CITY OF PROPHETSTOWN, ILLINOIS

ANNUAL FINANCIAL REPORT

CITY OF
Prophetstown
ILLINOIS

FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

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CITY OF PROPHETSTOWN, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

May 22, 2026

The Honorable City Mayor
Members of the City Council
City of Prophetstown, Illinois

Report on the Audit of the Financial Statements

Opinion

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 Prophetstown (the City), 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 Prophetstown, Illinois, as of April 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as 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, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Prophetstown, Illinois' basic financial statements. The management's discussion and analysis, other supplementary information and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, management's discussion and analysis, other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

City of Prophetstown, Illinois
May 22, 2026

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2026, on our consideration of the City's 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's 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's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Prophetstown (the City), Illinois' financial performance provides an overview of the City of Prophetstown's financial activities for the fiscal year ended April 30, 2024. Please read it in conjunction with the City's financial statements, which can be found in the financial section of this report.

FINANCIAL HIGHLIGHTS

- During the year, government-wide revenues totaled $3,176,292, while expenses totaled $2,116,804, resulting in an increase of net position of $1,059,488.
- The City's net position increased as a result of this year's operations. Net position of business-type activities increased by $971,248, or 38.8% and net position of the governmental activities increased by $88,240 or 2.6%.
- The City's net position as of April 30, 2024 totaled $6,919,307 which includes $3,385,708 net investment in capital assets, $2,256,304 subject to external restrictions, and $1,277,295 unrestricted net position.
- Total governmental funds reported combined ending fund balance of $2,481,953 of which $225,649 is unassigned and available for spending at the City's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities, in the basic financial statements, provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business. The government wide financial statements can be found in the financial section of this report.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/ deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements provide more detailed information about the City's most significant funds, rather than about the City as a whole. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, the Library Fund, and the Tax Increment Financing District Fund which are considered major funds.

The City adopts an annual appropriated budget for all of the governmental funds, except for the Tax Incremental Financing District Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes the enterprise fund to account for its water and sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, which is considered to be a major fund of the City.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents the net position as of April 30, 2024. Net position serves over time as a useful indicator of a government's financial position. The following tables show that assets exceeded liabilities by $6,919,307.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	$ 2,725,217	2,707,102	1,094,640	945,901	3,819,857	3,653,003
Capital Assets	1,024,509	1,031,560	6,585,667	2,096,855	7,610,176	3,128,415
Total Assets	3,749,726	3,738,662	7,680,307	3,042,756	11,430,033	6,781,418
Deferred Outflows	—	—	1,037,006	1,080,000	1,037,006	1,080,000
Total Assets/Deferred Outflows	3,749,726	3,738,662	8,717,313	4,122,756	12,467,039	7,861,418
Current Liabilities	19,963	45,181	117,371	127,573	137,334	172,754
Non-Current Liabilities	42,236	62,199	5,124,898	1,491,387	5,167,134	1,553,586
Total Liabilities	62,199	107,380	5,242,269	1,618,960	5,304,468	1,726,340
Deferred Inflows	243,264	275,259	—	—	243,264	275,259
Total Liabilities/Deferred Inflows	305,463	382,639	5,242,269	1,618,960	5,547,732	2,001,599
Net Position						
Net Investment in Capital Assets	962,310	950,120	2,423,398	1,557,895	3,385,708	2,508,015
Restricted	2,256,304	2,034,862	—	—	2,256,304	2,034,862
Unrestricted	225,649	371,041	1,051,646	945,901	1,277,295	1,316,942
Total Net Position	3,444,263	3,356,023	3,475,044	2,503,796	6,919,307	5,859,819

A portion of the City's net position, $3,385,708 or 48.9%, reflects its investment in capital assets (for example, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure such as street construction and water and sewer systems), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

An additional portion, $2,256,304 or 32.6%, of the City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 18.5%, or $1,277,295, represents unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	$ 194,943	219,099	620,856	617,886	815,799	836,985
Operating Grants/Contributions	192,429	166,033	—	—	192,429	166,033
Capital Grants/Contributions	—	—	836,528	413,471	836,528	413,471
General Revenues						
Property Taxes	467,356	468,575	—	—	467,356	468,575
Sales Taxes	327,913	327,445	—	—	327,913	327,445
Income Taxes	318,589	314,436	—	—	318,589	314,436
Other Taxes	59,050	84,841	—	—	59,050	84,841
Other General Revenues	158,210	136,318	418	212	158,628	136,530
Total Revenues	1,718,490	1,716,747	1,457,802	1,031,569	3,176,292	2,748,316
Expenses						
General Government	643,700	653,616	—	—	643,700	653,616
Public Safety	363,512	288,089	—	—	363,512	288,089
Public Works	475,949	883,271	—	—	475,949	883,271
Culture and Recreation	144,215	102,368			144,215	102,368
Interest on Long-Term Debt	2,874	3,555	—	—	2,874	3,555
Water and Sewer	—	—	486,554	458,344	486,554	458,344
Total Expenses	1,630,250	1,930,899	486,554	458,344	2,116,804	2,389,243
Change in Net Position	88,240	(214,152)	971,248	573,225	1,059,488	359,073
Net Position - Beginning	3,356,023	3,570,175	2,503,796	1,930,571	5,859,819	5,500,746
Net Position - Ending	3,444,263	3,356,023	3,475,044	2,503,796	6,919,307	5,859,819

Net position of the City’s governmental activities increased by 2.6% ($3,444,263 in 2024 compared to $3,356,023 in 2023). Net position of business-type activities increased by 38.8% ($3,475,044 in 2024 compared to $2,503,796 in 2023).

