

VILLAGE OF GREENUP
GREENUP, ILLINOIS
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2024

VILLAGE OF GREENUP

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Greenup
Greenup, Illinois 62428

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village of Greenup, Illinois (the Village), as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2024, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters 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 Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules and related notes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2024, on our consideration of the Village'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 solely 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 Village'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 Village's internal control over financial reporting and compliance.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
July 19, 2024

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,219,210	\$ 5,370,814	\$ 6,590,024
Notes receivable due in one year	7,327	-	7,327
Due (to) from other funds	(16,688)	16,688	-
Cash and cash equivalents - Restricted	-	429,211	429,211
Notes receivable due in more than one year	17,976	-	17,976
Capital assets (net)	1,928,110	5,975,842	7,903,952
Total Assets	3,155,935	11,792,555	14,948,490
LIABILITIES			
Customer deposits	-	208,466	208,466
Note payable due in one year	-	64,486	64,486
Revenue bonds due in one year	-	60,000	60,000
Note payable due in more than one year	-	336,374	336,374
Revenue bonds due in more than one year	-	625,000	625,000
Total Liabilities	-	1,294,326	1,294,326
NET POSITION			
Net investment in capital assets	1,928,110	5,574,982	7,503,092
Restricted for:			
Workers' compensation	29,428	-	29,428
Streets and alley maintenance	199,820	-	199,820
Customer deposits	-	208,466	208,466
Due to other governments	-	220,745	220,745
Utility improvements	-	15,000	15,000
Unrestricted	998,577	4,479,036	5,477,613
Total Net Position	\$ 3,155,935	\$ 10,498,229	\$ 13,654,164

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 287,415	\$ -	\$ -	\$ -	\$ (287,415)	\$ -	\$ (287,415)
Public health and safety	732,965	49,872	-	-	(683,093)	-	(683,093)
Street maintenance	213,348	-	-	-	(213,348)	-	(213,348)
Recreation	7,762	-	-	-	(7,762)	-	(7,762)
Building and grounds	82,188	-	-	-	(82,188)	-	(82,188)
Development and tourism	30,201	-	-	-	(30,201)	-	(30,201)
Total governmental activities	<u>1,353,879</u>	<u>49,872</u>	<u>-</u>	<u>-</u>	<u>(1,304,007)</u>	<u>-</u>	<u>(1,304,007)</u>
Business-type activities:							
Gas	683,287	591,292	-	-	-	(91,995)	(91,995)
Water & Sewer	493,055	711,745	-	15,000	-	233,690	233,690
Electric	2,213,199	2,294,685	-	-	-	81,486	81,486
Ambulance	471,153	159,267	-	-	-	(311,886)	(311,886)
Total business-type activities	<u>3,860,694</u>	<u>3,756,989</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(88,705)</u>	<u>(88,705)</u>
Total	<u>\$ 5,214,573</u>	<u>\$ 3,806,861</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>(1,304,007)</u>	<u>(88,705)</u>	<u>(1,392,712)</u>
		General revenues:					
		Property taxes			316,496	-	316,496
		Intergovernmental:					
		Sales tax			521,582	-	521,582
		State income tax			223,471	-	223,471
		State replacement tax			19,049	-	19,049
		Pull tabs tax			102,268	-	102,268
		Motor fuel tax			65,714	-	65,714
		Hotel/motel taxes			13,565	-	13,565
		Investment income			8,319	7,318	15,637
		Miscellaneous			40,809	-	40,809
		Interest expense			-	(44,958)	(44,958)
		Rental income			15,070	-	15,070
		Loss on disposal of assets			-	(226,542)	(226,542)
		Total general revenues			<u>1,326,343</u>	<u>(264,182)</u>	<u>1,062,161</u>
		Change in net position			22,336	(352,887)	(330,551)
		Net Position - beginning, restated			3,133,599	10,851,116	13,984,715
		Net Position - ending			<u>\$ 3,155,935</u>	<u>\$ 10,498,229</u>	<u>\$ 13,654,164</u>

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

VILLAGE OF GREENUP, ILLINOIS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2024

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,019,390	\$ 199,820	\$ 1,219,210
Notes Receivable - Industrial development loans	25,303	-	25,303
Total assets	<u>\$ 1,044,693</u>	<u>\$ 199,820</u>	<u>\$ 1,244,513</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ 16,688	\$ -	\$ 16,688
Total liabilities	<u>16,688</u>	<u>-</u>	<u>16,688</u>
Fund balances:			
Restricted	29,428	199,820	229,248
Unassigned	998,577	-	998,577
Total fund balances	<u>1,028,005</u>	<u>199,820</u>	<u>1,227,825</u>
Total liabilities and fund balances	<u>\$ 1,044,693</u>	<u>\$ 199,820</u>	<u>\$ 1,244,513</u>

