

CITY OF ASSUMPTION, ILLINOIS

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED APRIL 30, 2024

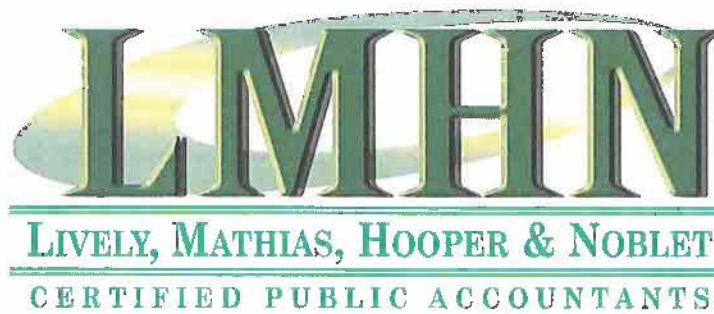
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FISCAL YEAR ENDED APRIL 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Alderman
City of Assumption, Illinois
Assumption, Illinois

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 City of Assumption, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting

other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 City of Assumption, Illinois' 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 opinion. 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 and Government 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, including omissions, 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 and Government 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 City of Assumption, 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 City of Assumption, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Assumption, Illinois' basic financial statements. The information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The information listed as supplementary in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. In addition, the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Compliance with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act

In connection with our audit, nothing came to our attention that caused us to believe that the City of Assumption, Illinois failed to comply with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) insofar as they relate 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 City of Assumption, Illinois' noncompliance with the above referenced provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act insofar as they relate to accounting matters.

Restricted Use Relating to Compliance with Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act

The communication related to compliance with the aforementioned provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act described in the Other Matters paragraph is intended solely for the information and use of the Board of Alderman of the City of Assumption, Illinois and the Illinois Office of the Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

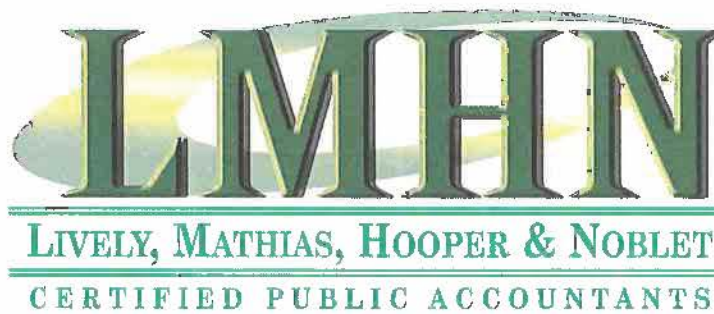
In accordance with Government Auditing Standards, we have also issued our report dated July 3, 2024, on our consideration of the City of Assumption, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Assumption, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Assumption, Illinois' internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "LMHN LTD." in a stylized, cursive font.

LMHN, Ltd.
Certified Public Accountants
Taylorville, Illinois

July 3, 2024

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

Members of the Board of Alderman
City of Assumption, Illinois
Assumption, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Assumption, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 3, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Assumption, Illinois' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Assumption, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Assumption, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Assumption, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as finding 2024-002.

The City of Assumption, Illinois' Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Assumption, Illinois' responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Assumption, Illinois' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

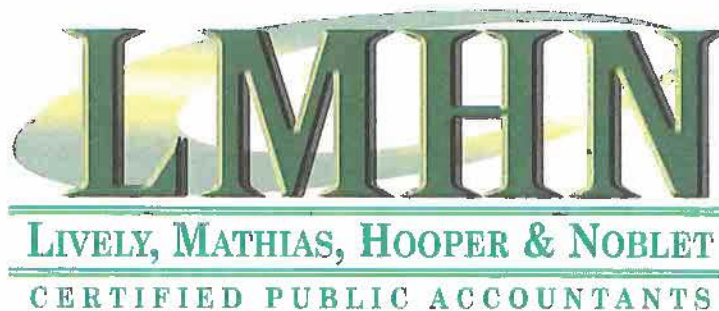
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for LMHN LTD. is written in a stylized, blue, cursive font. The letters are interconnected, with the 'L' and 'M' being particularly large and prominent.

LMHN, Ltd.
Certified Public Accountants
Taylorville, Illinois

July 3, 2024

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Members of the Board of Alderman
City of Assumption, Illinois
Assumption, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Assumption, Illinois' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Assumption, Illinois' major federal programs for the fiscal year ended April 30, 2024. The City of Assumption, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Assumption, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended April 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Assumption, Illinois and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Assumption, Illinois' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Assumption, Illinois' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Assumption, Illinois' compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Assumption, Illinois' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Assumption, Illinois' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Assumption, Illinois' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Assumption, Illinois' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency,

or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The logo for LMHN LTD. is written in a stylized, blue, cursive font. The letters are interconnected, giving it a fluid, handwritten appearance.

LMHN, Ltd.
Certified Public Accountants
Taylorville, Illinois

July 3, 2024

CITY OF ASSUMPTION, ILLINOIS

BASIC FINANCIAL STATEMENTS

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,507,746	\$ 1,863,721	\$ 3,371,467
Investments	485,182	-	485,182
Restricted cash and cash equivalents	-	10,549	10,549
Due from other funds	59,419	-	59,419
Capital assets, net of accumulated depreciation	<u>1,445,906</u>	<u>13,862,207</u>	<u>15,308,113</u>
Total assets	<u>\$ 3,498,253</u>	<u>\$ 15,736,477</u>	<u>\$ 19,234,730</u>
LIABILITIES			
Payroll tax liabilities	\$ 12,139	\$ -	\$ 12,139
Due to other funds	-	59,419	59,419
Refundable deposits	-	10,549	10,549
Long-term liabilities:			
Due within one year	9,985	114,628	124,613
Due in more than one year	<u>515,147</u>	<u>4,239,660</u>	<u>4,754,807</u>
Total liabilities	<u>\$ 537,271</u>	<u>\$ 4,424,256</u>	<u>\$ 4,961,527</u>
NET POSITION			
Net position invested in capital assets, net of related debt	\$ 920,774	\$ 9,507,919	\$ 10,428,693
Restricted net position for:			
Other purposes	849,733	-	849,733
Unrestricted net position	<u>1,190,475</u>	<u>1,804,302</u>	<u>2,994,777</u>
Total net position	<u>\$ 2,960,982</u>	<u>\$ 11,312,221</u>	<u>\$ 14,273,203</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED APRIL 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Capital Grants	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental activities:							
General government	\$ 451,131	\$ 42,243	\$ -	\$ -	\$ (408,888)	\$ -	\$ (408,888)
Public safety	243,552	8,373	-	-	(235,179)	-	(235,179)
Streets and public works	308,720	-	-	-	(308,720)	-	(308,720)
Culture and recreation	23,754	-	-	-	(23,754)	-	(23,754)
Total governmental activities	<u>\$ 1,027,157</u>	<u>\$ 50,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (976,541)</u>	<u>\$ -</u>	<u>\$ (976,541)</u>
Business-type activities:							
Water	\$ 320,223	\$ 205,396	\$ -	\$ 1,587	\$ -	\$ (113,240)	\$ (113,240)
Sewer	323,548	190,432	-	-	-	(133,116)	(133,116)
Total business-type activities	<u>\$ 643,771</u>	<u>\$ 395,828</u>	<u>\$ -</u>	<u>\$ 1,587</u>	<u>\$ -</u>	<u>\$ (246,356)</u>	<u>\$ (246,356)</u>
Total Primary Government	<u><u>\$ 1,670,928</u></u>	<u><u>\$ 446,444</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,587</u></u>	<u><u>\$ (976,541)</u></u>	<u><u>\$ (246,356)</u></u>	<u><u>\$ (1,222,897)</u></u>
General Revenues:							
Taxes:							
Property tax					\$ 274,608	\$ 2,216	\$ 276,824
Sales tax					361,552	-	361,552
Income tax					189,090	-	189,090
Use tax					44,118	-	44,118
Replacement tax					36,654	-	36,654
Video gaming tax					28,101	-	28,101
Cannabis use tax					1,792	-	1,792
Motor fuel tax					50,677	-	50,677
Investment income					5,951	3,820	9,771
Donations					6,950	-	6,950
Police SRO income					13,914	-	13,914
Miscellaneous					2,901	-	2,901
Debt forgiveness					-	2,804,461	2,804,461
Sale of capital assets					1,500	-	1,500
Transfers - internal activity					(154,543)	154,543	-
Total general revenues and activities					<u>\$ 863,265</u>	<u>\$ 2,965,040</u>	<u>\$ 3,828,305</u>
Change in net position					<u>\$ (113,276)</u>	<u>\$ 2,718,684</u>	<u>\$ 2,605,408</u>
Net position - beginning					3,074,258	8,593,537	11,667,795
Net position - ending					<u>\$ 2,960,982</u>	<u>\$ 11,312,221</u>	<u>\$ 14,273,203</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2024