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

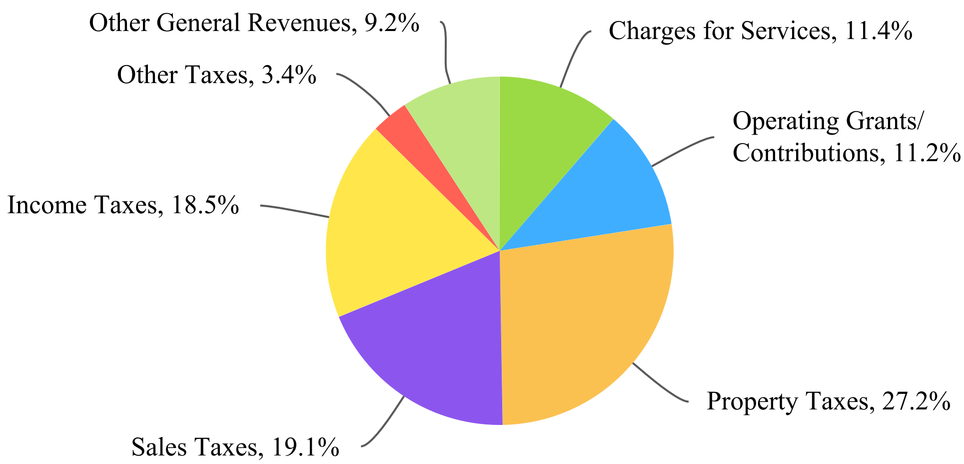
Governmental Activities

Revenues for governmental activities totaled $1,718,490, while the cost of all governmental functions totaled $1,630,250. This results in an increase of $88,240. In 2023, revenues totaled $1,716,747 and total expenses came in at $1,930,899, resulting in a decrease of $214,152.

The increase in 2024 was due to an increase in revenues of $1,743, along with a decrease in expenses of $300,649 compared to the prior fiscal year, mainly due to decreased spending in public works.

The following chart graphically depicts the major revenue sources of the City. The City relies most heavily on property taxes, sales taxes, and income taxes. The chart also clearly identifies the less significant percentage the City receives from other general revenues.

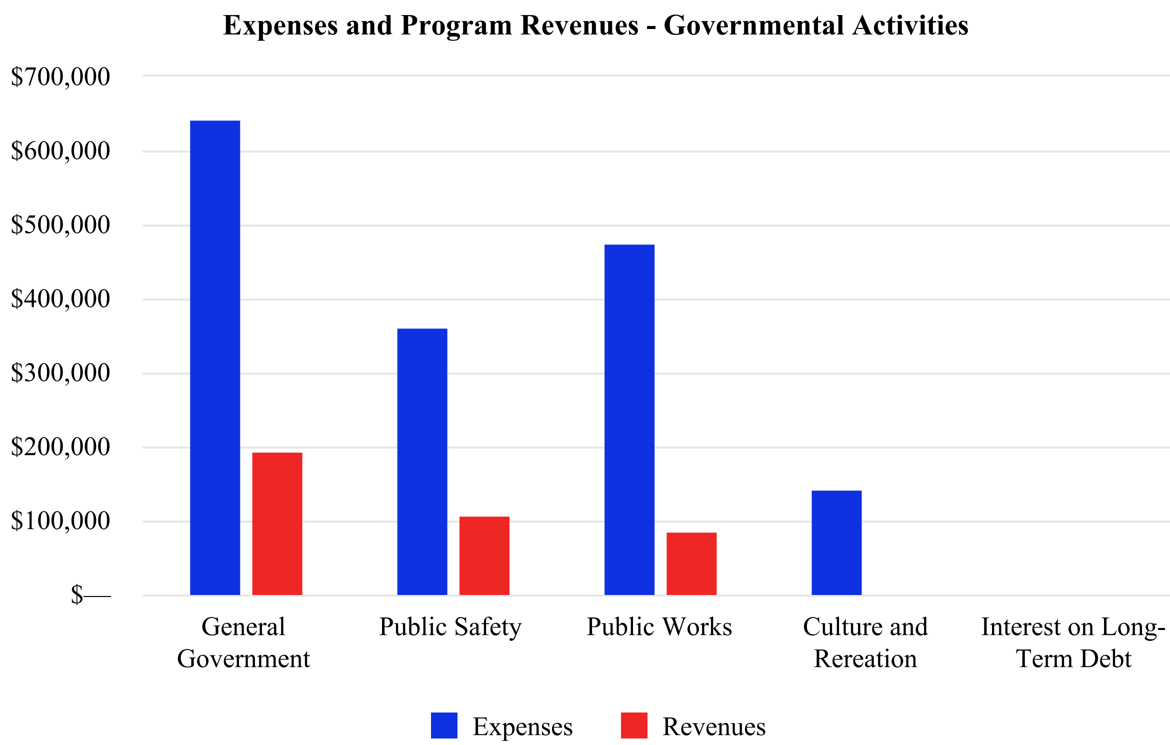
Revenue by Source - Governmental Activities



GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



As depicted in the chart above, general government, public safety, public works and culture and recreation expenses far exceed any directly allocated revenues. Unlike the Water and Sewer Fund that are supported by user fees, these activities are substantially tax supported.