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

**VILLAGE OF GREENUP, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
APRIL 30, 2024**

Total Fund Balances Governmental Funds		\$	1,227,825
<p>Amounts Reported for Governmental Activities in the Statement of Net Position are different because:</p>			
<p>Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>			
Capital assets			2,837,758
Accumulated depreciation			(909,648)
			1,928,110
Net Position of Governmental Activities		\$	3,155,935

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

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

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 316,496	\$ -	\$ 316,496
Intergovernmental:			
Sales taxes	521,582	-	521,582
State income tax	223,471	-	223,471
State replacement tax	19,049	-	19,049
Pull tabs tax and gaming tax	102,268	-	102,268
Motor fuel taxes	-	65,714	65,714
Hotel/motel taxes	13,565	-	13,565
Licenses, fines, and permits	49,872	-	49,872
Investment income	8,186	133	8,319
Rental Income	15,070	-	15,070
Miscellaneous	40,809	-	40,809
Total revenues	<u>1,310,368</u>	<u>65,847</u>	<u>1,376,215</u>
EXPENDITURES			
General government	257,895	-	257,895
Public health and safety	523,093	-	523,093
Street maintenance	137,057	60,604	197,661
Recreation	6,964	-	6,964
Building and grounds	73,746	-	73,746
Development and tourism	27,101	-	27,101
Capital outlay	376,274	-	376,274
Payments to other governments	150,000	-	150,000
Total expenditures	<u>1,552,130</u>	<u>60,604</u>	<u>1,612,734</u>
Net change in fund balances	(241,762)	5,243	(236,519)
Fund balances - beginning	<u>1,269,767</u>	<u>194,577</u>	<u>1,464,344</u>
Fund balances - ending	<u>\$ 1,028,005</u>	<u>\$ 199,820</u>	<u>\$ 1,227,825</u>

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

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

Net change in fund balances - governmental funds		\$ (236,519)
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 outlay	\$ 376,274	
Depreciation expense	<u>(117,419)</u>	<u>258,855</u>
Change in net position of governmental activities		<u><u>\$ 22,336</u></u>

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

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

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Water & Sewer	Electric	Gas	Ambulance	
ASSETS					
Cash and cash equivalents	\$ 1,916,927	\$ 3,348,767	\$ 105,120	\$ -	\$ 5,370,814
Due from other funds	-	16,688	-	-	16,688
Cash and cash equivalents - restricted	29,285	75,989	103,192	220,745	429,211
Land	190,461	1,667	1,667	-	193,795
Construction in progress	126,799	87,750	87,750	-	302,299
Capital assets (net)	2,325,599	2,621,596	532,553	-	5,479,748
Total Assets	\$ 4,589,071	\$ 6,152,457	\$ 830,282	\$ 220,745	\$ 11,792,555
LIABILITIES					
Customer deposits	\$ 29,285	\$ 75,989	\$ 103,192	\$ -	\$ 208,466
Note payable due in one year	31,408	16,539	16,539	-	64,486
Revenue bonds due in one year	-	60,000	-	-	60,000
Note payable due in more than one year	112,125	112,124	112,125	-	336,374
Revenue bonds due in more than one year	-	625,000	-	-	625,000
Total Liabilities	172,818	889,652	231,856	-	1,294,326
NET POSITION					
Net Investment in Capital Assets	2,499,326	2,582,350	493,306	-	5,574,982
Restricted:					
Customer deposits	29,285	75,989	103,192	-	208,466
Due to other governments	-	-	-	220,745	220,745
Utility improvements	15,000	-	-	-	15,000
Unrestricted	1,872,642	2,604,466	1,928	-	4,479,036
Total net position	4,416,253	5,262,805	598,426	220,745	10,498,229
Total Liabilities and Net Position	\$ 4,589,071	\$ 6,152,457	\$ 830,282	\$ 220,745	\$ 11,792,555

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

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

	Business-Type Activities -				Total
	Enterprise Funds				
	Water & Sewer	Electric	Gas	Ambulance	Enterprise Funds
Operating Revenues:					
Charges for services	\$ 711,745	\$ 2,294,685	\$ 591,292	\$ 159,267	\$ 3,756,989
Total Operating Revenues	711,745	2,294,685	591,292	159,267	3,756,989
Operating Expenses:					
Utility purchases	-	1,613,057	268,360	-	1,881,417
Personnel services	194,836	175,097	300,158	2,166	672,257
Contractual services	48,801	2,550	39,582	42,944	133,877
Material and supplies	95,384	237,821	38,624	15,759	387,588
Other general expenses	-	-	-	512	512
Depreciation	154,034	184,674	36,563	9,772	385,043
Total Operating Expenses	493,055	2,213,199	683,287	71,153	3,460,694
Operating Income (Loss)	218,690	81,486	(91,995)	88,114	296,295
Nonoperating Revenues (Expenses):					
Investment income	1,870	1,952	1,762	1,734	7,318
Payments to other governments	-	-	-	(400,000)	(400,000)
Loss on disposal of capital assets	-	-	-	(226,542)	(226,542)
Interest expense	(6,165)	(33,731)	(5,062)	-	(44,958)
Capital grants	15,000	-	-	-	15,000
Total Nonoperating Revenue (Expenses)	10,705	(31,779)	(3,300)	(624,808)	(649,182)
Change in net position	229,395	49,707	(95,295)	(536,694)	(352,887)
Total net position - beginning, restated	4,186,858	5,213,098	693,721	757,439	10,851,116
Total net position - ending	\$ 4,416,253	\$ 5,262,805	\$ 598,426	\$ 220,745	\$ 10,498,229

