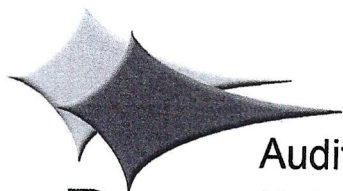


Village of Cullom
Cullom, Illinois

Annual Financial Report

For the Fiscal Year Ended April 30, 2024

Russell Leigh & Associates LLC
Certified Public Accountants
228 East Main Street
Hoopeston, Illinois 60942



Audit / Tax / Consult

Russell Leigh

& Associates LLC • Certified Public Accountants

January 13, 2025

Board of Trustees
Village of Cullom

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cullom as of and for the year ended April 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Village of Cullom'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 Village of Cullom's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Cullom's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses for significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

There were no deficiencies found during the audit.

This communication is intended solely for the information and use of management, Village Trustees, and others within the Village of Cullom and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Russell Leigh & Associates LLC

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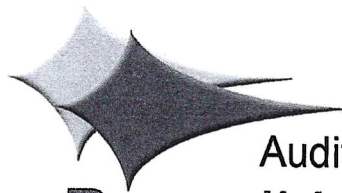
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Village of Cullom
Annual Financial Report
For the Fiscal Year Ended April 30, 2024
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Audit / Tax / Consult

Russell Leigh

& Associates LLC • Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Cullom
Cullom, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Cullom, Cullom, Illinois, 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information, of Village of Cullom, Cullom, 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.

Basis for Opinions

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

Emphasis of a 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.

The Village does not maintain a record of fixed assets. This is a departure from generally accepted accounting principles for governmental entities which require fixed assets acquired in governmental and capital projects funds be recorded in the general fixed asset group of accounts. Similarly, generally accepted accounting principles for governmental entities require that fixed assets acquired in Enterprise Funds be capitalized in that fund.

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 accrual 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 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.

-1-

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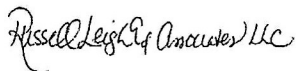
Auditor's Responsibilities for the Audit of the Financial Statements

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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Cullom, Cullom, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Cullom, Cullom, Illinois' ability to continue as a going concern for a reasonable period of time.

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



Russell Leigh & Associates LLC

Hoopeston, Illinois
January 13, 2025

Basic Financial Statements

Village of Cullom
Government-Wide Statement of Net Position
April 30, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 614,445	\$ 142,167	\$ 756,612
Investments	243,435	216,104	459,539
Accounts Receivable	-0-	1,937	1,937
Internal Balances	130,016	(130,016)	-0-
Capital Assets, Net	<u>673,767</u>	<u>2,108,720</u>	<u>2,782,487</u>
Total Assets	<u>\$ 1,661,663</u>	<u>\$ 2,338,912</u>	<u>\$ 4,000,575</u>
<u>LIABILITIES</u>			
Accounts Payable and Accrued Expenses	<u>\$ 2,940</u>	<u>\$ 330</u>	<u>\$ 3,470</u>
Total Liabilities	<u>\$ 2,940</u>	<u>\$ 330</u>	<u>\$ 3,470</u>
<u>NET POSITION</u>			
Invested in Capital Assets, net of related Debt	\$ 673,767	\$ 2,108,720	\$ 2,782,487
Restricted for:			
Unemployment	4,987	-0-	4,987
Street Improvement	50,864	-0-	50,864
Culture and Recreation	5,506	-0-	5,506
Public Safety	14,481	-0-	14,481
Tiling	284,687	-0-	284,687
Unrestricted	<u>624,431</u>	<u>229,662</u>	<u>854,093</u>
Total Net Position	<u>\$ 1,658,723</u>	<u>\$ 2,338,382</u>	<u>\$ 3,997,105</u>

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

Village of Cullom
Government-Wide Statement of Activities
For the Year Ended April 30, 2024