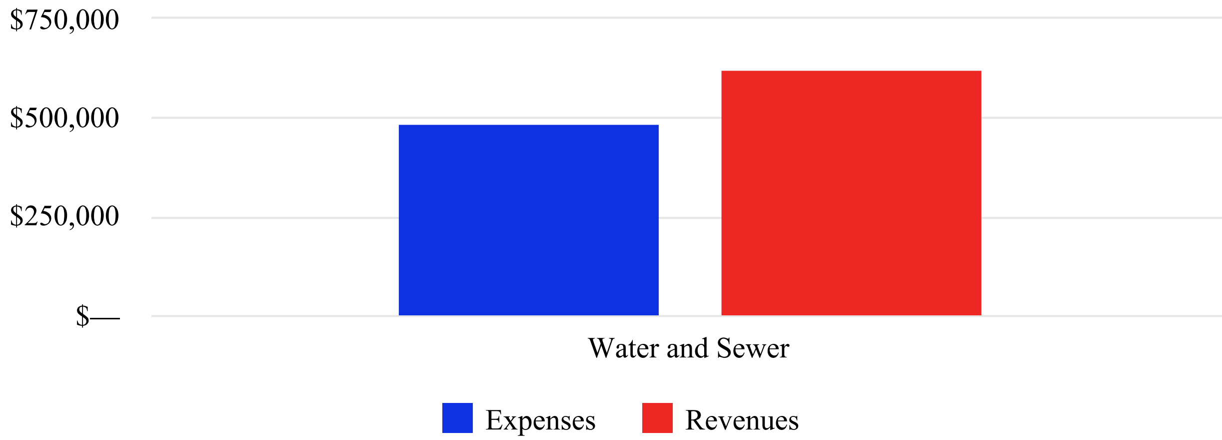
Business-Type Activities

Business-Type activities posted total revenues of $1,457,802, while the cost of all business-type activities totaled $486,554. This results in an increase of $971,248. In 2023, revenues of $1,031,569 exceed expenses of $458,344, resulting in an increase $573,225. The increase in 2024 is mainly due to total revenues received being more than the total expenses for the current year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities - Continued

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for the water and sewer operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The City's governmental funds reported combining ending fund balances of $2,481,953, which is an increase of $76,050, or 3.2%, from last year's total of $2,405,903. Of the $2,481,953 total, $225,649, or approximately 9.1%, of the fund balance constitutes unassigned fund balance.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The General Fund is the chief operating fund of the City. The General Fund reported a decrease in fund balance for the year of $145,392, or 39.2%. This was due to increases in general government and public safety expenditures.

At April 30, 2024, unassigned fund balance in the General Fund was $225,649, which represents 100.0% of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 16.1% of total General Fund expenditures.

The Motor Fuel Tax had an increase in fund balance of $55,316, mainly due to revenues exceeding expenditures in the current year. Public works expenditures also decreased significantly over the prior year.

The Library Fund had an increase in fund balance of $10,054, mainly due to increases in property taxes, investment income and miscellaneous revenues in the current fiscal year.

The Tax Increment Financing District Fund had an increase in fund balance of $156,072, mainly due to increases in property taxes, while similar to the Motor Fuel Tax Fund, public work expenditures experienced a significant decrease over the prior year.

Proprietary Funds

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

The City reports the Water and Sewer Fund as a major proprietary fund. The Water and Sewer Fund accounts for all financial activities associated with the municipal water service. Fees from consumption of water (utility billing) and tap on fees from building activities provide the primary source of revenue for the fund. Revenues are used to purchase water and to maintain the water delivery infrastructure.

The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Water and Sewer Fund during the current fiscal year was $971,248. Unrestricted net position in the Water and Sewer Fund totaled $1,051,646 at April 30, 2024.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled $1,260,064, compared to budgeted revenues of $1,901,650. Revenues for sales taxes and licenses and permits were over budget for the year by $26,781 and $1,176, respectively.

The General Fund actual expenditures for the year were $188,220 lower than budgeted ($1,405,456 actual compared to $1,593,676 budgeted). All of the functions of the General Fund were under budget for the year except for capital outlay which came in over budget by $55,791.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of April 30, 2024 was $7,610,176 (net of accumulated depreciation). This investment in capital assets includes construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Construction in Progress	$ —	—	4,742,570	175,673	4,742,570	175,673
Buildings and Improvements	620,280	622,123	—	—	620,280	622,123
Vehicles	146,609	206,893	5,416	5,958	152,025	212,851
Machinery and Equipment	121,296	62,854	761,625	813,595	882,921	876,449
Infrastructure	136,324	139,690	1,076,056	1,101,629	1,212,380	1,241,319
Totals	1,024,509	1,031,560	6,585,667	2,096,855	7,610,176	3,128,415

This year's major additions included:

Construction in Progress	$ 4,566,897
Buildings and Improvements	16,500
Machinery and Equipment	119,147
	4,702,544

Additional information on the City's capital assets can be found in Note 3 of this report.

Debt Administration

At year-end, the City had total outstanding debt of $4,224,468 as compared to $620,400 the previous year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Bank Loan Payable	$ 62,199	81,440	302,755	404,225	364,954	485,665
Installment Contract Payable	—	—	—	13,963	—	13,963
IEPA Loan Payable	—	—	3,859,514	120,772	3,859,514	120,772
	62,199	81,440	4,162,269	538,960	4,224,468	620,400

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration - Continued

At year-end, the City had an outstanding balance in the total of $4,224,468 of debt owed an increase of $3,604,068 from the prior year.