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

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

	Business-Type Activities - Enterprise Funds				
	Water & Sewer	Electric	Gas	Ambulance	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 711,745	\$ 2,295,055	\$ 593,652	\$ 159,267	\$ 3,759,719
Payments to suppliers	(144,185)	(1,853,428)	(346,566)	(61,381)	(2,405,560)
Payments to employees	(194,386)	(175,097)	(300,158)	-	(669,641)
Payments (to) from other funds	-	7,320	-	-	7,320
Net cash provided by (used in) operating activities	<u>373,174</u>	<u>273,850</u>	<u>(53,072)</u>	<u>97,886</u>	<u>691,838</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers (to) from other governments	-	-	-	(400,000)	(400,000)
Net cash used in non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(105,307)	(101,903)	(110,680)	-	(317,890)
Principal paid on capital debt	(60,767)	(70,980)	(15,980)	-	(147,727)
Interest paid on capital debt	(6,165)	(33,731)	(5,062)	-	(44,958)
Proceeds from capital grants	15,000	-	-	-	15,000
Net cash provided by (used in) capital and related financing activities	<u>(157,239)</u>	<u>(206,614)</u>	<u>(131,722)</u>	<u>-</u>	<u>(495,575)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	1,870	1,952	1,762	1,734	7,318
Net cash provided by (used in) investing activities	<u>1,870</u>	<u>1,952</u>	<u>1,762</u>	<u>1,734</u>	<u>7,318</u>
Net increase (decrease) in cash and cash equivalents	217,805	69,188	(183,032)	(300,380)	(196,419)
Balances - beginning of year	1,728,407	3,355,568	391,344	521,125	5,996,444
Balances - end of year	<u>\$ 1,946,212</u>	<u>\$ 3,424,756</u>	<u>\$ 208,312</u>	<u>\$ 220,745</u>	<u>\$ 5,800,025</u>

	Business-Type Activities - Enterprise Funds				
	Water & Sewer	Electric	Gas	Ambulance	Totals
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 218,690	\$ 81,486	\$ (91,995)	\$ 88,114	\$ 296,295
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	154,034	184,674	36,563	9,772	385,043
Change in current assets and current liabilities:					
Customer deposits	450	370	2,360	-	3,180
Payments (to) from other funds	-	7,320	-	-	7,320
Net cash provided by operating activities	<u>\$ 373,174</u>	<u>\$ 273,850</u>	<u>\$ (53,072)</u>	<u>\$ 97,886</u>	<u>\$ 691,838</u>

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

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Greenup, Illinois (the Village), operates under an elected president/trustees form of government and provides the following services: general administrative services, police protection, streets and alleys, public improvements, development, tourism, and planning and zoning. The Village also owns and operates water, sewer, electric, and gas utilities and ambulance service.

The accounting policies and presentation of the basic financial statements of the Village have been prepared in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

A. FINANCIAL REPORTING ENTITY

In conformance with the modified cash basis of accounting, the Village is considered the primary governmental unit and includes all funds, elected offices, and departments of the Village.

The criteria for including organizations within the reporting entity of the Village are based primarily on financial accountability, as set by GASB. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The Village has determined that no other organization meets the above criteria and therefore, no other organization has been included as a component unit in the Village’s financial statements.

B. BASIS OF PRESENTATION

The Village’s basic financial statements consist of government-wide statements, including the statement of net position and statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The government-wide focus is on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The statement of net position and statement of activities display information about the Village as a whole. These statements include financial activities of the primary government. The government-wide statement of activities reflects both expenses and net cost of each function of the Village’s governmental activities. Program revenues include charges paid by a recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting

VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Concluded)

Government-wide Financial Statements (Concluded)

operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues, such as property taxes, are presented as general revenues of the Village. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues of the Village.

Fund Financial Statements

The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major funds; therefore each is displayed in a separate column.

Funds are classified into the following categories: governmental and proprietary.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue and permanent funds).

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

C. MEASUREMENT FOCUS

The government-wide statements report using the economic resources measurement focus, while the governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets and long-term debt activity in the government-wide presentation) a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues received and expenses or expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The Village maintains its accounting records for all funds on the modified cash basis of accounting. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Their revenues are recognized when they are received, and expenses or expenditures are recognized when paid. Generally accepted accounting principles require the recognition of revenue when it becomes “measurable” and “available” as net current assets and, generally, expenses or expenditures when the related fund liability is incurred.