	General Fund	Motor Fuel Tax Fund	IMRF Fund	Playground and Recreation Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 548,474	\$ 621,830	\$ 19,245	\$ 39,689	\$ 178,977	\$ 99,531	\$ 1,507,746
Investments	470,182	-	-	-	-	15,000	485,182
Loans receivable	-	-	-	-	-	-	-
Due from other funds	105,309	-	-	-	-	-	105,309
Total assets	<u>\$ 1,123,965</u>	<u>\$ 621,830</u>	<u>\$ 19,245</u>	<u>\$ 39,689</u>	<u>\$ 178,977</u>	<u>\$ 114,531</u>	<u>\$ 2,098,237</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Payroll tax liabilities	\$ 642	\$ -	\$ 8,444	\$ -	\$ -	\$ 3,053	\$ 12,139
Due to other funds	-	-	-	-	45,890	-	45,890
Total liabilities	<u>\$ 642</u>	<u>\$ -</u>	<u>\$ 8,444</u>	<u>\$ -</u>	<u>\$ 45,890</u>	<u>\$ 3,053</u>	<u>\$ 58,029</u>
Fund balances:							
Restricted for:							
Motor fuel tax	\$ -	\$ 596,751	\$ -	\$ -	\$ -	\$ -	\$ 596,751
Playground and recreation	-	-	-	21,057	-	-	21,057
Health, recycling and garbage	-	-	-	-	-	100,216	100,216
TIF	-	-	-	-	131,709	-	131,709
Assigned:							
Motor fuel tax	-	25,079	-	-	-	-	25,079
IMRF	-	-	10,801	-	-	-	10,801
Playground and recreation	-	-	-	18,632	-	-	18,632
Social security and medicare	-	-	-	-	-	9,741	9,741
Other purposes	-	-	-	-	1,378	1,521	2,899
Unassigned	1,123,323	-	-	-	-	-	1,123,323
Total fund balances	<u>\$ 1,123,323</u>	<u>\$ 621,830</u>	<u>\$ 10,801</u>	<u>\$ 39,689</u>	<u>\$ 133,087</u>	<u>\$ 111,478</u>	<u>\$ 2,040,208</u>
Total liabilities and fund balances	<u>\$ 1,123,965</u>	<u>\$ 621,830</u>	<u>\$ 19,245</u>	<u>\$ 39,689</u>	<u>\$ 178,977</u>	<u>\$ 114,531</u>	
Reconciliation to the Statement of Net Position:							
Amounts reported for governmental activities in the Statement of Net Position are different because:							
Capital assets used in governmental activities of \$2,233,014, net of accumulated depreciation of \$787,108, are not financial resources and, therefore, are not reported in the funds.							1,445,906
Some liabilities, including notes payable, are not due and payable in the current period and therefore, are not reported in the funds.							(525,132)
Net position of governmental activities							<u>\$ 2,960,982</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	General Fund	Motor Fuel Tax Fund	IMRF Fund	Playground and Recreation Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues Received:							
Property tax	\$ 83,444	\$ -	\$ 45,483	\$ 8,134	\$ 101,971	\$ 35,576	\$ 274,608
Sales tax	361,552	-	-	-	-	-	361,552
Income tax	189,090	-	-	-	-	-	189,090
Use tax	44,118	-	-	-	-	-	44,118
Replacement tax	36,654	-	-	-	-	-	36,654
Video gaming tax	28,101	-	-	-	-	-	28,101
Cannabis use tax	1,792	-	-	-	-	-	1,792
Motor fuel tax	-	50,677	-	-	-	-	50,677
Fines and forfeitures	8,373	-	-	-	-	-	8,373
Licenses and permits	5,878	-	-	-	-	-	5,878
Franchise fees	18,249	-	-	-	-	-	18,249
Tower lease	18,116	-	-	-	-	-	18,116
Investment income	3,543	1,525	-	101	530	252	5,951
Donations	6,950	-	-	-	-	-	6,950
Grant revenue	-	-	-	-	-	-	-
Police SRO income	13,914	-	-	-	-	-	13,914
Miscellaneous	2,901	-	-	-	-	-	2,901
Total revenues received	\$ 822,675	\$ 52,202	\$ 45,483	\$ 8,235	\$ 102,501	\$ 35,828	\$ 1,066,924
Expenditures Disbursed:							
Current:							
General government	\$ 285,108	\$ -	\$ 76,034	\$ -	\$ 32,070	\$ 55,611	\$ 448,823
Public safety:							
Police	231,955	-	-	-	-	-	231,955
Streets and public works:							
Streets	198,134	23,627	-	-	-	-	221,761
Culture and recreation:							
Parks	-	-	-	9,972	-	-	9,972
Capital outlay	7,800	-	-	-	613,607	-	621,407
Total expenditures disbursed	\$ 722,997	\$ 23,627	\$ 76,034	\$ 9,972	\$ 645,677	\$ 55,611	\$ 1,533,918
Excess (deficiency) of revenues received over expenditures disbursed	\$ 99,678	\$ 28,575	\$ (30,551)	\$ (1,737)	\$ (543,176)	\$ (19,783)	\$ (466,994)

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	General Fund	Motor Fuel Tax Fund	IMRF Fund	Playground and Recreation Fund	TIF Fund	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):							
Transfers in	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ 5,100	\$ 43,100
Transfers out	(197,643)	-	-	-	-	-	(197,643)
Loan proceeds	-	-	-	-	525,132	-	525,132
Sale of capital assets	1,500	-	-	-	-	-	1,500
Total other financing sources (uses)	<u>\$ (196,143)</u>	<u>\$ -</u>	<u>\$ 38,000</u>	<u>\$ -</u>	<u>\$ 525,132</u>	<u>\$ 5,100</u>	<u>\$ 372,089</u>
Net change in fund balances	\$ (96,465)	\$ 28,575	\$ 7,449	\$ (1,737)	\$ (18,044)	\$ (14,683)	\$ (94,905)
Fund balances - beginning	1,219,788	593,255	3,352	41,426	151,131	126,161	2,135,113
Fund balances - ending	<u>\$ 1,123,323</u>	<u>\$ 621,830</u>	<u>\$ 10,801</u>	<u>\$ 39,689</u>	<u>\$ 133,087</u>	<u>\$ 111,478</u>	<u>\$ 2,040,208</u>
Reconciliation to the Statement of Activities:							
Net change in fund balances - total governmental funds							\$ (94,905)
Amounts reported for governmental activities in the Statement of Activities are different because:							
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:							
Capital asset purchases capitalized							621,407
Depreciation expense							(114,646)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.							
Current year principal retirement							-
Current year debt proceeds							(525,132)
Governmental funds report the proceeds from the sale of assets as revenues. However, in the statement of activities the sale of an asset results in either a gain or loss.							
This is the amount of the net book value of the assets sold.							-
Change in net position of governmental activities							<u>\$ (113,276)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2024