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the City is $1,775,035.

Additional information on the City's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The population of the City was approximately 1,906 in 2024.

The unemployment rate for Whiteside County at April 30, 2024 was approximately 5.1%, 0.2% higher than the previous year's rate. The City of Prophetstown, Illinois, is a part of Whiteside County, and the unemployment rate of the City is not available.

The City is faced with a similar economic environment as many other local municipalities are faced with, including inflation and unemployment rates.

REQUESTS FOR INFORMATION

This financial report is designed provide citizens, customers, investors and creditors and for all those with an interest in the government's finances, a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the City Clerk at City of Prophetstown, 339 Washington St, Prophetstown, IL 61277.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

Statement of Net Position - Modified Cash Basis
April 30, 2024

See Following Page

Statement of Net Position - Modified Cash Basis
April 30, 2024

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	$ 2,725,217	1,094,640	3,819,857
Noncurrent Assets			
Capital Assets			
Nondepreciable	—	4,742,570	4,742,570
Depreciable	1,794,028	5,115,993	6,910,021
Accumulated Depreciation	(769,519)	(3,272,896)	(4,042,415)
Total Noncurrent Assets	1,024,509	6,585,667	7,610,176
Total Assets	3,749,726	7,680,307	11,430,033
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - ARO	—	1,037,006	1,037,006
Total Assets/Deferred Outflows of Resources	3,749,726	8,717,313	12,467,039

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Bank Loan Payable	$ 19,963	105,079	125,042
IEPA Loan Payable	—	12,292	12,292
Total Current Liabilities	19,963	117,371	137,334
Noncurrent Liabilities			
Bank Loan Payable	42,236	197,676	239,912
IEPA Loan Payable	—	3,847,222	3,847,222
Asset Retirement Obligation	—	1,080,000	1,080,000
Total Noncurrent Liabilities	42,236	5,124,898	5,167,134
Total Liabilities	62,199	5,242,269	5,304,468
DEFERRED INFLOWS OF RESOURCES			
Deferred Grants	243,264	—	243,264
Total Liabilities and Deferred Inflows of Resources	305,463	5,242,269	5,547,732
NET POSITION			
Net Investment in Capital Assets	962,310	2,423,398	3,385,708
Restricted - Motor Fuel Taxes	150,091	—	150,091
Restricted - Library	1,706,163	—	1,706,163
Restricted - Community Development	400,050	—	400,050
Unrestricted	225,649	1,051,646	1,277,295
Total Net Position	3,444,263	3,475,044	6,919,307

The notes to the financial statements are an integral part of this statement.

Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended April 30, 2024

		Program Revenues		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	$ 643,700	191,578	2,870	—
Public Safety	363,512	3,365	103,751	—
Public Works	475,949	—	85,808	—
Culture and Recreation	144,215	—	—	—
Interest on Long-Term Debt	2,874	—	—	—
Total Governmental Activities	1,630,250	194,943	192,429	—
Business-Type Activities				
Water and Sewer	486,554	620,856	—	836,528
Total Primary Government	2,116,804	815,799	192,429	836,528

General Revenues
Taxes
Property Taxes
Intergovernmental - Unrestricted
Income Tax
Sales Tax
Replacement Tax
Cannabis Use Tax
Interest Income
Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses), Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
(449,252)	—	(449,252)
(256,396)	—	(256,396)
(390,141)	—	(390,141)
(144,215)	—	(144,215)
(2,874)	—	(2,874)
(1,242,878)	—	(1,242,878)
—	970,830	970,830
(1,242,878)	970,830	(272,048)
467,356	—	467,356
318,589	—	318,589
327,913	—	327,913
57,834	—	57,834
1,216	—	1,216
59,265	418	59,683
98,945	—	98,945
1,331,118	418	1,331,536
88,240	971,248	1,059,488
3,356,023	2,503,796	5,859,819
3,444,263	3,475,044	6,919,307

The notes to the financial statements are an integral part of this statement.

Balance Sheet - Governmental Funds - Modified Cash Basis
April 30, 2024

		Special Revenue			
	General	Motor Fuel Tax	Library	Tax Increment Financing District	Totals
ASSETS					
Cash and Investments	$ 468,913	150,091	1,706,163	400,050	2,725,217
LIABILITIES					
Accrued Payroll	—	—	—	—	—
DEFERRED INFLOWS OF RESOURCES					
Deferred Grants - ARPA	243,264	—	—	—	243,264
Total Liabilities and Deferred Outflows of Resources	243,264	—	—	—	243,264
FUND BALANCES					
Restricted	—	150,091	1,706,163	400,050	2,256,304
Unassigned	225,649	—	—	—	225,649
Total Fund Balances	225,649	150,091	1,706,163	400,050	2,481,953
Total Liabilities and Fund Balances	468,913	150,091	1,706,163	400,050	2,725,217

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis
April 30, 2024

Total Governmental Fund Balances	$ 2,481,953
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	1,024,509
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bank Loan Payable	(62,199)
Net Position of Governmental Activities	3,444,263

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis
For the Fiscal Year Ended April 30, 2024