Operating revenue and expenses reported in proprietary fund financial statements includes revenue and expenses related to continuing operations of the fund. Principal operating revenue for proprietary funds is charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

E. FUND TYPES AND MAJOR FUNDS

The Village reports the following major governmental funds:

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

The Motor Fuel Tax fund accounts for revenues and expenditures for the building and maintenance of Village roads.

The Village reports the following major enterprise funds:

The Water and Sewer fund is used to account for revenues and expenditures associated with providing water and sewer services to the general public.

The Electric fund is used to account for revenues and expenditures associated with providing electric services to the general public.

The Gas fund is used to account for revenues and expenditures associated with providing gas services to the general public.

VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. FUND TYPES AND MAJOR FUNDS (Concluded)

The Ambulance fund is used to account for revenues and expenditures associated with providing emergency medical services to the general public. The Village bills for services, owns and maintains the ambulance equipment, and contracts with the Greenup EMS association for the personnel to provide the services.

F. CASH AND CASH EQUIVALENTS

The Village does not maintain any cash equivalents. All funds are maintained in checking and savings accounts.

G. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. The Village has set the capitalization threshold for reporting capital assets at \$5,000 for equipment, \$15,000 for utility improvements, \$20,000 for vehicles, \$20,000 for buildings, and \$15,000 for leasehold improvements and infrastructure assets with an estimated useful life of more than one year. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	15 - 40 years
Machinery and Equipment	3 - 10 years
Utility System	30 years
Infrastructure	15 - 50 years

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities fund type financial statements.

In the fund financial statements, governmental fund types recognize long-term debt proceeds as other financing sources, and repayments of long-term debt as ordinary expenditures.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund balances are presented in the fund financial statements but are eliminated in the statement of net position.

J. NET POSITION

Government-wide net position is divided into three components:

Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consists of net position that is restricted by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions of enabling legislation. The Village has the following restricted net position balances at year end; \$29,428 for General Fund for workers' compensation insurance, \$199,820 for Motor Fuel Tax funds for street and alley maintenance, \$208,446 for customer utility security deposits, \$220,745 due to other governments, and \$15,000 for utility improvements.

Unrestricted net position – consists of the remaining assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

K. GOVERNMENTAL FUND BALANCES

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance based on the nature and extent of the constraints placed on a government's fund balances. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. GOVERNMENTAL FUND BALANCES (Concluded)

Restricted fund balance – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The Village has the following restricted fund balances at year end; \$29,428 for General Fund for workers' compensation insurance and \$199,820 for Motor Fuel Tax funds for street and alley maintenance.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action of the Village Board. The Board of Trustees is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for a specific purpose. Only the Board of Trustees may assign amounts for specific purposes.

Unassigned fund balance – all other spendable amounts.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

L. PROGRAM REVENUES

Charges for services include revenues based on exchange or exchange-like transactions, namely charges for services provided by the Village's office. Program specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program, namely donations received from third-parties or state grants received for program operations.

M. USE OF ESTIMATES

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

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. CONCENTRATIONS

The Village extends credit to its customers. These customers are all in the same geographic area in Greenup, Illinois.

O. MANAGEMENT'S REVIEW

Management has evaluated subsequent events through July 19, 2024, the date when the financial statements were available to be issued.

NOTE 2 – DEPOSITS AND INVESTMENTS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Illinois or political subdivision debt obligations and other investments set forth in Illinois Compiled Statutes 30 ILCS 235/2. As required by 12 U.S.C., Section 1823(e), all financial institutions pledging collateral to the Village must have a written collateral agreement approved by the board of directors or loan committee.

A. BANK DEPOSITS

CUSTODIAL CREDIT RISK

There is a risk that, in the event of a bank failure, the Village's deposits may not be returned. The Village's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation (FDIC) or are collateralized as required by Statutes of the State. As of April 30, 2024, the carrying amount of the Village's cash deposits was \$7,019,235, and the respective bank balances totaled \$7,086,361. Of the total bank balance, \$250,000 was insured through the FDIC and \$6,836,361 was collateralized with \$1,214,080 of pooled securities pledged by the Village of Greenup's financial institution and a \$5,622,281 letter of credit, both in the name of the financial institution.

The Village's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the Village's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board's Statement III, Category I, the highest recognized safekeeping procedures.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

B. RESTRICTED CASH AND CASH EQUIVALENTS

The amounts reported as restricted assets or cash and investments held by the trustee bank on behalf of the various public trusts related to their required revenue bonds payable accounts and amounts held in trust for customer utility meter deposits.