	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>FUNCTIONS/PROGRAMS</u>						
Primary Government						
Government Activities						
General Government						
Public Safety	\$ 129,078	\$ 4,245	\$ -0-	\$ -0-	\$ (124,833)	\$ (124,833)
Highways and Street	-0-	572	-0-	-0-	572	572
Health and Welfare	33,014	-0-	-0-	-0-	(33,014)	(33,014)
Culture and Recreation	-0-	-0-	-0-	-0-	-0-	-0-
Interest	-0-	-0-	-0-	-0-	-0-	-0-
Total Government Activities	\$ 162,092	\$ 4,817	\$ -0-	\$ -0-	\$ (157,275)	\$ (157,275)
Business-type Activities						
Water	\$ 206,238	\$ 184,183	\$ -0-	\$ -0-	\$ -0-	\$ (22,055)
Total Business-type Activities	\$ 206,238	\$ 184,183	\$ -0-	\$ -0-	\$ (22,055)	\$ (22,055)
Total Primary Government	\$ 368,330	\$ 189,000	\$ -0-	\$ -0-	\$ (157,275)	\$ (179,330)
GENERAL REVENUES:						
Property Taxes						
Intergovernmental					\$ 30,817	\$ 10,236
Unrestricted Investment Earnings					200,035	-0-
Grant Revenue					2,178	789
Miscellaneous					-0-	1,477,830
Total General Revenues and Transfers					279,121	4,418
Change in Net Position					\$ 512,151	\$ 1,493,273
Net Position - Beginning					354,876	1,471,218
Net Position - Ending					1,303,847	867,164
					\$ 1,658,723	\$ 2,338,382

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

Village of Cullom
Balance Sheet
Governmental Funds
April 30, 2024

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Tiling Fund</u>	<u>Total Government Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 294,397	\$ 35,361	\$ 284,687	\$ 614,445
Investments	180,214	63,221	-0-	243,435
Due from Other Funds	<u>177,734</u>	<u>-0-</u>	<u>-0-</u>	<u>177,734</u>
Total Assets	<u>\$ 652,345</u>	<u>\$ 98,582</u>	<u>\$ 284,687</u>	<u>\$ 1,035,614</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Expenses	\$ 2,940	\$ -0-	\$ -0-	\$ 2,940
Due to Other Funds	<u>-0-</u>	<u>47,718</u>	<u>-0-</u>	<u>47,718</u>
Total Liabilities	<u>\$ 2,940</u>	<u>\$ 47,718</u>	<u>\$ -0-</u>	<u>\$ 50,658</u>
Fund Balances:				
Restricted:				
Unemployment	\$ 4,987	\$ -0-	\$ -0-	\$ 4,987
Street Improvements	-0-	50,864	-0-	50,864
Culture and Recreation	5,506	-0-	-0-	5,506
Public Safety	14,481	-0-	-0-	14,481
Tiling	-0-	-0-	-0-	-0-
Unassigned	<u>624,431</u>	<u>-0-</u>	<u>284,687</u>	<u>284,687</u>
Total Fund Balances	<u>\$ 649,405</u>	<u>\$ 50,864</u>	<u>\$ 284,687</u>	<u>\$ 984,956</u>
Total Liabilities and Fund Balances	<u>\$ 652,345</u>	<u>\$ 98,582</u>	<u>\$ 284,687</u>	<u>\$ 1,035,614</u>
Reconciliation to Statement of Net Position:				
Fund Balance				\$ 984,956
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets are not current financial resources and therefore, are not reported in the governmental funds				<u>673,767</u>
Net Assets of Governmental Activities				<u>\$ 1,658,723</u>

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

Village of Cullom
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2024
(Modified Cash Basis)

	General Fund	Motor Fuel Tax Funds	Tiling Fund	Total Governmental Funds
REVENUES				
Property Taxes	\$ 30,817	\$ -0-	\$ -0-	\$ 30,817
Intergovernmental	166,755	22,816	10,464	200,035
Fines and Forfeitures	572	-0-	-0-	572
Licenses and Permits	4,245	-0-	-0-	4,245
Interest	1,282	896	-0-	2,178
Grain Sales	-0-	-0-	-0-	-0-
Miscellaneous	144,047	-0-	278,121	422,168
Total Revenues	<u>\$ 347,718</u>	<u>\$ 23,712</u>	<u>\$ 288,585</u>	<u>\$ 660,015</u>
EXPENDITURES				
Current:				
General Government	\$ 129,078	\$ -0-	\$ -0-	\$ 129,078
Highways and Streets	22,375	4,553	6,086	33,014
Culture and Recreation	-0-	-0-	-0-	-0-
Capital Outlay	32,473	-0-	-0-	32,473
Debt Service - Principal	-0-	-0-	-0-	-0-
Debt Service - Interest	-0-	-0-	-0-	-0-
Total Expenditures	<u>\$ 183,926</u>	<u>\$ 4,553</u>	<u>\$ 6,086</u>	<u>\$ 194,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>163,792</u>	<u>19,159</u>	<u>282,499</u>	<u>465,450</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 15,000	\$ -0-	\$ -0-	\$ 15,000
Transfers Out	-0-	-0-	(15,000)	(15,000)
Total Other Financial Sources (Uses)	<u>\$ 15,000</u>	<u>\$ -0-</u>	<u>\$ (15,000)</u>	<u>\$ -0-</u>
Net Change in Fund Balances	178,792	19,159	267,499	465,450
Fund Balances - Beginning	<u>470,613</u>	<u>31,705</u>	<u>17,188</u>	<u>519,506</u>
Fund Balances - Ending	<u>\$ 649,405</u>	<u>\$ 50,864</u>	<u>\$ 284,687</u>	<u>\$ 984,956</u>
Reconciliation to Statement of Activities:				
Net Change in Fund Balance - Total Governmental Funds				\$ 465,450
Governmental funds report capital outlays as expenditures. In the Statement of Net Assets, the cost of these assets is capitalized:				
Purchase of Capital Assets				32,473
Sale of Capital Assets				(143,047)
Change in Net Assets of Governmental Activities				<u>\$ 354,876</u>

