unit of local government shall not be included in the foregoing percentage amounts.

To date the Illinois General Assembly has set no limits for home rule municipalities.

Note #19 – Intergovernmental Agreements

The Village maintains a contract for animal impound service with the County of Peoria. The Village paid $14,417 for these services in the current fiscal year. The current agreement became effective January 1, 2020 and expires December 31, 2024. The agreement may automatically be reviewed for one-year terms. The Village's future payments will be based on the Village's population as represented in the most recent 2020 US Census as follows:

2024: $2.50 per capita
2025: to be determined

The Village maintains a contract for the School Resource Office Program with Limestone Community Unit High School District No. 310. The Village received $109,716 for this service in the current fiscal year. The current agreement became effective August 8, 2022, and shall remain in effect until this agreement is terminated by the Village and/or District, upon thirty (30) days written notice.

The Village maintains an intergovernmental cooperation agreement with the Town of Normal, Illinois to provide mortgage credit certificates on behalf of the Village for the purpose of providing an adequate supply of residential housing in the Village.

The Village entered into an intergovernmental cooperation agreement with other local municipalities to provide pro-rata share of costs for each action and service, including but not limited to preliminary engineering, construction, and construction engineering, for the purpose of completing the Tri-County Multi-Jurisdictional Guardrail Improvement Project.

Note #20 – Grant Contingencies

The Village receives funding from the state and federal government for various programs and projects. These funds are subject to review by the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Village management estimates that such amounts, if any, will be immaterial.

Note #21 – Prior Period Adjustment – Cost to Market

As of April 30, 2022, the Village reported the police pension investments at cost. Effective August 1, 2022, all investments of the police pension were moved to the Illinois Police Officers' Pension Investment Fund (IPOPIF). As a result, the Village reports the IPOPIF at fair market value.

Note #22 – Subsequent Events

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through the report date, which represents the date the financial statements were available to be issued. Management has determined no events have occurred during this period that requires adjustment to or disclosure in the financial statements other than the following item:

> The long-term debt was restructured on November 07, 2023. This resulted in a re-amortized outstanding principal balance presented in these financial statements.

Gorenz and Associates, Ltd.
Certified Public Accountants

Russell J. Rumbold II, CPA *Jason A. Hohulin, CPA*
Cory S. Cowan, CPA *Kyle P. Hendrickson, CPA*

Independent Auditor's Report on Compliance with Illinois Municipal Code Subsection (q) Section 11-74.4-3 of Public Act 85-1142

Members of the Village Board
Village of Bartonville
Bartonville, Illinois

We have audited, in accordance with auditing standards generally accepted in the United Statements of America, the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bartonville, Illinois (Village), as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 2, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's basic financial statements are free of material misstatement, we performed tests of its compliance with the provisions of Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. In connection with our audit, nothing came to our attention that caused us to believe that the Village failed to comply with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act, insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced Illinois Municipal Code, insofar as it relates to accounting matters.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and the results of that testing, and not to provide an opinion on the effectiveness of the Village's compliance with Subsection (q) Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act. This report is an integral part in considering the Village's compliance with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act. Accordingly, this communication is not suitable for any other purpose.

Gorenz and Associates, Ltd.

Peoria, Illinois
February 2, 2024

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