The restricted cash and cash equivalents as of April 30, 2024, are as follows:

Customer deposits	\$	208,466
Other governments		220,745
Total		\$ 429,211

NOTE 3 – CAPITAL ASSET ACTIVITY

The following table provides a summary of changes in capital assets, accumulated depreciation, and investment in capital assets for the year ended April 30, 2024:

Governmental Activities:

	Balance 05/01/23	Additions	Deletions	Adjustments	Balance 04/30/24
Assets Not Depreciated:					
Land	\$ 617,168	\$ -	\$ -	\$ (63,127)	\$ 554,041
Construciton in process	-	250	-	-	250
Assets Depreciated:					
Buildings	763,705	-	-	-	763,705
Leasehold/Infrastructure	385,554	240,098	-	-	625,652
Vehicles/Equipments	758,184	135,926	-	-	894,110
Total Capital Assets	2,524,611	376,274	-	-	2,837,758
Less: Accumulated Depreciation	(792,229)	(117,419)	-	-	(909,648)
Capital Assets, Net	\$ 1,732,382	\$ 258,855	\$ -	\$ -	\$ 1,928,110

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 3 – CAPITAL ASSET ACTIVITY (Concluded)

Business-Type Activities:

	Balance 05/01/23	Additions	Deletions	Balance 04/30/24
Assets Not Depreciated:				
Land	\$ 193,795	\$ -	\$ -	\$ 193,795
CIP	411,262	27,284	(136,247)	302,299
Assets Depreciated:				
Infrastructure/Vehicles/Equipments	12,661,012	426,853	(536,110)	12,551,755
Total Capital Assets	13,266,069	454,137	(672,357)	13,047,849
Less: Accumulated Depreciation	(6,996,532)	(385,043)	309,568	(7,072,007)
Capital Assets, Net	<u>\$ 6,269,537</u>	<u>\$ 69,094</u>	<u>\$ (362,789)</u>	<u>\$ 5,975,842</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended April 30, 2024 of \$117,419 and \$385,043 was charged to the governmental activities and the business-type activities, respectively, on the government-wide statement of activities. Net investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 4 – NOTES RECEIVABLE

The Village has a note receivable from a local business with a balance at April 30, 2024 of \$25,302, bearing interest of 1.625%, and maturing August 23, 2027.

NOTE 5 – LONG-TERM DEBT

The following debt was owed by the Village at April 30, 2024:

Enterprise Fund Debt	Interest Rate	Maturity Date	Issued	Outstanding
Revenue Bond, Series 2014	2.0%-4.3%	09/01/33	\$ 1,265,000	\$ 685,000
Water Fund Loan	2.79%	08/26/24	400,000	14,869
Digital Meter Readers Capital Lease	3.50%	04/15/30	525,000	385,991
			<u>\$ 2,190,000</u>	<u>\$ 1,085,860</u>

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 5 – LONG-TERM DEBT (Concluded)

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

	<u>Enterprise Fund</u>		<u>Digital Meter Readers Capital Lease</u>
	<u>Revenue Bond</u>	<u>Water Fund Loan</u>	
Debt outstanding 05/01/23	\$ 740,000	\$ 59,657	\$ 433,930
Plus: Debt Issued	-	-	-
Less: Repayments	55,000	44,788	47,939
Debt Outstanding 04/30/24	<u>\$ 685,000</u>	<u>\$ 14,869</u>	<u>\$ 385,991</u>

Presented below is a summary of debt service requirements to maturity by years for the revenue bonds:

Year Ending April 30,	Principal	Interest	Total
2025	\$ 60,000	\$ 27,140	\$ 87,140
2026	60,000	24,890	84,890
2027	65,000	22,390	87,390
2028	65,000	19,790	84,790
2029	70,000	17,020	87,020
2030-2034	365,000	38,445	403,445
	<u>\$ 685,000</u>	<u>\$ 149,675</u>	<u>\$ 834,675</u>

The total interest related to the bonds incurred and expensed for the year ended April 30, 2024 \$29,153.

Presented below is a summary of debt service requirements to maturity by years for the water fund loan and digital meter readers capital lease:

Year Ending April 30,	Principal	Interest	Total
2025	\$ 64,486	\$ 13,598	\$ 78,084
2026	51,354	11,773	63,127
2027	53,151	9,976	63,127
2028	55,011	8,115	63,126
2029	56,937	6,190	63,127
2030-2034	119,921	6,332	126,253
	<u>\$ 400,860</u>	<u>\$ 55,984</u>	<u>\$ 456,844</u>

The total interest related to the capital lease and loan incurred and expensed for the year ended April 30, 2024 was \$16,289.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 6 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has purchased commercial insurance to cover these risks. During the year ended April 30, 2024, there were no significant reductions in insurance coverage. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 7 – RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). The Village does not have any members that participate in the Elected County Official (ECO) plan.