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

Village of Cullom
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Property Taxes	\$ 39,516	\$ 39,516	\$ 30,817	\$ (8,699)
Intergovernmental	176,527	176,527	166,755	(9,772)
Fines and Forfeitures	790	790	572	(218)
Licenses and Permits	1,363	1,363	4,245	2,882
Interest	4,838	4,838	1,282	(3,556)
Grain Sales	3,000	3,000	-0-	(3,000)
Miscellaneous	<u>14,787</u>	<u>14,787</u>	<u>144,047</u>	<u>129,260</u>
Total Revenues	<u>\$ 240,821</u>	<u>\$ 240,821</u>	<u>\$ 347,718</u>	<u>\$ 106,897</u>
EXPENDITURES				
Current:				
General Government	\$ 115,825	\$ 115,825	\$ 129,078	\$ (13,253)
Public Safety	-0-	-0-	-0-	-0-
Highways and Streets	26,000	26,000	22,375	3,625
Culture and Recreation	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	32,473	(32,473)
Contingencies	<u>20,000</u>	<u>20,000</u>	<u>-0-</u>	<u>20,000</u>
Total Expenditures	<u>\$ 161,825</u>	<u>\$ 161,825</u>	<u>\$ 183,926</u>	<u>\$ (22,101)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -0-	\$ -0-	\$ 15,000	\$ 15,000
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Net Change in Fund Balances	78,996	78,996	178,792	99,796
Fund Balances - Beginning	<u>470,613</u>	<u>470,613</u>	<u>470,613</u>	<u>-0-</u>
Fund Balances - Ending	<u>\$ 549,609</u>	<u>\$ 549,609</u>	<u>\$ 649,405</u>	<u>\$ 99,796</u>

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

Village of Cullom
Motor Fuel Tax Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Interest	\$ -0-	\$ -0-	\$ 896	\$ 896
Intergovernmental	27,811	27,811	22,816	(4,995)
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues	<u>\$ 27,811</u>	<u>\$ 27,811</u>	<u>\$ 23,712</u>	<u>\$ (4,099)</u>
EXPENDITURES				
Current:				
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Highways and Streets	10,000	10,000	4,553	5,447
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 4,553</u>	<u>\$ 5,447</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balances	17,811	17,811	19,159	1,348
Fund Balances - Beginning	<u>31,705</u>	<u>31,705</u>	<u>31,705</u>	<u>-0-</u>
Fund Balances - Ending	<u>\$ 49,516</u>	<u>\$ 49,516</u>	<u>\$ 50,864</u>	<u>\$ 1,348</u>

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

Village of Cullom
Tiling Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Intergovernmental	11,372	11,372	10,464	(908)
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>278,121</u>	<u>278,121</u>
Total Revenues	<u>\$ 11,372</u>	<u>\$ 11,372</u>	<u>\$ 288,585</u>	<u>\$ 277,213</u>
EXPENDITURES				
Current:				
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Highways and Streets	<u>13,000</u>	<u>13,000</u>	<u>6,086</u>	<u>6,914</u>
Total Expenditures	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 6,086</u>	<u>\$ 6,914</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>
Net Change in Fund Balances	(1,628)	(1,628)	267,499	269,127
Fund Balances - Beginning	<u>17,188</u>	<u>17,188</u>	<u>17,188</u>	<u>-0-</u>
Fund Balances - Ending	<u>\$ 15,560</u>	<u>\$ 15,560</u>	<u>\$ 284,687</u>	<u>\$ 269,127</u>