		Special Revenue			
	General	Motor Fuel Tax	Library	Tax Increment Financing District	Totals
Revenues					
Taxes	$ 215,211	—	35,012	218,349	468,572
Intergovernmental	704,336	85,808	—	—	790,144
Charges for Services	141,548	—	—	—	141,548
Licenses and Permits	50,030	—	—	—	50,030
Fines	3,365	—	—	—	3,365
Grants and Donations	103,751	—	2,870	—	106,621
Interest	—	—	59,265	—	59,265
Miscellaneous	41,823	—	57,122	—	98,945
Total Revenues	1,260,064	85,808	154,269	218,349	1,718,490
Expenditures					
General Government	519,273	—	—	—	519,273
Public Safety	363,512	—	—	—	363,512
Public Works	365,259	30,492	—	62,277	458,028
Culture and Recreation	—	—	144,215	—	144,215
Capital Outlay	135,297	—	—	—	135,297
Debt Service					
Principal Retirement	19,241	—	—	—	19,241
Interest and Fiscal Charges	2,874	—	—	—	2,874
Total Expenditures	1,405,456	30,492	144,215	62,277	1,642,440
Net Change in Fund Balances	(145,392)	55,316	10,054	156,072	76,050
Fund Balances - Beginning	371,041	94,775	1,696,109	243,978	2,405,903
Fund Balances - Ending	225,649	150,091	1,706,163	400,050	2,481,953

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended April 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$ 76,050
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	117,376
Depreciation Expense	(124,427)
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Retirement of Debt	19,241
Changes in Net Position of Governmental Activities	88,240

The notes to the financial statements are an integral part of this statement.

CITY OF PROPHETSTOWN, ILLINOIS

Statement of Net Position - Proprietary Funds - Modified Cash Basis
April 30, 2024

	Business-Type Activities
	Water and Sewer
ASSETS	
Current Assets	
Cash and Investments	$ 1,094,640
Noncurrent Assets	
Capital Assets	
Nondepreciable	4,742,570
Depreciable	5,115,993
Accumulated Depreciation	(3,272,896)
Total Noncurrent Assets	6,585,667
Total Assets	7,680,307
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - ARO	1,037,006
Total Assets/Deferred Outflows of Resources	8,717,313
LIABILITIES	
Current Liabilities	
Bank Loan Payable	105,079
IEPA Loans Payable	12,292
Total Current Liabilities	117,371
Noncurrent Liabilities	
Bank Loan Payable	197,676
IEPA Loans Payable	3,847,222
Asset Retirement Obligation	1,080,000
Total Noncurrent Liabilities	5,124,898
Total Liabilities	5,242,269
NET POSITION	
Net Investment in Capital Assets	2,423,398
Unrestricted	1,051,646
Total Net Position	3,475,044

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds - Modified Cash Basis
For the Fiscal Year Ended April 30, 2024

	Business-Type Activities
	Water and Sewer
Operating Revenues	
Charges for Services	$ 613,408
Operating Expenses	
Operations	369,893
Depreciation	96,356
Total Operating Expenses	466,249
Operating Income	147,159
Nonoperating Revenues (Expenses)	
Interest Income	418
Interest Expense	(20,305)
Miscellaneous	7,448
	(12,439)
Income before Capital Grant	134,720
Capital Grant	836,528
Change in Net Position	971,248
Net Position - Beginning	2,503,796
Net Position - Ending	3,475,044

The notes to the financial statements are an integral part of this statement.

CITY OF PROPHETSTOWN, ILLINOIS

Statement of Cash Flows - Proprietary Fund - Modified Cash Basis
For the Fiscal Year Ended April 30, 2024

	Business-Type Activities
	Water and Sewer
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 663,850
Payments to Employees	(127,133)
Payments to Suppliers	(242,760)
	293,957
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(4,585,168)
Issuance of Capital Related Debt	4,587,411
Principal on Capital Debt	(964,102)
Interest on Capital Debt	(20,305)
Capital Grant	836,528
	(145,636)
Cash Flows from Investing Activities	
Interest Income	418
Net Change in Cash and Cash Equivalents	148,739
Cash and Cash Equivalents - Beginning	945,901
Cash and Cash Equivalents - Ending	1,094,640
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	147,159
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities	
Depreciation Expense	96,356
Other Income	7,448
(Increase) Decrease in Current Assets	42,994
Net Cash Provided by Operating Activities	293,957

The notes to the financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Prophetstown, Illinois (the City) operates under an elected mayor and six-member council form of government. The basic financial statements of the City have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the City's accounting policies are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the City as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general government, public safety, public works, and culture and recreation services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, public works, culture and recreation, water and sewer, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/ deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the City or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, 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
>
> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains three major special revenue funds. The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the City's annual road rehabilitation and construction program. Financing is provided by specific restricted annual motor fuel taxes. The Library Fund is used to account for monies from contributions, grants, and a tax levy restricted to services related to the operation of the City Library. The Tax Increment Financing District Fund is used to account for the property tax increment and other amounts deposited into the expended from the special tax allocation fund for the Redevelopment Project Area No.1 in the City of Prophetstown.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Proprietary Funds

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains one major enterprise fund, the Water and Sewer Fund, which accounts for the provisions of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” 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

On 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 below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

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.

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the City records capital assets, depreciation, and long-term debt.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments at year-end.