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 120,353	\$ 1,743,368	\$ 1,863,721
Restricted cash and cash equivalents	<u>10,549</u>	<u>-</u>	<u>10,549</u>
Total current assets	<u>\$ 130,902</u>	<u>\$ 1,743,368</u>	<u>\$ 1,874,270</u>
Noncurrent assets:			
Other capital assets, net of accumulated depreciation	<u>\$ 3,019,976</u>	<u>\$ 10,842,231</u>	<u>\$ 13,862,207</u>
Total noncurrent assets	<u>\$ 3,019,976</u>	<u>\$ 10,842,231</u>	<u>\$ 13,862,207</u>
Total assets	<u>\$ 3,150,878</u>	<u>\$ 12,585,599</u>	<u>\$ 15,736,477</u>
LIABILITIES			
Current liabilities:			
Refundable deposits	\$ 10,549	\$ -	\$ 10,549
Due to other funds	59,419	-	59,419
Current portion of long-term debt	<u>-</u>	<u>114,628</u>	<u>114,628</u>
Total current liabilities	<u>\$ 69,968</u>	<u>\$ 114,628</u>	<u>\$ 184,596</u>
Noncurrent liabilities:			
Long-term debt	<u>\$ -</u>	<u>\$ 4,239,660</u>	<u>\$ 4,239,660</u>
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ 4,239,660</u>	<u>\$ 4,239,660</u>
Total liabilities	<u>\$ 69,968</u>	<u>\$ 4,354,288</u>	<u>\$ 4,424,256</u>
NET POSITION			
Net position invested in capital assets, net of related debt	\$ 3,019,976	\$ 6,487,943	\$ 9,507,919
Unrestricted net position	<u>60,934</u>	<u>1,743,368</u>	<u>1,804,302</u>
Total net position	<u>\$ 3,080,910</u>	<u>\$ 8,231,311</u>	<u>\$ 11,312,221</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for services:			
Collections	\$ 199,632	\$ 189,636	\$ 389,268
Bulk water sales	2,408	-	2,408
Penalties	781	796	1,577
Other operating revenues	2,575	-	2,575
	<u>\$ 205,396</u>	<u>\$ 190,432</u>	<u>\$ 395,828</u>
Total operating revenues received			
	<u>\$ 205,396</u>	<u>\$ 190,432</u>	<u>\$ 395,828</u>
Operating Expenses:			
Salaries	\$ 85,782	\$ 50,757	\$ 136,539
Employee benefits	6,776	4,013	10,789
Engineering	-	-	-
Legal and accounting	473	-	473
Gas and oil	4,696	3,378	8,074
Utilities	29,440	24,528	53,968
Lab fees	8,078	3,223	11,301
Equipment rent and lease	2,200	609	2,809
Miscellaneous	4,416	3,607	8,023
Uniforms	1,030	704	1,734
Postage	2,522	-	2,522
Telephone	2,133	1,286	3,419
Printing and advertising	288	54	342
Repairs and maintenance	38,016	16,958	54,974
Training	378	-	378
Supplies	35,093	558	35,651
Depreciation	68,989	213,873	282,862
	<u>\$ 290,310</u>	<u>\$ 323,548</u>	<u>\$ 613,858</u>
Total operating expenses			
	<u>\$ 290,310</u>	<u>\$ 323,548</u>	<u>\$ 613,858</u>
Operating income (loss)			
	<u>\$ (84,914)</u>	<u>\$ (133,116)</u>	<u>\$ (218,030)</u>
Non-Operating Revenues (Expenses):			
Debt forgiveness	\$ 744,428	\$ 2,060,033	\$ 2,804,461
Grant revenue	1,587	-	1,587
Investment income	66	3,754	3,820
Property tax	-	2,216	2,216
Interest expense	-	(29,913)	(29,913)
	<u>\$ 746,081</u>	<u>\$ 2,036,090</u>	<u>\$ 2,782,171</u>
Total non-operating revenues (expenses)			
	<u>\$ 746,081</u>	<u>\$ 2,036,090</u>	<u>\$ 2,782,171</u>
Net income (loss) before transfers			
	<u>\$ 661,167</u>	<u>\$ 1,902,974</u>	<u>\$ 2,564,141</u>
Transfers in	20,379	134,164	154,543
Transfers out	-	-	-
	<u>\$ 681,546</u>	<u>\$ 2,037,138</u>	<u>\$ 2,718,684</u>
Change in net position			
Total net position - beginning	<u>2,399,364</u>	<u>6,194,173</u>	<u>8,593,537</u>
Total net position - ending	<u>\$ 3,080,910</u>	<u>\$ 8,231,311</u>	<u>\$ 11,312,221</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 205,896	\$ 190,432	\$ 396,328
Payments to suppliers	(128,763)	(54,905)	(183,668)
Payments to employees	(92,558)	(54,770)	(147,328)
Net cash provided (used) by operating activities	<u>\$ (15,425)</u>	<u>\$ 80,757</u>	<u>\$ 65,332</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grant revenue	\$ 1,587	\$ -	\$ 1,587
Property tax	-	2,216	2,216
Net increase (decrease) in due to / from other funds	-	-	-
Transfers to other funds	-	-	-
Transfers from other funds	20,379	134,164	154,543
Net cash provided (used) by noncapital financing activities	<u>\$ 21,966</u>	<u>\$ 136,380</u>	<u>\$ 158,346</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt forgiveness	\$ 744,428	\$ 2,060,033	\$ 2,804,461
Loan proceeds	-	700,454	700,454
Principal payments on debt	-	(113,717)	(113,717)
Interest expense	-	(29,913)	(29,913)
Purchases of capital assets	(776,845)	(2,838,957)	(3,615,802)
Net cash provided (used) by capital and related financing activities	<u>\$ (32,417)</u>	<u>\$ (222,100)</u>	<u>\$ (254,517)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	\$ 66	\$ 3,754	\$ 3,820
Net cash provided (used) by investing activities	<u>\$ 66</u>	<u>\$ 3,754</u>	<u>\$ 3,820</u>
Net increase (decrease) in cash and cash equivalents	\$ (25,810)	\$ (1,209)	\$ (27,019)
Balance - beginning of year	156,712	1,744,577	1,901,289
Balance - end of year	<u>\$ 130,902</u>	<u>\$ 1,743,368</u>	<u>\$ 1,874,270</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (84,914)	\$ (133,116)	\$ (218,030)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	68,989	213,873	282,862
Change in assets and liabilities:			
Increase in refundable deposits	500	-	500
Net cash provided (used) by operating activities	<u>\$ (15,425)</u>	<u>\$ 80,757</u>	<u>\$ 65,332</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Assumption, Illinois was organized in 1902. The City operates under the management of an elected board and provides general administration, police protection, street maintenance, park maintenance, water, and sewer services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to the modified cash basis of accounting. The more significant accounting policies of the City are described below.

Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, and as amended by GASB Statement 61, include whether: 1) The organization is legally separate (can sue and be sued in their own name); 2) The City holds the corporate powers of the organization; 3) The City appoints a voting majority of the organization's board; 4) The City is able to impose its will on the organization; 5) The organization has the potential to impose a financial benefit/burden on the City and; 6) There is fiscal dependency by the organization on the City.