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

Village of Cullom
Statement of Net Position
Major Proprietary Funds
April 30, 2024

	<u>Water Fund</u>	<u>Total Proprietary Funds</u>
ASSETS		
Cash and Cash Equivalent	\$ 142,167	\$ 142,167
Investments	216,104	216,104
Accounts Receivable	1,937	1,937
Due from Other Funds	-0-	-0-
Capital Asset, Net	<u>2,108,720</u>	<u>2,108,720</u>
Total Assets	<u>\$ 2,468,928</u>	<u>\$ 2,468,928</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 530	\$ 530
Due to Other Funds	130,016	130,016
Loans Payable	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>\$ 130,546</u>	<u>\$ 130,546</u>
NET POSITION		
Net Investment in Capital Assets	\$ 2,108,720	\$ 2,108,720
Restricted for Water	<u>229,662</u>	<u>229,662</u>
Total Net Position	<u>\$ 2,338,382</u>	<u>\$ 2,338,382</u>
Total Liabilities and Net Position	<u>\$ 2,468,928</u>	<u>\$ 2,468,928</u>

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

Village of Cullom
Statement of Revenues, Expenses and
Changes in Net Position
Major Proprietary Funds
For the Year Ended April 30, 2024

	<u>Water</u> <u>Fund</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
OPERATING REVENUES		
Water Revenue	\$ 184,183	\$ 184,183
Total Operating Revenue	\$ 184,183	\$ 184,183
OPERATING EXPENSES		
Salaries and Benefits	\$ 35,029	\$ 35,029
Utilities and Telephone	10,245	10,245
Office Expense	3,726	3,726
Testing	14,349	14,349
Special Waste	54,266	54,266
Repairs and Maintenance	25,409	25,409
Professional Fees	2,118	2,118
Miscellaneous and Supplies	8,960	8,960
Depreciation	<u>52,136</u>	<u>52,136</u>
Total Operating Expenses	\$ 206,238	\$ 206,238
Operating Income (Loss)	\$ (22,055)	\$ (22,055)
NON-OPERATING REVENUE (EXPENSES)		
Grant Revenue	\$ 1,477,830	\$ 1,477,830
Interest Income	789	789
Interest Expense	-0-	-0-
Property Taxes	10,236	10,236
Miscellaneous Revenue	<u>4,418</u>	<u>4,418</u>
Non-Operating Revenue (Expenses)	\$ 1,493,273	\$ 1,493,273
Income before Transfers and Other Items	\$ 1,471,218	\$ 1,471,218
Transfers In	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>
Change in Net Position	1,471,218	1,471,218
Net Position - Beginning	<u>867,164</u>	<u>867,164</u>
Net Position - Ending	<u>\$ 2,338,382</u>	<u>\$ 2,338,382</u>

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

Village of Cullom
Statement of Cash Flows
Major Proprietary Funds
For the Year Ended April 30, 2024

	<u>Water Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 182,243	\$ 182,243
Payments to Suppliers	(119,073)	(119,073)
Payments to Employees	(35,029)	(35,029)
Other Receipts	1,492,489	1,492,489
Payments to Other Funds	<u>(392)</u>	<u>(392)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,520,238</u>	<u>\$ 1,520,238</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers In	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>\$ -0-</u>	<u>\$ -0-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	\$(1,568,314)	\$(1,568,314)
Principal Paid on Loans	-0-	-0-
Interest Paid on Loans	<u>-0-</u>	<u>-0-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$(1,568,314)</u>	<u>\$(1,568,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	\$ 789	\$ 789
(Purchase) Sale of Investments	<u>(111,658)</u>	<u>(111,658)</u>
Net Cash Provided by Investing Activities	<u>\$ (110,869)</u>	<u>\$ (110,869)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (158,945)	\$ (158,945)
Cash and Cash Equivalents - Beginning of Year	<u>301,112</u>	<u>301,112</u>
Cash and Cash Equivalents - End of Year	<u>\$ 142,167</u>	<u>\$ 142,167</u>

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

Village of Cullom
Statement of Cash Flows
Major Proprietary Funds
For the Year Ended April 30, 2024
 Continued

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

	<u>Water Fund</u>	<u>Total Proprietary Fund</u>
Operating Income (Loss)	\$ (22,055)	\$ (22,055)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Miscellaneous Revenue	\$ 1,492,489	\$ 1,492,489
Depreciation Expense	52,136	52,136
Change in Assets and Liabilities:		
Accounts Receivable	(1,789)	(1,789)
Accounts Payable and Accrued Expenses	(151)	(151)
Due to Other Funds	<u>(392)</u>	<u>(392)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,520,238</u>	<u>\$ 1,520,238</u>