Capital Assets

Capital assets purchased or acquired with an original cost of $1,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE - Continued

Capital Assets - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	20 - 50 Years
Vehicles	5 - 10 Years
Machinery and Equipment	5 - 20 Years
Infrastructure	20 - 100 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- City officers and departments present their budgeted expenditures to the City Council.
- After the requests are approved, they are integrated into a preliminary budget along with the budgeted revenues and proposed property tax levies.
- The preliminary budget is then presented to the City Council for approval.
- After the preliminary budget has been made available to the public for the required amount of time, the City Council formally adopts the final budget

Budgets for the General, Special Revenue Funds (except the Tax Increment Finance District Fund) and the Water and Sewer Fund are adopted on the modified cash basis of accounting, which is the same basis that is used for financial reporting. Revenues are budgeted in the year that the applicable payments are expected to be made.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Library	$ 76,413

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Deposits. At year-end, the carrying amount of the City’s deposits for governmental and business-type totaled $3,819,857 and the bank balances totaled $3,854,333.

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's investment policy states investments are to be managed in a way that prioritizes the safeguarding of capital within the City's entire portfolio, thereby reducing the risk associated with fluctuations in interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy states investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's overall portfolio to mitigate credit risk.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City's investment policy does not address custodial credit risk. At year-end, $373,361 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City's investment policy does not address concentration risk. At year-end, the City does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are payable in two installments in June and September. The County Treasurer bills and collects property taxes as they come due. The County then remits the property tax revenue to the City in several installments, usually between June and November.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings and Improvements	$ 875,897	16,500	—	892,397
Vehicles	385,804	—	—	385,804
Machinery and Equipment	246,650	100,876	—	347,526
Infrastructure	168,301	—	—	168,301
	1,676,652	117,376	—	1,794,028
Less Accumulated Depreciation				
Buildings and Improvements	253,774	18,343	—	272,117
Vehicles	178,911	60,284	—	239,195
Machinery and Equipment	183,796	42,434	—	226,230
Infrastructure	28,611	3,366	—	31,977
	645,092	124,427	—	769,519
Total Net Capital Assets	1,031,560	(7,051)	—	1,024,509

Depreciation expense was charged to governmental activities as follows:

General Government	$ 124,427

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	$ 175,673	4,566,897	—	4,742,570
Depreciable Capital Assets				
Vehicles	76,353	—	—	76,353
Machinery and Equipment	1,302,692	18,271	—	1,320,963
Infrastructure	3,718,677	—	—	3,718,677
	5,097,722	18,271	—	5,115,993
Less Accumulated Depreciation				
Vehicles	70,395	542	—	70,937
Machinery and Equipment	489,097	70,241	—	559,338
Infrastructure	2,617,048	25,573	—	2,642,621
	3,176,540	96,356	—	3,272,896
Total Net Depreciable Capital Assets	1,921,182	(78,085)	—	1,843,097
Total Net Capital Assets	2,096,855	4,488,812	—	6,585,667

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	$ 96,356

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS

Bank Loans Payable

The City enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the City. Loans payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Bank Loan of 2017, due in monthly installments of $9,500 including interest at 3.50% through March 1, 2027.	$ 404,225	—	101,470	302,755
Bank Loan of 2021, due in semi-annual installments of $18,599 to $21,512, plus interest at 3.75% through maturity on November 15, 2026.	81,440	—	19,241	62,199
	485,665	—	120,711	364,954

IEPA Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. A detailed repayment scheduled for IEPA Loan L173559 is not available as of year-end. IEPA loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan L175556, due in semi-annual installments of $6,806 plus interest at 1.25% through March 28, 2033.	$ 120,772	—	12,140	108,632
IEPA Loan L173559, due in semi-annual installments of $71,785 to $94,981 including interest at 0.93% through April 28, 2054.	—	4,587,411	836,529	3,750,882
	120,772	4,587,411	848,669	3,859,514

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Installment Contract Payable

The City issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Installment contract of 2018, due in quarterly installments of $3,607 including interest at 0.80% through January 31, 2024.	$ 13,963	—	13,963	—

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to lift station and water storage tank of the City's water towers and stand pipes at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the lift station and water storage tank are 7 to 58 years.

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Bank Loan Payable	$ 81,440	—	19,241	62,199	19,963
Business-Type Activities					
Bank Loan Payable	404,225	—	101,470	302,755	105,079
Installment Contract Payable	13,963	—	13,963	—	—
IEPA Loan Payable	120,772	4,587,411	848,669	3,859,514	12,292
Asset Retirement Obligation	1,080,000	—	—	1,080,000	—
	1,618,960	4,587,411	964,102	5,242,269	117,371

The governmental activities' bank loan payable is being paid for by the General Fund. The business-type activities' bank loan payable, installment contract payable, IEPA loan payables, and asset retirement obligation are being paid by the Water and Sewer Fund.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "…no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2022	$ 20,580,115
Legal Debt Limit - 8.625% of Equalized Assessed Value	1,775,035
Amount of Debt Applicable to Limit	—
Legal Debt Margin	1,775,035

Debt Service Requirements to Maturity

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

	Governmental Activities		Business-Type Activities			
					IEPA	
Fiscal	Bank Loan		Bank Loans		Loan Payable	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 19,963	2,152	105,079	8,921	12,292	1,320
2026	20,725	1,390	108,816	5,184	12,447	1,165
2027	21,511	603	88,860	1,369	12,603	1,009
2028	—	—	—	—	12,760	852
2029	—	—	—	—	12,920	692
2030	—	—	—	—	13,082	529
2031	—	—	—	—	13,247	365
2032	—	—	—	—	13,412	200
2033	—	—	—	—	5,869	37
Totals	62,199	4,145	302,755	15,474	108,632	6,169