No other entities meet the GASB Statements No. 14 and 61 criteria to be included as component units for financial reporting purposes.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. They include all the funds of the reporting entity except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Motor Fuel Tax Fund, IMRF Fund, Playground and Recreation Fund and TIF Fund are classified as a major fund.

The Social Security Fund, Health, Recycling and Garbage Fund and Unemployment Compensation Fund are classified as a nonmajor fund.

All of the above Special Revenue Funds account for their respective revenues (motor fuel taxes and property taxes), which are legally restricted for related expenditures.

Proprietary Funds:

Enterprise Funds – Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

The Water Fund and Sewer Fund are classified as a major fund.

Both of the above Enterprise Funds account for their respective revenues (charges for services) and related expenditures.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined in item b below.

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

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

Basis of Accounting:

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Equity

Cash and Cash Equivalents:

The City defines cash and cash equivalents as demand deposits with banks and other instruments with original maturities of three months or less.

Investments:

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity terms exceed three months. Investments are carried at cost, which approximates fair value.

Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents as of April 30, 2024 was \$10,549, which consists of refundable deposits in the Water Fund.

Capital Assets:

The City's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment of land, buildings and improvements, utilities infrastructure, and equipment and vehicles (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements:

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to May 1, 2004. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Equity (Continued)

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. A capitalization threshold of \$0 for land and buildings, \$5,000 for improvements, \$50,000 for infrastructure assets, and \$5,000 for equipment and vehicles is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Improvements	20 years
Road infrastructure	10 years
Infrastructure (other than roads)	40 years
Equipment	7 years
Vehicles	5-7 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. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Refundable Deposits:

As of April 30, 2024, the City had deposits of \$10,549 from customers due upon termination of water services.

Long-Term Debt:

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

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

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Equity (Continued)

Equity Classification:

Government-Wide Statements:

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

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

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

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because it is not in spendable form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance has limitations imposed by the City board through approval of resolutions. Assigned fund balance has limitations imposed by a designee of the City board, or the board itself. In addition, assigned fund balance can represent the remaining fund balance after non-spendable, restricted, and committed amounts have been identified for reporting in special revenue funds. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balances, if any, in the other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide financial statements.

When restricted and other fund balance resources are available for use, it is the City’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Equity (Continued)

Restricted and Unrestricted, Designated Net Position:

The governmental activities restricted net position for other purposes of \$849,733 represent total net positions of all Special Revenue Funds, in which revenues are legally restricted for related expenditures.

Revenues, Expenditures, and Expenses

Program Revenues and Expenses:

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

General Government	- Licenses, permits, fees and tower lease revenue
Public Safety	- Fines and forfeitures

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

Operating Revenues and Expenses:

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Property Taxes:

Property tax revenues are recognized when they are received on the modified cash basis of accounting. Taxes levied and uncollected are not carried as an asset of the related fund.

The City's property taxes are levied each year on all taxable real property located in the City on or before the last Tuesday in December. The board passed the 2022 levy on December 7, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in July and September 2023, for the 2022 levy. The City received its payments of 2022 levied property taxes from the Christian County Treasurer between August and December 2023.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues, Expenditures, and Expenses (Continued)

The following are the tax rates applicable to the various levies for the City per \$100 of assessed valuation:

	<u>Maximum</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	2023	2023	2022	2021
General Corporate	0.43750	0.39638	0.42390	0.42335
Police Protection	0.60000	0.05042	0.05392	0.05385
Audit	Unlimited	0.00000	0.00000	0.00000
Garbage (Landfill)	0.20000	0.13510	0.14449	0.14430
Social Security	Unlimited	0.10690	0.11432	0.11417
Playground	0.20000	0.05598	0.05987	0.05979
Chlorination Sewage	0.07500	0.01525	0.01631	0.01630
Liability Insurance	Unlimited	0.00000	0.00000	0.00000
IMRF	Unlimited	0.31302	0.33476	0.33432
Unemployment Insurance	Unlimited	0.00283	0.00303	0.00303
Road and Bridge	Unlimited	0.06564	0.07019	0.07010
Prior Year Adjustment	Unlimited	0.00857	0.00876	0.00439
Total		<u>1.15009</u>	<u>1.22955</u>	<u>1.22360</u>

Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government-Wide Financial Statements:

Interfund activity and balances are eliminated or reclassified in the government-wide financial statements as internal activities. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as “transfers-internal activity”. The effects of interfund services between funds are not eliminated in the Statement of Activities.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Internal and Interfund Balances and Activities (Continued)

Fund Financial Statements:

Interfund activity within and among the governmental and proprietary fund categories is reported as “transfers in” and “transfers out” in the fund financial statements. Operating interfund transfers occur when assets flow from one fund to another and repayment is not expected.

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Leases and Subscription Based Information Technology Arrangements (SBITA)

GASB Statement No. 87 (leases) and GASB Statement No. 96 (SBITA) pronouncements did not impact the preparation of these financial statements due to the basis of accounting described and disclosed above.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. The City had one instance of noncompliance that is considered material to the financial statements and is described below:

The City did not operate within the legal confines of its budget. Expenditures exceeded budgeted amounts in the IMRF Fund by \$6,034 and in the TIF Fund by \$568,677.

The City had no deficit fund balance at April 30, 2024.

NOTE 3 – TORT IMMUNITY

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. The City’s tort immunity expenditures were as follows:

Tort immunity receipts - taxes collected	\$ -
Tort immunity expenditures - property and liability insurance	49,954
Tort immunity expenditures over receipts	\$ 49,954
Restricted at May 1, 2023	-
Restricted at April 30, 2024	\$ -

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 4 – CASH AND INVESTMENTS

Permitted Investments:

Statutes authorize the City to deposit and invest in obligations of States and their political subdivisions, savings accounts, certificates of deposit, credit union shares, repurchase agreements, commercial paper rated with the three highest classifications by at least two standard rating services and the Illinois Public Treasurer's Investment Pool.

Each fund maintains its own cash deposit and time deposit accounts.

The City does not have policies regarding custodial credit risk, interest rate risk, concentration of credit risk or foreign currency risk.

Deposits:

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. As of April 30, 2024, all of the City's \$3,867,198 (\$3,382,016 in demand, NOW and savings accounts and \$485,182 in certificates of deposit) is insured or collateralized with securities held by the pledging financial institution in the name of the City.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City of Assumption limits their exposure to interest rate risk by structuring the portfolio to include only short-term certificates of deposit and demand deposits.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the City of Assumption's investment in a single issuer. The demand, NOW, savings accounts and certificates of deposit are carried at the First National Bank of Assumption.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The City has no known foreign currency risks in either investments or deposits as of April 30, 2024.

Investments:

GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, requires certain disclosures for certain investments. As of April 30, 2024, the City of Assumption held no investments other than time deposits (disclosed above).