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

Notes to the Basic Financial Statements

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Village of Cullom is a municipal corporation governed by an elected board. The Village operates under a Trustee-Village form of government and provides the following services: public safety, parks and recreation, public works, water, sewer and refuse collection.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the Village of Cullom and any component units, of which there are none during the year. The criteria used to determine if a legally separate organization's financial statements should be included and the manner in which they should be displayed center on the nature of financial accountability. Among factors determining this financial accountability include the degree to which the governing body is controlled by the Village as manifested by the ability to appoint a majority of its voting board and approval of its budget, the degree to which it provides a financial benefit or burden to the Village or the extent to which it is fiscally dependent.

Basis of Presentation

Government-Wide Financial Statements - The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the primary governmental and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities displays the direct expenses of a given function or segment and the associated program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges by a given function or segment and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - The Village segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the financial statement and all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

General Fund - This is the primary operating fund of the Village. It accounts for an reports all financial resources of the general government not accounted for in another fund.

Motor Fuel Tax Fund - This fund accounts for allotments to the Village of motor fuel taxes and expenditures for maintenance and improvements to streets.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Proprietary funds are used to account for those Village activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The Village has presented the following major proprietary funds:

Water Fund - This fund is used to account for water services to residents of the Village and other commercial users.

Measurement Focus and Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Village receives value without directly giving equal value in exchange, include property tax revenues, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Revenue from grants and other contributions is recognized in the fiscal year after the taxes are levied. Revenue from grants and other contributions is recognized in the fiscal year in which all eligibility, matching and expenditure requirements imposed by the provider have been met.

The Proprietary Fund distinguishes operating revenues and expenses from non-operating 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 Village enterprise funds are charges to customers for water, sewer, and garbage services. Operating expenses for the enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues, except for property taxes, to be available if they are collected within 60 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year for the year they are intended to finance.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments and compensated absences recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village considers all highly liquid assets (including restricted assets) with maturities of three months or less to be cash equivalents.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the Village as assets with an initial individual cost of more than the capitalization threshold as shown below, and an estimated useful life in excess of two years. Purchased capital assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Minimum capitalization costs are as follows:

Infrastructure	\$ 50,000
Buildings	5,000
Land Improvements	5,000
Equipment	2,500

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The Village does not maintain a record of capital assets in the Governmental Funds, which is a departure from GAAP. Capital assets are recorded in Proprietary Funds.

The Village depreciates assets on a straight-line basis using the following estimated useful lives:

<u>Asset</u>	<u>Estimated Useful Life</u>
Equipment, furniture and fixtures	2 to 20 years
Buildings, structures and improvements	20 to 50 years
Improvements other than buildings	20 to 30 years
Water and sewer system	20 to 50 years
Infrastructure assets	20 to 25 years

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 financial statements. The face amount of debt issued is reported as other financing sources in the fund financial statements for governmental activities.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund Transactions

During the normal course of operations, the Village has transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended, and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenses if they involved organizations external to the Village are treated similarly when involving other funds of the Village.

Activity between funds that is referred to as "due to/from other funds" represent transactions when one fund incurs expenses for the benefit of another and expects repayment from it. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government entity-wide financial statements as "internal balances".

Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - amounts that are in nonspendable form (such as prepaid expenses) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors bondholders, and high levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balances - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Board or by an official or body to which the Village Board delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Village would typically use restricted fund balances first, followed by committed resources, then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Use of Estimates

The Village prepares its financial statements in accordance with generally accepted accounting principles which require the use of estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Compensated Absences

Village employees are entitled to certain compensated absences based on their length of employment. Compensated absences are earned at the beginning of the employees's annual employment anniversary. Vacation time does not accumulated from year to year. Unused vacation is forfeited.

NOTE 2 - CASH AND INVESTMENTS

Certain funds maintain their uninvested cash balances in common checking accounts, with accounting records being maintained to show the portion of the common bank account balance attributed to each particular fund. The Village is allowed to invest in securities as authorized by the Illinois Revised Statutes. The following is a summary of cash and investments at April 30, 2024:

A. Deposits

As of April 30, 2024, the carrying amount of the Village's deposits was \$756,613; the bank balance was \$766,341.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As of April 30, 2024, \$-0- of the Village's bank balance of \$766,341 was exposed to custodial risk.