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 1,024,509
Less Capital Related Debt:	
Bank Loan Payable	(62,199)
Net Investment in Capital Assets	962,310
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	6,585,667
Less Capital Related Debt:	
Bank Loan Payable	(302,755)
IEPA Loan Payable	(3,859,514)
Net Investment in Capital Assets	2,423,398

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

		Special Revenue			
	General	Motor Fuel Tax	Library	Tax Increment Financing District	Totals
Fund Balances					
Restricted					
Motor Fuel Taxes	$ —	150,091	—	—	150,091
Library	—	—	1,706,163	—	1,706,163
Community Development	—	—	—	400,050	400,050
	—	150,091	1,706,163	400,050	2,256,304
Unassigned	225,649	—	—	—	225,649
Total Fund Balances	225,649	150,091	1,706,163	400,050	2,481,953

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. The City has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

NOTE 4 – OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

From time to time, the City is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	10
Active Plan Members	10
Total	32

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2024, the City's contribution was 12.82% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 918,915	559,001	275,108

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	$ 3,312,629	2,590,688	721,941
Changes for the Year:			
Service Cost	50,335	—	50,335
Interest on the Total Pension Liability	234,336	—	234,336
Changes of Benefit Terms	—		—
Difference Between Expected and Actual Experience of the Total Pension Liability	35,718	—	35,718
Changes of Assumptions	(10,991)	—	(10,991)
Contributions - Employer	—	73,828	(73,828)
Contributions - Employees	—	25,835	(25,835)
Net Investment Income	—	294,503	(294,503)
Benefit Payments, Including Refunds of Employee Contributions	(211,144)	(211,144)	—
Other (Net Transfer)	—	78,172	(78,172)
Net Changes	98,254	261,194	(162,940)
Balances at December 31, 2023	3,410,883	2,851,882	559,001

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended April 30, 2024, the City recognized pension expense of $77,021 on a cash basis. At April 30, 2024, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 57,295	(15,549)	41,746
Change in Assumptions	—	(8,993)	(8,993)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	148,107	—	148,107
Total Expense to be Recognized in Future Periods	205,402	(24,542)	180,860
Contributions Subsequent to Measurement Date	28,017	—	28,017
Total Deferred Amounts Related to IMRF	233,419	(24,542)	208,877

$28,017 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and would be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2025, under GAAP basis. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	$ 32,905
2026	59,800
2027	109,734
2028	(21,579)
2029	—
Thereafter	—
Total	180,860

NOTE 4 – OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The City has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the City are required to pay 100% of the current premium. However, there is no participation. As the City provides no explicit benefit, and there is no participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the City has not recorded a liability as of April 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Budgetary Comparison Schedule - Major Enterprise Fund
- Schedule Employer Contributions
  Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
  Illinois Municipal Retirement Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the City's annual road rehabilitation and construction program.

Library Fund

The Library Fund is used to account for monies from contributions, grants, and a tax levy restricted to services related to the operation of the City Library.

Tax Increment Financing District Fund

The Tax Increment Financing District Fund is used to account for the property tax increment and other amounts deposited into the expended from the special tax allocation fund for the Redevelopment Project Area No.1 in the City of Prophetstown.

ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of portable water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF PROPHETSTOWN, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property	$ 259,454	259,454	213,995
Cannabis Use	2,582	2,582	1,216
Intergovernmental			
Income Tax	350,944	350,944	318,589
Sales Tax	301,132	301,132	327,913
Replacement Tax	74,565	74,565	57,834
Charges for Services	190,000	190,000	141,548
Licenses and Permits	48,854	48,854	50,030
Fines	28,000	28,000	3,365
Grants and Donations	447,888	447,888	103,751
Miscellaneous	198,231	198,231	41,823
Total Revenues	1,901,650	1,901,650	1,260,064
Expenditures			
General Government	558,503	558,503	519,273
Public Safety	521,879	521,879	363,512
Public Works	433,788	433,788	365,259
Capital Outlay	79,506	79,506	135,297
Debt Service			
Principal Retirement	—	—	19,241
Interest and Fiscal Charges	—	—	2,874
Total Expenditures	1,593,676	1,593,676	1,405,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	307,974	307,974	(145,392)
Other Financing Sources (Uses)			
Transfers Out	(112,975)	(112,975)	—
Net Change in Fund Balance	194,999	194,999	(145,392)
Fund Balance - Beginning			371,041
Fund Balance - Ending			225,649

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
State Allotments	$ —	—	85,808
Expenditures			
Public Works	61,470	61,470	30,492
Net Change in Fund Balance	(61,470)	(61,470)	55,316
Fund Balance - Beginning			94,775
Fund Balance - Ending			150,091

Library - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property	$ 52,050	52,050	35,012
Grants and Donations	—	—	2,870
Interest	3,464	3,464	59,265
Miscellaneous	7,500	7,500	57,122
Total Revenues	63,014	63,014	154,269
Expenditures			
Culture and Recreation	67,802	67,802	144,215
Net Change in Fund Balance	(4,788)	(4,788)	10,054
Fund Balance - Beginning			1,696,109
Fund Balance - Ending			1,706,163