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity, resulting from the modified cash basis transactions, for the fiscal year ended April 30, 2024 was as follows:

	Balance May 1, 2023	Additions	Retirements	Balance April 30, 2024
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 244,023	\$ -	\$ -	\$ 244,023
Equipment and vehicles	516,308	7,800	(15,730)	508,378
Road infrastructure	811,989	-	-	811,989
Total capital assets being depreciated	\$ 1,572,320	\$ 7,800	\$ (15,730)	\$ 1,564,390
Land	55,017	-	-	55,017
Construction in progress	-	613,607	-	613,607
Total capital assets	\$ 1,627,337	\$ 621,407	\$ (15,730)	\$ 2,233,014
Less accumulated depreciation for:				
Buildings and improvements	\$ (114,584)	\$ (6,575)	\$ -	\$ (121,159)
Equipment and vehicles	(317,817)	(44,505)	15,730	(346,592)
Road infrastructure	(255,791)	(63,566)	-	(319,357)
Total accumulated depreciation	\$ (688,192)	\$ (114,646)	\$ 15,730	\$ (787,108)
Governmental activities capital assets, net	\$ 939,145	\$ 506,761	\$ -	\$ 1,445,906
Business-type activities:				
Capital assets being depreciated:				
Utilities infrastructure	\$ 10,335,912	\$ 910,230	\$ -	\$ 11,246,142
Equipment and vehicles	194,354	58,801	-	253,155
Total capital assets being depreciated	\$ 10,530,266	\$ 969,031	\$ -	\$ 11,499,297
Land	-	20,380	-	20,380
Construction in progress	1,616,453	3,525,824	(899,433)	4,242,844
Total capital assets	\$ 12,146,719	\$ 4,515,235	\$ (899,433)	\$ 15,762,521
Less accumulated depreciation for:				
Utilities infrastructure	\$ (1,454,215)	\$ (272,733)	\$ -	\$ (1,726,948)
Equipment and vehicles	(163,237)	(10,129)	-	(173,366)
Total accumulated depreciation	\$ (1,617,452)	\$ (282,862)	\$ -	\$ (1,900,314)
Business-type activities capital assets, net	\$ 10,529,267	\$ 4,232,373	\$ (899,433)	\$ 13,862,207

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense for the fiscal year ended April 30, 2024 was charged to functions as follows in the Statement of Activities:

Primary Government:

Governmental activities:

General government	\$ 2,308
Public safety	11,597
Streets and public works	86,959
Culture and recreation	13,782
Total depreciation expense for governmental activities	<u>\$ 114,646</u>

Business-type activities:

Water	\$ 68,988
Sewer	213,874
Total depreciation expense for business-type activities	<u>\$ 282,862</u>

NOTE 6 – LONG-TERM DEBT

Governmental Activities:

As of April 30, 2024, the long-term debt, arising from cash transactions, payable from the TIF Fund consists of:

On January 1, 2024, the City purchased land at 411 S US HWY 51 with the intention of creating a new subdivision for single family homes. A bank loan was executed on this date in the amount of \$256,000. Annual loan repayments in the amount of \$22,657.35 will be made over a 9-year period, with an interest rate of 4.95 percent per annum, beginning on January 2, 2025, and commencing on January 2, 2033, with a final balloon payment due on January 2, 2034. The interest paid on this loan during the fiscal year ended April 30, 2024, was \$0. The balance on this loan as of April 30, 2024, is \$256,000.

On March 4, 2024, the City executed a bank infrastructure development loan in the amount of \$1,135,000, with the purpose of using the loan proceeds to create a new subdivision for single family homes at 411 S US HWY 51. Loan proceeds will be advanced on an as needed basis to cover the cost of infrastructure development. Accrued interest is due on March 4, 2025, at a rate of 4.95 percent per annum. Annual loan repayments in the amount of \$114,318.41 will be made over a 5-year period, with an interest rate of 4.95 percent per annum, beginning March 4, 2026, and commencing on March 4, 2030, with a final balloon payment due on March 4, 2031. The interest paid on this loan during the fiscal year ended April 30, 2024, was \$0. The balance on this loan as of April 30, 2024, is \$269,132.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 6 – LONG-TERM DEBT (Continued)

Business-Type Activities:

As of April 30, 2024, the long-term debt arising from cash transactions, payable from the Sewer Fund consists of:

On May 20, 2019, the City entered into a water pollution control loan agreement with the Illinois Environmental Protection Agency. The executed loan amount was for \$7,071,719. In accordance with the procedures for issuing loans from the water pollution control loan program, \$3,272,177 of the executed loan amount was forgiven, which left the City with a loan balance of \$3,799,542 after the final loan proceeds were disbursed on June 21, 2022. Semi-annual loan repayments will be made over a 30-year period, with an interest rate of .80 percent per annum, beginning on November 6, 2022, and commencing on May 6, 2052. The interest paid on this loan during the fiscal year ended April 30, 2024, was \$29,913. The balance on this loan as of April 30, 2024, is \$3,653,834.

On September 1, 2022, the City entered into a water pollution control loan agreement with the Illinois Environmental Protection Agency. The executed loan amount of \$7,763,069 is in the process of being disbursed to the City, as construction work progresses. In accordance with the procedures for issuing loans from the water pollution control loan program, \$2,466,614 of the executed loan amount will be forgiven, which will leave the City with a loan balance of \$5,296,455. As of April 30, 2024, the City has received \$3,167,068 of loan proceeds, of which \$2,466,614 has been forgiven. The balance on this loan agreement as of April 30, 2024, is \$700,454. Loan repayments will not begin until after the final disbursement request is made and funded. Upon completion of the project and the final disbursement being made, semi-annual loan repayments will be made over a 30-year period, with an interest rate of .93 percent per annum. The City anticipates the project to be finalized in June 2025, with the first loan payment being due in December 2025.

The following is a summary of the change in long-term debt for the fiscal year ended April 30, 2024:

	Balance April 30, 2023	Increases	Decreases	Balance April 30, 2024
Governmental Activities:				
Land Loan	\$ -	\$ 256,000	\$ -	\$ 256,000
Infrastructure Development Loan	-	269,132	-	269,132
Total Governmental Activities	<u>\$ -</u>	<u>\$ 525,132</u>	<u>\$ -</u>	<u>\$ 525,132</u>
Business-Type Activities:				
Water Pollution Control Loan	\$ 3,767,551	\$ -	\$ 113,717	\$ 3,653,834
Water Pollution Control Loan	-	700,454	-	700,454
Total Business-Type Activities	<u>\$ 3,767,551</u>	<u>\$ 700,454</u>	<u>\$ 113,717</u>	<u>\$ 4,354,288</u>

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 6 -- LONG-TERM DEBT (Continued)

At April 30, 2024, future annual cash flow requirements of principal and interest are as follows:

	<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:				
Land Loan	2025	\$ 9,985	\$ 12,672	\$ 22,657
	2026	10,480	12,178	22,658
	2027	10,998	11,659	22,657
	2028	11,543	11,115	22,658
	2029	12,114	10,543	22,657
	2030-2035	200,880	43,106	243,986
Subtotal		<u>\$ 256,000</u>	<u>\$ 101,273</u>	<u>\$ 357,273</u>
	<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:				
Infrastructure Development Loan	2025	\$ -	\$ 28,092	\$ 28,092
	2026	58,136	56,183	114,319
	2027	61,014	53,305	114,319
	2028	64,034	50,285	114,319
	2029	67,203	47,115	114,318
	2030-2035	884,613	84,085	968,698
Subtotal		<u>\$ 1,135,000</u>	<u>\$ 319,065</u>	<u>\$ 1,454,065</u>
Less: Pending Disbursements / Loan Proceeds		<u>(865,868)</u>		
		<u>\$ 269,132</u>		

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 6 – LONG-TERM DEBT (Continued)

	<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Business-Type Activities:				
Water Pollution Control Loan	2025	\$ 114,628	\$ 29,002	\$ 143,630
	2026	115,547	28,083	143,630
	2027	116,473	27,157	143,630
	2028	117,407	26,223	143,630
	2029	118,348	25,282	143,630
	2030-2034	606,124	112,027	718,151
	2035-2039	630,810	87,341	718,151
	2040-2044	656,501	61,649	718,150
	2045-2049	683,239	34,912	718,151
	2050-2053	494,757	7,948	502,705
Subtotal		<u>\$ 3,653,834</u>	<u>\$ 439,624</u>	<u>\$ 4,093,458</u>

	<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Business-Type Activities:				
Water Pollution Control Loan	2025	\$ -	\$ -	\$ -
	2026	76,736	24,629	101,365
	2027	154,543	48,185	202,728
	2028	155,984	46,744	202,728
	2029	157,438	45,290	202,728
	2030-2034	809,479	204,162	1,013,641
	2035-2039	847,917	165,724	1,013,641
	2040-2044	888,181	125,460	1,013,641
	2045-2049	930,356	83,285	1,013,641
	2050-2053	974,534	39,107	1,013,641
	2054-2056	301,287	2,806	304,093
Subtotal		<u>\$ 5,296,455</u>	<u>\$ 785,392</u>	<u>\$ 6,081,847</u>
Less: Pending Disbursements / Loan Proceeds		<u>(4,596,001)</u>		
		<u>\$ 700,454</u>		

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 7 – LEASES

The City has a lease with landowners totaling \$2,200 per year allowing the City to pump water from the existing wells. The lease expires in the year 2077. Total lease payments of \$2,200 were paid during the fiscal year ended April 30, 2024. Total minimum lease payments for the next five years total \$11,000 and each five-year period thereafter until expiration in the year 2077.