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

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 7 – RETIREMENT FUND COMMITMENTS (Concluded)

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

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

As of April 30, 2024, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	19
Inactive Plan Members entitled to but not yet receiving benefits	8
Active Plan Members	15
Total	42

Contributions

As set by statute, the Village’s regular plan members are required to contribute 4.5% of their annual covered salary and the Village’s SLEP plan members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s regular plan annual contribution rates for calendar years 2024 and 2023 were 7.25% and 6.85%, respectively. For the fiscal year ended April 30, 2024, the Village contributed \$70,359 to the regular plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Because of the use of a modified cash basis of accounting framework in the preparation of these financial statements, the Village’s net pension liability is not reported in the financial statements as a liability. In accordance with the modified cash basis of accounting, pension expenditures are only reported when contributions are paid by the Village to the plan.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 8 – INTERFUND ACTIVITY

Due from/to other funds

Interfund due to/from other fund balances at April 30, 2024 consist of the following due to/from other funds in the proprietary fund Statement of Net Position.

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 16,688
Electric Fund	16,688	-
Total	<u>\$ 16,688</u>	<u>\$ 16,688</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the Village participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of that is to ensure compliance with specific conditions of the grant or loan. Any liability for reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

As of July 1, 2023, the Village’s ambulance service was transferred to the Greenup Area Fire Protection District. Per the agreement, all rights to receivables resulting from the ambulance service and related equipment will be relinquished to the Greenup Area Fire Protection District. Equipment relinquished to the Greenup Area Fire Protection District included an ambulance, computers, and various medical equipment with a net book value of \$226,542.

The funds currently held and any collections made on outstanding balances by the Village will be remitted to the Greenup Area Fire Protection District once all outstanding obligations have been settled. This agreement required a one-time payment of \$400,000 to maintain the existing ambulance service and an annual payment of \$150,000 to assist in supporting the cost of the operation of the ambulance service, due December 1 of each year. Annual payments are set to continue until the Greenup Area Fire Protection District commences to receive funds from its initial tax levy, which is expected by the end of 2024.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 10 – PROPERTY TAXES

The Village’s property tax is levied each year on all taxable real estate located in the Village. The local taxing authority for the Village of Greenup is Cumberland County. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and are payable in two installments generally in July and September of the subsequent year. Property taxes are billed and collected by the County, which in turn, remits them to the Village. Payments are typically made during the period August through November.

The 2022 tax year levy, received during fiscal year 2024, was adopted by the Village Board December 6, 2022.

The following are the tax rates applicable to current year levies:

	<u>Maximum</u>	<u>Actual Rate 2022 Levy</u>
Corporate	.43750	.28183
IMRF	N/A	.19571
Police Protection	.60000	.07250
Audit	N/A	.03424
General Insurance	N/A	.27760
Social Security	N/A	.19263
Workers Compensation Insurance	N/A	.15325

NOTE 11 – TAX ABATEMENT

The Village property tax revenues were reduced by \$84,152 under an ordinance adopted by the Village December 6, 2022. The Village currently maintains a positive balance for the electric system, Alternate Revenue Source Bonds of the Village of Greenup and has the intent to maintain these funds for debt service related to the bonds. The Village has determined the amount of taxes to be extended for fiscal year 2024 should be reduced by the abatement of \$87,140 since the extension is not necessary for the payment of bond expenses.

NOTE 12 – POST-EMPLOYMENT HEALTH CARE BENEFITS

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Village provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium and, if applicable, a 2% administration fee, is paid in full by the insured each month. This program is offered for a duration of 18 months after termination date, and is subject to extension. There is no associated cost to the Village under this program.

In addition to COBRA Benefits, in accordance with rules established through participation in the Illinois Municipal Retirement Fund, the Village offers health insurance coverage to retirees. The cost for retirees to purchase coverage is the same as the amount active employees pay.

**VILLAGE OF GREENUP
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 12 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Concluded)

Accounting standards require numerous disclosures about postemployment benefits, including amounts that can only be determined through an actuarial study. The Village has elected not to incur the cost of having an actuarial study completed and therefore the amounts that should be disclosed are not known.

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

On March 1, 2021, the Village entered into a lease agreement with Government Capital Corporation in order to finance the purchase of digital meter readers for the Village's utility services. The lease is considered to be a finance lease that should have been recorded on the Village's modified cash basis of accounting in the year of inception. A prior period adjustment was required to add the capital asset value and long-term lease liability to the Village's books. The April 30, 2023, net position balances were impacted as follows:

<u>Water/Sewer Fund</u>	
Net position as originally reported:	\$4,177,543
To record note payable:	(144,643)
To record capital additions:	<u>153,958</u>
Net position, restated:	<u>\$4,186,858</u>

<u>Electric Fund</u>	
Net position as originally reported:	\$5,203,783
To record note payable:	(144,643)
To record capital additions:	<u>153,958</u>
Net position, restated:	<u>\$5,213,098</u>

<u>Gas Fund</u>	
Net position as originally reported:	\$684,407
To record note payable:	(144,643)
To record capital additions:	<u>153,958</u>
Net position, restated:	<u>\$693,721</u>