CITY OF PROPHETSTOWN, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services	$ 683,589	683,589	613,408
Operating Expenses			
Operations	529,720	529,720	369,893
Depreciation	—	—	96,356
Total Operating Expenses	529,720	529,720	466,249
Operating Income	153,869	153,869	147,159
Nonoperating Revenues (Expenses)			
Interest Income	—	—	418
Interest Expense	—	—	(20,305)
Miscellaneous	4,364	4,364	7,448
	4,364	4,364	(12,439)
Income before Capital Grant	158,233	158,233	134,720
Capital Grant	—	—	836,528
Change in Net Position	158,233	158,233	971,248
Net Position - Beginning			2,503,796
Net Position - Ending			3,475,044

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
April 30, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 60,156	$ 66,023	$ 5,867	$ 313,805	21.04%
2017	72,204	72,204	—	321,765	22.44%
2018	67,665	67,665	—	323,294	20.93%
2019	82,086	82,086	—	353,516	23.22%
2020	96,491	96,491	—	452,791	21.31%
2021	101,893	101,893	—	490,302	20.78%
2022	84,472	84,472	—	496,151	17.03%
2023	77,396	77,396	—	531,986	14.55%
2024	77,021	77,021	—	600,804	12.82%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF PROPHETSTOWN, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2024

		12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	$	31,251	32,905
Interest		199,228	209,621
Differences Between Expected and Actual Experience		109,661	97,989
Change of Assumptions		3,260	(30,058)
Benefit Payments, Including Refunds of Member Contributions		(174,226)	(226,473)
Net Change in Total Pension Liability		169,174	83,984
Total Pension Liability - Beginning		2,756,502	2,925,676
Total Pension Liability - Ending		2,925,676	3,009,660
Plan Fiduciary Net Position			
Contributions - Employer	$	66,023	72,204
Contributions - Members		14,121	14,479
Net Investment Income		10,145	140,141
Benefit Payments, Including Refunds of Member Contributions		(174,226)	(226,473)
Other (Net Transfer)		106,625	28,889
Net Change in Plan Fiduciary Net Position		22,688	29,240
Plan Net Position - Beginning		2,076,137	2,098,825
Plan Net Position - Ending		2,098,825	2,128,065
Employer's Net Pension Liability	$	826,851	881,595
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.74%	70.71%
Covered Payroll	$	313,805	321,765
Employer's Net Pension Liability as a Percentage of Covered Payroll		263.49%	273.99%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
30,930	31,002	37,794	44,000	42,597	38,951	50,335
217,928	213,834	217,125	220,184	224,630	225,045	234,336
2,232	43,182	8,853	21,604	(44,808)	70,327	35,718
(74,206)	81,626	—	(7,725)	—	—	(10,991)
(238,840)	(224,170)	(234,504)	(214,864)	(217,189)	(212,569)	(211,144)
(61,956)	145,474	29,268	63,199	5,230	121,754	98,254
3,009,660	2,947,704	3,093,178	3,122,446	3,185,645	3,190,875	3,312,629
2,947,704	3,093,178	3,122,446	3,185,645	3,190,875	3,312,629	3,410,883
67,665	82,087	96,489	105,722	84,354	84,149	73,828
14,548	15,908	20,376	21,774	20,994	24,415	25,835
410,926	(160,691)	425,646	364,719	482,989	(425,881)	294,503
(238,840)	(224,170)	(234,504)	(214,864)	(217,189)	(212,569)	(211,144)
(78,744)	77,823	9,922	30,214	9,818	19,537	78,172
175,555	(209,043)	317,929	307,565	380,966	(510,349)	261,194
2,128,065	2,303,620	2,094,577	2,412,506	2,720,071	3,101,037	2,590,688
2,303,620	2,094,577	2,412,506	2,720,071	3,101,037	2,590,688	2,851,882
644,084	998,601	709,940	465,574	89,838	721,941	559,001
78.15%	67.72%	77.26%	85.39%	97.18%	78.21%	83.61%
323,294	353,516	452,791	483,855	466,463	542,549	574,100
199.23%	282.48%	156.79%	96.22%	19.26%	133.06%	97.37%

SUPPLEMENTAL SCHEDULE

CITY OF PROPHETSTOWN, ILLINOIS

Schedule of Assessed Valuations, Tax Rates and Extensions - Last Five Tax Levy Years
April 30, 2024

Tax Levy Year	2018	2019	2020	2021	2022
Assessed Valuations*	$ 19,047,067	18,496,231	18,890,348	18,891,508	20,580,115
Rates					
General	0.2500	0.2500	0.2495	0.2499	0.2430
Social Security	0.1395	0.1476	0.1517	0.1754	0.1736
Illinois Municipal Retirement	0.4239	0.4485	0.4611	0.5188	0.2916
Liability Insurance (Tort)	0.0929	0.0983	0.1010	0.0803	0.0796
Library	0.1500	0.1500	0.1617	0.1499	0.1500
Library Building	0.0192	0.0200	0.0208	0.0199	0.0195
Police Protection	0.0698	0.0738	0.0759	0.0750	0.0750
Total Rates	1.1453	1.1882	1.2217	1.2692	1.0323
Extensions					
General	47,618	46,241	47,131	47,210	50,010
Social Security	26,018	27,300	28,665	33,136	35,727
Illinois Municipal Retirement	79,007	82,956	87,097	98,009	60,012
Liability Insurance (Tort)	17,314	18,182	19,073	15,170	16,382
Library	28,018	27,744	30,539	28,318	30,870
Library Building	3,581	3,699	3,935	3,759	4,013
Police Protection	13,009	13,650	14,332	14,169	15,435
Total Extensions	214,565	219,772	230,772	239,771	212,449

* Per $100 of Assessed Valuation