NOTE 8 – INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

Transfers between funds of the primary government for the fiscal year ended April 30, 2024, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ -	\$ 197,643
Water Fund	20,379	-
Sewer Fund	134,164	-
IMRF Fund	38,000	-
	<u> </u>	<u> </u>
Subtotal Major Funds	\$ 192,543	\$ 197,643
Non-Major Funds:		
Social Security Fund	\$ 4,000	\$ -
Unemployment Fund	1,100	-
	<u> </u>	<u> </u>
Subtotal Non-Major Funds	\$ 5,100	\$ -
	<u> </u>	<u> </u>
Total Transfers	\$ 197,643	\$ 197,643

The transfers reflected in the above schedule represent transfers of monies among funds for retirement contributions, vehicle replacement, and general operations.

Individual fund receivable or payable balances at April 30, 2024 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 105,309	\$ -
Water Fund	-	59,419
TIF Fund	-	45,890
	<u> </u>	<u> </u>
Total Interfund Balances	\$ 105,309	\$ 105,309

The interfund balances in the above schedule represent temporary loans among funds for general operating purposes. These balances are expected to be repaid within one year. Only interfund balances between governmental activities and business type activities are shown on the government-wide statements.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 9 – RETIREMENT PLANS

Illinois Municipal Retirement Fund

Plan Description

The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "benefits provided" section below. 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 (RSI). 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 1.67 percent of the final rate of earnings for the first 15 years of service credit, plus 2.00 percent for each year of service credit after 15 years to a maximum of 75.00 percent 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 3.00 percent 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 1.67 percent of the final rate of earnings for the first 15 years of service credit, plus 2.00 percent for each year of service credit after 15 years to a maximum of 75.00 percent 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: 1) 3.00 percent of the original pension amount, or 2) half of the increase in the Consumer Price Index of the original pension amount.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 9 – RETIREMENT PLANS (Continued)

Employees Covered by Benefit Terms

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

Retirees and beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>8</u>
Total	<u>18</u>

Contributions

As set by statute, the employer Regular Plan members are required to contribute 4.50 percent 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 employer's annual required contribution rate for calendar year 2023 was 17.11 percent. For the fiscal year ended April 30, 2024, the employer contributed \$76,034 to the plan. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Social Security

All employees, including those covered by IMRF, are covered under social security. The City paid \$30,023, the total required contribution for the current fiscal year.

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of loss including, but not limited to, general liability and City Treasurer's liability. The City is a member of a public entity risk pool which is described below that provides insurance coverage for risks.

Public Entity Risk Pool

The City is a member of the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA provides risk management services and ensures that all of the City's property and liability claims up to specified limits.

IMLRMA is a separate entity which sets rates and purchases commercial excess and stop loss coverage. The City pays annual premiums to IMLRMA for coverage. Supplementary payments may also be required by IMLRMA's Board of Directors should the premiums paid be insufficient to fund operations. No such supplemental payments have been required. No material decreases in insurance coverage have occurred nor have any insurance claims in excess of insurance coverage been paid or reported. Settled claims have not exceeded insurance coverage for the past three fiscal years.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Illinois Environmental Protection Agency (IEPA) Violations

Prior to May 1, 2011, the City had received notification from the Illinois Environmental Protection Agency (IEPA) that the City's sewer system may be in violation of IEPA guidelines and will need correction. The City is cooperating and working with the IEPA to correct the problem.

Long-Term Debt Commitments and Debt Forgiveness

The City is involved in construction of a separate sanitary sewer system that will be completed in fiscal year 2026. The IEPA has committed to funding \$7,763,069 of project costs, of which \$2,466,614 is eligible for forgiveness. The City has received \$3,167,068 as of April 30, 2024, of which \$2,466,614 has been forgiven.

The City is involved in water system improvements for a water treatment plant addition, watermain replacement, and lead service replacement. The IEPA has committed to funding \$3,956,514 of project costs, of which \$3,158,106 is eligible for forgiveness. The City has received \$1,999,151 as of April 30, 2024, of which \$1,999,151 has been forgiven.

Contracts

The City has entered into an hourly contract for engineering services related to phase two of the construction of a separate sanitary sewer system, which is budgeted at \$665,000. As of April 30, 2024, the City has expended \$436,084, leaving \$228,916 committed. The City plans on fulfilling this commitment with IEPA loan proceeds.

The City has entered into a contract for construction services related to phase two of the construction of a separate sanitary sewer system, which is budgeted at \$6,900,922. As of April 30, 2024, the City has expended \$2,798,263, leaving \$4,102,659 committed. The City plans on fulfilling this commitment with IEPA loan proceeds.

The City has entered into an hourly contract for engineering services related to phase two of the water system improvements for a water treatment plant addition, watermain replacement, and lead service replacement, which is budgeted at \$908,444. As of April 30, 2024, the City has expended \$559,582, leaving \$348,862 committed. The City plans on fulfilling this commitment with IEPA loan proceeds.

The City has entered into a contract for construction services related to phase two of the water system improvements for a water treatment plant addition, watermain replacement, and lead service replacement, which is budgeted at \$2,250,357. As of April 30, 2024, the City has expended \$703,470, leaving \$1,546,887 committed. The City plans on fulfilling this commitment with IEPA loan proceeds.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

Grants

The City received \$1,587 of Community Development Block federal grant monies from the State of Illinois during the fiscal year ended April 30, 2024. This grant funding was provided to assist the City with their water main replacement project.

Compensated Absences

Employees of the City are entitled to paid vacation/leave depending on job classification, length of service, and other factors. Due to the City reporting on the modified cash basis of accounting, no accrual has been made for employee vacation/leave earned but not taken.

Retirement Commitment

As disclosed in Note 9, the City participates in the Illinois Municipal Retirement Fund (IMRF). The City is committed for the net pension liability of the IMRF plan. Details of the net pension liability, pension expense, and other information associated with this plan are not included in the City's modified cash basis financial statements but are provided to the City by IMRF.

NOTE 12 -- LEGAL DEBT LIMIT

As of April 30, 2024, the City was subject to a legal debt limit of \$1,304,809. Debt that is to be repaid by revenue from users, such as water and sewer, is excludable. Debt that is to be repaid by revenue from TIF funds related to redevelopment project costs and obligations is excludable per ILCS 5-11-74.4-7. As of April 30, 2024, the City had no debt subject to this limitation.