Insured	\$ 250,000
Securities Pledged to the Village	<u>516,341</u>
	<u>\$ 766,341</u>

B. Investments

The Village maintains CD's with Vermilion Valley Bank. The value of these CD's at April 30, 2024 was \$459,539.

The Village's investments are entirely insured or guaranteed by the U.S. Government. The Village has no policy for interest rate risk. The Village has invested in instruments that have fixed rates.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at April 30, 2024 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 130,016
General	Motor Fuel Tax	47,718

The outstanding balance resulted from expenses of the Water Fund and Motor Fuel Tax Fund that were paid by the General Fund in a prior year.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2024 was as follows:

A. General Fixed Assets

General Fixed Assets activity for the year ended April 30, 2024 was as follows:

	Balance 5/01/23	Additions	Deletions	Balance 4/30/24
Land	\$ 213,333	\$ -0-	\$ 143,047	\$ 70,286
Buildings	92,656	1,500	-0-	94,156
Equipment	180,640	16,548	-0-	197,188
Improvements	297,712	14,425	-0-	312,137
Total	<u>\$ 784,341</u>	<u>\$ 32,473</u>	<u>\$ 143,047</u>	<u>\$ 673,767</u>

B. Capital Assets - Enterprise

Capital assets activity for the year ended April 30, 2024 was as follows:

	Balance 05/01/23	Additions	Deletion	Balance 04/30/24
Land	\$ 10,000	\$ -0-	\$ -0-	\$ 10,000
Property and Equipment	1,698,840	1,568,312	-0-	3,267,152
Accum. Depreciation	<u>(1,121,090)</u>	<u>(52,135)</u>	-0-	<u>(1,173,225)</u>
Net Book Value	<u>\$ 587,750</u>	<u>\$ 1,516,177</u>	<u>\$ -0-</u>	<u>\$ 2,103,927</u>

NOTE 5 - PROPERTY TAX

Property taxes attach as an enforceable lien on January 1. Taxes are levied on the second Tuesday of September and payable in two installments on the following June 1 and September 1. Taxes are levied for the fiscal year in progress although the taxes are not received in time to finance that year. The intention of the Village is to finance the subsequent fiscal year and the Village budgets accordingly. The Village Board adopted the Tax Levy ordinance on November 28, 2023. Collection amounts are given to the taxing body in July, September and November.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 6 - SEGMENT INFORMATION FOR PROPRIETARY FUNDS

	<u>Water Fund</u>	<u>Total</u>
Operating Receipts	\$ 184,183	\$ 184,183
Operating Income/ Loss	\$ (22,055)	\$ (22,055)
Net Income (Loss)	\$ 1,471,218	\$ 1,471,218
Total Equity	<u>\$ 2,338,382</u>	<u>\$ 2,338,382</u>

NOTE 7 - ADDITIONAL DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds including:

- a. Segment information for certain individual Proprietary Funds. This requirement is met by Note 6.
- b. Interfund receivable and payable balances. This requirement is met by Note 3.

NOTE 8 - ACCUMULATED UNPAID VACATION AND SICK PAY

The liability of the Village for accumulated vacation has not been recorded in the General Long-Term Account Group.

No liability is recorded in governmental funds since the current portion of the liability is not considered significant, nor can it be reasonably estimated.

NOTE 9 - 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; and natural disasters. The government manages these risks by securing commercial insurance. Management believes that such insurance coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 10 - LITIGATION

As of April 30, 2024, the Village was not involved in any pending litigation.

Village of Cullom
Notes to the Financial Statements
As of and for the Year Ended April 30, 2024

NOTE 11 - BUDGETING COMPLIANCE

The budget was approved by the Village on July 25, 2023. The Village operated within budgetary limits in all funds for the year ended April 30, 2024 except the General Fund which was over-expended by \$22,101.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 13, 2025, which is the date the financial statements were available to be issued. Nothing has occurred that would require recognition or disclosure.

NOTE 13 - AMERICAN RESCUE FUNDS

The Village is to receive APRA funds in the amount of \$70,962. They received funds in the amount \$35,518 during the fiscal year April 30, 2022. The Village received additional funds in the amount of \$35,518 during the fiscal year ended April 30, 2023.

NOTE 14 - ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

The Village has received a reservation of loan funds in the amount of \$2,006,900 from the Illinois Environmental Protection Agency. The Village has received funds in the amount of \$1,702,710 from this loan. They will receive another \$304,190 and once that is received, they will begin repaying the loan.