<u>Governmental Net Position</u>	
Net position as originally reported:	\$3,196,723
To correct erroneous capital addition:	<u>(63,124)</u>
Net position, restated:	<u>\$3,133,599</u>

SUPPLEMENTARY INFORMATION

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

Grantee Name	VILLAGE OF GREENUP
ID Numbers	Audit: 51051 Grantee: 686899 UEI: TJFLJYCXDYH7 FEIN: 376000680
Audit Period	5/1/2023 - 4/30/2024
Last Update	8/12/2024 8:58:19 AM
Program Count	1

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
532-60-3017	Lead Service Line Inventory Grant Program	6,340.00	0.00	6,340.00	0.00
	All other federal expenditures		0.00	0.00	
TOTALS		6,340.00	0.00	6,340.00	0.00

EXPENDITURES BY CATEGORY

Amount	Category
6,340.00	Contractual Services

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	Illinois Environmental Protection Agency
CSFA Number	532-60-3017
Program Name	Lead Service Line Inventory Grant Program
Popular Name	Lead Service Line Inventory Grant Program
Program Contact	Name: Lanina Clark Phone: 217-782-2027 Email: Lanina.clark@illinois.gov
Indirect Cost Rate	0.00% Base:
State Amount Expended	6340.00
Federal Amount Expended	0.00

Expenditures by Category

6,340.00	Contractual Services
6,340.00	TOTAL

OTHER INFORMATION

VILLAGE OF GREENUP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024
UNAUDITED

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 289,000	\$ 289,000	\$ 316,496	\$ 27,496
Sales taxes	427,500	427,500	521,582	94,082
State income tax	169,000	169,000	223,471	54,471
State replacement tax	-	-	19,049	19,049
Pull tabs tax and gaming tax	85,000	85,000	102,268	17,268
Hotel/motel taxes	13,000	13,000	13,565	565
Licenses, fines, and permits	34,500	34,500	49,872	15,372
Investment income	-	-	8,186	8,186
Miscellaneous	8,500	8,500	55,879	47,379
Total revenues	<u>1,026,500</u>	<u>1,026,500</u>	<u>1,310,368</u>	<u>283,868</u>
EXPENDITURES				
General government	1,029,450	1,029,450	257,895	(771,555)
Public health and safety	568,375	568,375	673,093	104,718
Street maintenance	291,150	291,150	137,057	(154,093)
Recreation	20,100	20,100	6,964	(13,136)
Building and grounds	179,520	179,520	73,746	(105,774)
Development and tourism	35,600	35,600	27,101	(8,499)
Capital outlay	282,000	282,000	376,274	94,274
Total expenditures	<u>2,406,195</u>	<u>2,406,195</u>	<u>1,552,130</u>	<u>(854,065)</u>
Net change in fund balance	<u>\$ (1,379,695)</u>	<u>\$ (1,379,695)</u>	(241,762)	<u>\$ 1,137,933</u>
Fund balances - beginning			<u>1,269,767</u>	
Fund balances - ending			<u>\$ 1,028,005</u>	

VILLAGE OF GREENUP, ILLINOIS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2024
UNAUDITED

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Motor fuel taxes	\$ 60,500	\$ 60,500	\$ 65,714	\$ 5,214
Investment income	-	-	133	133
Total revenues	<u>60,500</u>	<u>60,500</u>	<u>65,847</u>	<u>5,347</u>
EXPENDITURES				
Street maintenance	<u>170,000</u>	<u>150,000</u>	<u>60,604</u>	<u>(89,396)</u>
Total expenditures	<u>170,000</u>	<u>150,000</u>	<u>60,604</u>	<u>(89,396)</u>
Net change in fund balance	<u>\$ (109,500)</u>	<u>\$ (89,500)</u>	5,243	<u>\$ 94,743</u>
Fund balances - beginning			<u>194,577</u>	
Fund balances - ending			<u>\$ 199,820</u>	

**VILLAGE OF GREENUP
NOTES TO OTHER INFORMATION
APRIL 30, 2024**

NOTE 1: BUDGET LAW

The Village board prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a) Prior to the end of the first quarter of each fiscal year, a board-designated person or persons submit to the board a proposed operating budget for the year commencing on May 1.
- b) Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 10 days prior to final approval of the budget.
- c) Subsequent to the public hearings the budget is adopted by the board.

The legal level of control at which expenditures may not legally exceed appropriations is at the fund level.

NOTE 2: BASIS OF ACCOUNTING

The budget is prepared on the modified cash basis of accounting.

GOVERNMENTAL COMPLIANCE



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

Board of Trustees
Village of Greenup
Greenup, Illinois 62428

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Greenup, Illinois (the Village), as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated July 19, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

The Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
July 19, 2024

**VILLAGE OF GREENUP
SCHEDULE OF FINDINGS AND RESPONSES
APRIL 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements in accordance with the Modified Cash Basis of Accounting

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes

Significant deficiencies identified? No

Noncompliance material to financial statements noted? No

**VILLAGE OF GREENUP
SCHEDULE OF FINDINGS AND RESPONSES
APRIL 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 2024-001 (Repeat 2023-001) – Oversight for Drafting Financial Statements and Footnote Disclosures

Criteria/Specific Requirement:

The Village is required to maintain a system of controls over the preparation of financial statements in accordance with the modified cash basis of accounting.