NOTE 13 - EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through July 3, 2024, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

CITY OF ASSUMPTION, ILLINOIS

SUPPLEMENTARY INFORMATION

CITY OF ASSUMPTION, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Beginning budgetary fund balance	\$ 1,219,788	\$ 1,219,788	\$ -
Resources (inflows):			
Taxes:			
Property tax	\$ 82,000	\$ 83,444	\$ 1,444
Sales tax	365,000	361,552	(3,448)
Income tax	190,000	189,090	(910)
Use tax	44,000	44,118	118
Replacement tax	50,000	36,654	(13,346)
Fire insurance tax	-	-	-
Cannabis use tax	1,700	1,792	92
Video gaming tax	26,000	28,101	2,101
Total taxes	\$ 758,700	\$ 744,751	\$ (13,949)
Fines and forfeitures:			
Ordinance fines	\$ 7,000	\$ 8,373	\$ 1,373
Animal control	-	-	-
Total fines and forfeitures	\$ 7,000	\$ 8,373	\$ 1,373
Licenses and permits	\$ 6,000	\$ 5,878	\$ (122)
Investment income	\$ 2,000	\$ 3,543	\$ 1,543
Franchise fees	\$ 20,000	\$ 18,249	\$ (1,751)
Grant revenue	\$ 1,200	\$ -	\$ (1,200)
Miscellaneous:			
Tower lease	\$ 21,500	\$ 18,116	\$ (3,384)
Contributions	-	6,950	6,950
Police SRO income	35,000	13,914	(21,086)
Miscellaneous	2,500	2,901	401
Total miscellaneous	\$ 59,000	\$ 41,881	\$ (17,119)
Other financing sources:			
Sale of capital assets	\$ -	\$ 1,500	\$ 1,500
Transfers from other funds	-	-	-
Total other financing sources	\$ -	\$ 1,500	\$ 1,500
Amounts available for appropriation	\$ 2,073,688	\$ 2,043,963	\$ (29,725)

Reference should be made to auditor's report regarding this information.

CITY OF ASSUMPTION, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED APRIL 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Charges to appropriation (outflows):			
General government:			
Salaries and benefits	\$ 73,000	\$ 75,695	\$ (2,695)
Materials and supplies	34,900	34,001	899
Insurance	49,000	49,954	(954)
Other services and charges	86,700	125,458	(38,758)
Total general government	\$ 243,600	\$ 285,108	\$ (41,508)
Public safety:			
Salaries and benefits	\$ 196,000	\$ 183,083	\$ 12,917
Materials and supplies	19,450	20,924	(1,474)
Other services and charges	38,700	27,948	10,752
Total public safety	\$ 254,150	\$ 231,955	\$ 22,195
Streets and public works:			
Salaries and benefits	\$ 86,000	\$ 84,821	\$ 1,179
Materials and supplies	14,200	11,581	2,619
Other services and charges	127,200	101,732	25,468
Total streets and public works	\$ 227,400	\$ 198,134	\$ 29,266
Capital outlay	\$ 108,600	\$ 7,800	\$ 100,800
Contingencies	\$ -	\$ -	\$ -
Other financing uses:			
Transfers to other funds	\$ 175,000	\$ 197,643	\$ (22,643)
Total charges to appropriation	\$ 1,008,750	\$ 920,640	\$ 88,110
Ending budgetary fund balance	\$ 1,064,938	\$ 1,123,323	\$ 58,385

Reference should be made to auditor's report regarding this information.

CITY OF ASSUMPTION, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
MOTOR FUEL TAX FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Beginning budgetary fund balance	\$ 593,255	\$ 593,255	\$ -
Resources (inflows):			
Taxes:			
Motor fuel tax	\$ 69,200	\$ 50,677	\$ (18,523)
Total taxes	\$ 69,200	\$ 50,677	\$ (18,523)
Jurisdictional transfer	\$ 335,344	\$ -	\$ (335,344)
Investment income	\$ 1,600	\$ 1,525	\$ (75)
Amounts available for appropriation	\$ 999,399	\$ 645,457	\$ (353,942)
Charges to appropriation (outflows):			
Streets and public works:			
Materials and supplies	\$ 8,550	\$ 2,280	\$ 6,270
Repairs and maintenance roads	30,000	19,275	10,725
Jurisdictional transfer	-	-	-
Rebuild IL	25,658	-	25,658
Engineering	2,046	2,072	(26)
Other services and charges	-	-	-
Total streets and public works	\$ 66,254	\$ 23,627	\$ 42,627
Capital outlay	\$ -	\$ -	\$ -
Total charges to appropriation	\$ 66,254	\$ 23,627	\$ 42,627
Ending budgetary fund balance	\$ 933,145	\$ 621,830	\$ (311,315)

Reference should be made to the auditor's report regarding this information.

CITY OF ASSUMPTION, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
IMRF FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Beginning budgetary fund balance	\$ 3,352	\$ 3,352	\$ -
Resources (inflows):			
Taxes:			
Property tax	\$ 43,500	\$ 45,483	\$ 1,983
Total taxes	\$ 43,500	\$ 45,483	\$ 1,983
Other financing sources:			
Transfers from other funds	\$ 26,500	\$ 38,000	\$ 11,500
Amounts available for appropriation	\$ 73,352	\$ 86,835	\$ 13,483
Charges to appropriation (outflows):			
General government:			
Retirement benefits	\$ 70,000	\$ 76,034	\$ (6,034)
Other services and charges	-	-	-
Total general government	\$ 70,000	\$ 76,034	\$ (6,034)
Total charges to appropriation	\$ 70,000	\$ 76,034	\$ (6,034)
Ending budgetary fund balance	\$ 3,352	\$ 10,801	\$ 7,449

Reference should be made to auditor's report regarding this information.

CITY OF ASSUMPTION, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
PLAYGROUND AND RECREATION FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Beginning budgetary fund balance	\$ 41,426	\$ 41,426	\$ -
Resources (inflows):			
Taxes:			
Property tax	\$ 7,800	\$ 8,134	\$ 334
Total taxes	\$ 7,800	\$ 8,134	\$ 334
Investment income	\$ 150	\$ 101	\$ (49)
Grant revenues	\$ -	\$ -	\$ -
Contributions	\$ -	\$ -	\$ -
Amounts available for appropriation	\$ 49,376	\$ 49,661	\$ 285
Charges to appropriation (outflows):			
Culture and recreation:			
Salaries and benefits	\$ -	\$ -	\$ -
Mowing	3,200	3,285	(85)
Utilities	1,100	515	585
Miscellaneous	4,200	2,920	1,280
Materials and supplies	2,200	2,926	(726)
Other services and charges	18,000	326	17,674
Total culture and recreation	\$ 28,700	\$ 9,972	\$ 18,728
Capital outlay	\$ 69,833	\$ -	\$ 69,833
Contingencies	\$ 2,200	\$ -	\$ 2,200
Other financing uses:			
Transfers to other funds	\$ -	\$ -	\$ -
Total charges to appropriation	\$ 100,733	\$ 9,972	\$ 90,761
Ending budgetary fund balance	\$ (51,357)	\$ 39,689	\$ 91,046

Reference should be made to auditor's report regarding this information.

CITY OF ASSUMPTION, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
TIF FUND
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Beginning budgetary fund balance	\$ 151,131	\$ 151,131	\$ -
Resources (inflows):			
Taxes:			
Property tax	\$ 76,670	\$ 101,971	\$ 25,301
Total taxes	\$ 76,670	\$ 101,971	\$ 25,301
Investment income	\$ 330	\$ 530	\$ 200
Loan proceeds	\$ -	\$ 525,132	\$ 525,132
Amounts available for appropriation	\$ 228,131	\$ 778,764	\$ 550,633
Charges to appropriation (outflows):			
General government:			
Other services and charges	\$ 77,000	\$ 32,070	\$ 44,930
Total general government	\$ 77,000	\$ 32,070	\$ 44,930
Capital outlay	\$ -	\$ 613,607	\$ (613,607)
Total charges to appropriation	\$ 77,000	\$ 645,677	\$ (568,677)
Ending budgetary fund balance	\$ 151,131	\$ 133,087	\$ (18,044)

Reference should be made to auditor's report regarding this information.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO BUDGETARY COMPARISON SCHEDULES
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budget Law

The City of Assumption complies with budgetary legal requirements, as set forth by the State of Illinois, by preparing an Annual Appropriations Ordinance. This document is used by the City management as a budget and is prepared on a modified cash basis of accounting for each fund that the City maintains. The City approved their fiscal year 2024 budget, which was not amended, on July 5, 2023.

Basis of Accounting

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions.

Excess of Expenditures Disbursed Over Appropriations in Budgeted Major Funds

The City had one instance of noncompliance that is considered material to the financial statements. The City did not operate within the legal confines of its budget. Expenditures exceeded budgeted amounts in the IMRF Fund by \$6,034 and in the TIF Fund by \$568,677.

CITY OF ASSUMPTION, ILLINOIS

FEDERAL REPORTING SECTION

CITY OF ASSUMPTION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED APRIL 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Revenues		Federal Disbursements/Expenditures	
			FY 23	FY 24	FY 23	FY 24
U.S. Department of Housing and Urban Development: Passed through Illinois Department of Commerce and Economic Opportunity: Community Development Block Grant	14.228	OOE03414	\$ 371,969	\$ 1,587	\$ 373,556	\$ -
Total U.S. Department of Housing and Urban Development			\$ 371,969	\$ 1,587	\$ 373,556	\$ -
U.S. Environmental Protection Agency: Passed Through the Illinois Environmental Protection Agency: Clean Water State Revolving Fund	(M) 66.458	L174244	\$ -	\$ 2,277,727	\$ -	\$ 2,277,727
U.S. Environmental Protection Agency: Passed Through the Illinois Environmental Protection Agency: Drinking Water State Revolving Fund	(M) 66.468	L175867	\$ -	\$ 485,240	\$ -	\$ 485,240
Drinking Water State Revolving Fund	(M) 66.468	L175909	-	248,183	-	248,183
Subtotal Drinking Water State Revolving Fund			\$ -	\$ 733,423	\$ -	\$ 733,423
Total U.S. Environmental Protection Agency			\$ -	\$ 3,011,150	\$ -	\$ 3,011,150
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 371,969	\$ 3,012,737	\$ 373,556	\$ 3,011,150

(M) Denotes a major federal financial assistance program.

Reference should be made to the auditor's report regarding this information.

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of these financial statements.

CITY OF ASSUMPTION, ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED APRIL 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Assumption, Illinois under programs of the federal government for the year ended April 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Assumption, Illinois it is not intended to and does not present the financial position and changes in net assets of the City of Assumption, Illinois. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Expenditures are recognized and recorded upon the disbursement of cash. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City of Assumption, Illinois did not elect to use the 10% diminimis cost rate.

NOTE 4 – SUB RECIPIENTS

The City of Assumption, Illinois did not provide any federal awards to any sub-recipients.

NOTE 5 – NON-CASH ASSISTANCE

There was no non-cash assistance reported in the schedule of expenditures of federal awards.

NOTE 6 – LOANS OR LOAN GUARANTEES

The City of Assumption, Illinois did not have any federal loans, loan guarantees, or loan subsidies during the fiscal year ended April 30, 2024.

NOTE 7 – FEDERAL INSURANCE

The City of Assumption, Illinois did not receive any insurance coverage provided by a federal agency for the fiscal year ended April 30, 2024.

CITY OF ASSUMPTION, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED APRIL 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified that are not considered
to be material weaknesses? No

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered
to be material weaknesses? No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance
with Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative
Requirements, Cost Principles, and Audit Requirements of Federal Awards? No

Identification of major programs:

CFDA 66.458; Clean Water State Revolving Fund
CFDA 66.468; Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

CITY OF ASSUMPTION, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED APRIL 30, 2024

Section II – Financial Statement Findings

Finding #2024-001: Lack of Segregation of Duties

Condition: The City has not segregated incompatible duties. Access to both physical assets, to the related account records and all phases of transactions cannot be properly controlled.

Criteria: Access to physical assets, the related accounting records and all phases of transactions must be segregated between different individuals.

Effect: By not segregating incompatible duties, the possibility exists that unintentional or intentional errors or irregularities could exist and not be properly detected.

Cause: Because the City has limited personnel resources, it is not possible to segregate incompatible duties.

Recommendation: The City should review their internal control structure, as it relates to the segregation of incompatible duties, and determine a course of action.

Response: Due to their limited financial resources, the City cannot hire enough employees to adequately segregate incompatible duties. However, the Mayor and Board of Alderman will closely monitor monthly reconciliations and financial reports to help mitigate the risks associated with not segregating incompatible duties.

Finding #2024-002: Budget Compliance

Condition: The City did not operate within the legal confines of its budget. Expenditures exceeded the budgeted amounts in the IMRF and TIF Funds.

Criteria: Expenditures exceeded the budgeted amount in the IMRF Fund by \$6,034 and in the TIF Fund by \$568,677.

Effect: Because the City did not operate within the legal confines of its budget, expenditures in excess of the budget constituted unauthorized spending.

Cause: The City did not carefully consider all of its expenditures when preparing the annual budget.

Recommendation: The City should carefully consider all of its expenditures when preparing the annual budget.

Response: The City concurs with and will implement the auditor's recommendation.

Section III – Federal Awards Findings and Questioned Costs

There were no federal award findings or questioned costs.

CITY OF ASSUMPTION

229 NORTH CHESTNUT
ASSUMPTION, ILLINOIS 62510

CITY HALL: (217) 226-3742

FAX: (217) 226-4182

CORRECTIVE ACTION PLAN

July 3, 2024

The City of Assumption has adopted the following corrective action plan for the fiscal year ended April 30, 2024.

Name and address of independent public accounting firm: LMHN, Ltd., 900 North Webster Street, P.O. Box 87, Taylorville, IL 62568

Audit Period: Fiscal Year Ended April 30, 2024

FINDINGS

Finding Number 2024-001 - Lack of Segregation of Incompatible Duties

Access to physical assets, the related accounting records and all phases of transactions must be segregated between different individuals.

Recommendation: The City should review their internal control structure, as it relates to the segregation of incompatible duties, and determine a course of action.

Action Taken: Due to our limited financial resources, the City cannot hire enough employees to adequately segregate incompatible duties. However, the Mayor and Board of Alderman will closely monitor monthly reconciliations and financial reports to help mitigate the risks associated with not segregating incompatible duties.

Anticipated Date of Completion: April 30, 2025.

Name of Contact Person: Derek Page, Mayor

Finding Number 2024-002 – Budget Compliance

The City is required by Illinois Compiled Statutes to operate within the confines of its budget. Expenditures exceeded the budgeted amount in the IMRF Fund by \$6,034 and in the TIF Fund by \$568,677.

Recommendation: The City should carefully consider all of its expenditures when preparing the annual budget.

Action Taken: The City concurs with and will implement the auditor's recommendation.

Anticipated Date of Completion: April 30, 2025.

Name of Contact Person: Derek Page, Mayor

Sincerely,

A handwritten signature in black ink, appearing to be 'Derek Page', written over a horizontal line.

Derek Page
Mayor

City of Assumption, Illinois
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ending April 30, 2024

<u>Finding #</u>	<u>Condition</u>	<u>Current Status</u>
2023-001	The City has not segregated incompatible duties. Access to both physical assets, to the related accounting records and all phases of transactions cannot be properly controlled.	Due to limited personnel resources available, the City was not able to segregate incompatible duties.