Condition:

While the Village maintains good controls over the processing of cash basis transactions, however, the Village currently does not have personnel with the necessary knowledge or training to prepare the financial statements and footnote disclosures in accordance with the modified cash basis of accounting.

Effect:

The Village cannot prepare its own financial statements and footnotes in accordance with the modified cash basis of accounting.

Cause:

Village personnel have not received technical training in preparing financial statements and footnote disclosures in accordance with the modified cash basis of accounting.

Recommendation:

As part of internal control over the preparation of financial statements, the Village should provide the necessary training to its personnel or contract with an independent contractor with the knowledge to properly prepare the financial statements and footnote disclosures in accordance with the modified cash basis of accounting.

Management's Response:

The Village understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Village will continue to seek qualified accounting expertise in developing procedures that will satisfy the pronouncements in financial statement preparation.

**VILLAGE OF GREENUP
SCHEDULE OF FINDINGS AND RESPONSES
APRIL 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2024-002 (Repeat 2023-002) – Internal Controls

Criteria/Specific Requirement:

The Village is responsible for establishing and maintaining internal controls over receipts, disbursements, and reconciliation processes to prevent errors and fraud.

Condition:

During review of the Village's internal control processes, the following were noted:

- The individual that reconciles the bank statement receives the statement unopened and performs the bank reconciliation. There is no evidence the completed bank reconciliation is reviewed by an individual independent of the general ledger process.
- The individual that accepts payments also has access to general ledger transaction entry and journal entries.
- Prior year audit entries were not posted which caused a misstatement in opening balances.

Effect:

The Village's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect misstatements in a timely manner.

Cause:

The Village does not have adequate controls in place over bank reconciliation procedures and journal entry postings.

Recommendation:

An individual independent of the general ledger process should receive the bank statement unopened and review the statement and canceled checks prior to forwarding it for reconciliation to the general ledger. The completed reconciliation should also be reviewed by an individual independent of the general ledger process to insure it is completed timely, outstanding items are current and appear appropriate and the reconciled balance agrees to the general ledger. This review should be documented on the reconciliation. Additionally, this individual should ensure that all audit entries are posted.

An individual independent of the recording process should accept payments from customers and review journal entry postings.

Management's Response:

The Village understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. Management agrees with recommendation and will work to implement the appropriate changes.

VILLAGE OF GREENUP
P.O. BOX 246
GREENUP, IL 62428
Phone: 217-923-3401 Fax: 217-923-3424

Mayor Thomas A. Bauguss – Clerk Jill D. Kimble – Treasurer Kay D. Hornbeck

Corrective Action Plan

Finding No. 2024-001 – Oversight for Drafting Financial Statements and Footnotes

Condition:

While the Village maintains good controls over the processing of cash basis transactions, however, the Village currently does not have any personnel with the necessary knowledge or training to properly prepare the financial statements and footnotes in accordance with the modified cash basis of accounting.

Plan:

The Village understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Village will continue to seek qualified accounting expertise in developing procedures that will satisfy the pronouncements in financial statement preparation.

Anticipated Date of Completion:

Ongoing

Contact Person Responsible for Corrective Action:

Kay Hornbeck, Village Treasurer

Mayor Thomas A. Bauguss – Clerk Jill D. Kimble – Treasurer Kay D. Hornbeck

Corrective Action Plan (Concluded)

Finding No. 2024-002 – Internal Controls

Condition:

During review of the Village's internal control processes, the following were noted:

- The individual that reconciles the bank statement receives the statement unopen and performs the bank reconciliation. There is no evidence the completed bank reconciliation is reviewed by an individual independent of the general ledger process.
- The individual that accepts payments also has access to general ledger transaction entry and journal entries.
- Prior year audit entries were not posted which caused a misstatement in opening balances.

Plan:

An individual independent of the general ledger process will receive the bank statement unopened and review the statement and canceled checks prior to forwarding it for reconciliation to the general ledger. The completed reconciliation will also be reviewed by an individual independent of the general ledger process to insure it is completed timely, outstanding items are current and appear appropriate and the reconciled balance agrees to the general ledger. This review will be documented on the reconciliation. Additionally, this individual will ensure that all audit entries are posted.

An individual independent of the recording process will accept payments from customers, review journal entry postings.

Anticipated Date of Completion:

Ongoing

Contact Person Responsible for Corrective Action:

Kay Hornbeck, Village Treasurer

**VILLAGE OF GREENUP
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
APRIL 30, 2024**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2023-001	Oversight for Drafting Financial Statements and Footnotes	Repeated
2023-002	Internal Controls	Repeated